

RESOLUTION 18-45

A RESOLUTION ESTABLISHING GUIDELINES FOR CAPITALIZING CAPITAL ASSETS

WHEREAS, The New Mexico Audit Act, NMSA 1978, § 12-6-10, as implemented by NMAC 2.2.10.W, requires that the City annually inventory its moveable chattels and equipment ("Capital Assets") that cost more than \$5,000.00;

WHEREAS, the City is required by NMAC 2.2.10.W to capitalize those Capital Assets having a value greater than \$5,000.00; and

WHEREAS, NMAC 2.2.10.W further directs the City to maintain a capitalization policy that complies with the law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS THE GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, that:

1. The City shall maintain a list of all Capital Assets costing more than \$5,000.00 and under the control of the City, which shall include the date and cost of acquisition of each Capital Asset.
2. Capital Assets costing more than \$5,000.00 shall be capitalized on the books of the City according to generally accepted accounting principles.
3. The Director of Finance, or designee (the "Director"), shall conduct an annual physical inventory of Capital Assets on the inventory list at the end of each fiscal year.
4. Upon completion of the inventory, the Director shall certify the correctness of the inventory list after the physical inventory.
5. The Director shall provide the inventory list and certification to the City's Independent Public Accountant for audit.

PASSED, ADOPTED, SIGNED and APPROVED the 12th day of July, 2018.


Dennis Kintigh, Mayor


ATTEST:

Sharon Coll, City Clerk