

# Development Authority of the North Country Governance Policies

Subject: **Asset Management Policy**

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# **Asset Management Policy**

## **1.0 Introduction**

The Authority possesses assets to enable the delivery of services to their customers. These services include materials management, water quality, telecommunications, engineering and regional development. These assets are critical for the protection of public health, the environment and economic stability of the region. The Authority also possesses other 'corporate infrastructure' assets which are utilized by the organization to administer, manage and support the services provided by the Authority to municipal customers. As a NYS Public Authority, the Authority has a fiscal responsibility to properly manage our assets while providing the best service within the surrounding communities in which we serve.

Asset Management is a broad term that encompasses all the various actions that the Authority undertakes to ensure that its assets are efficiently planned, delivered, managed and reviewed in a cost effective, sustainable manner. Asset Management is a core activity of the Authority and every employee is either directly or indirectly involved in the management of the Authority's assets.

The policy is issued by the Board of Directors. Development of procedures and implementation of the policy is the responsibility of the Executive Director and the Director of Information Systems.

## **2.0 Purpose**

This policy sets the vision, outlines the fundamental principles and assigns general responsibilities for how the Development Authority of the North Country will manage its assets. It will also serve as an aid in the development of asset management and budget planning.

## **3.0 Vision**

The Development Authority of the North Country's vision for asset management is to meet our stakeholder and customer needs by managing our assets in a cost effective, sustainable, and transparent manner while sharing a culture of knowledge internally and externally in order to reduce duplication of effort within the Authority and across the sectors in which we serve.

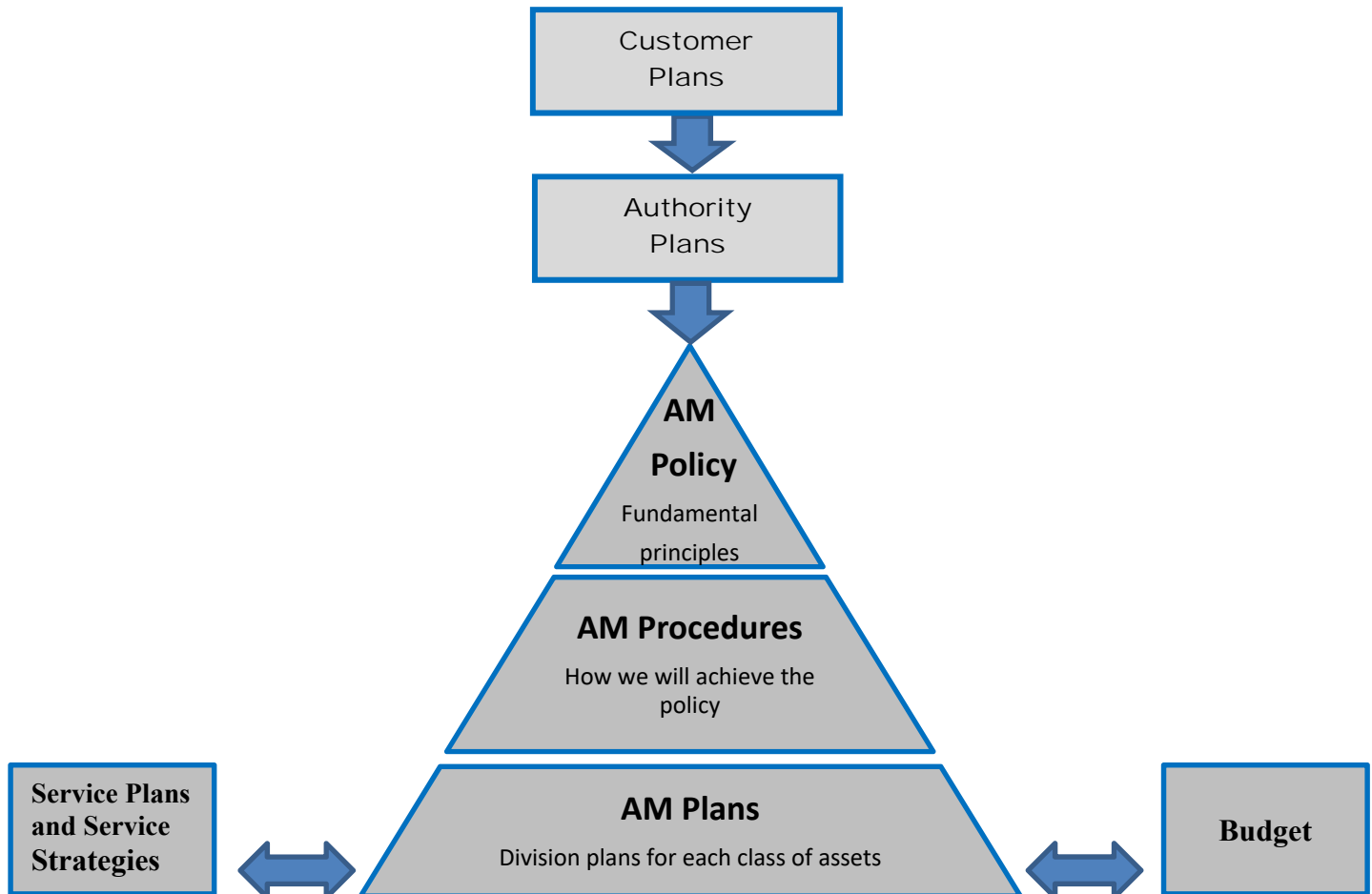
## **4.0 Scope**

This policy applies to the acquisition, operation, use, maintenance and rehabilitation of Authority owned assets. The disposal of assets is covered under the Disposition of Real Property Policy.

## 5.0 Asset Management Framework

The framework below represents the relationship between the various elements of the asset management process and shall be used as a guide in understanding the relationship between the overall Authority Plans and the Asset Management Plans.

### Asset Management (AM) Framework



## **6.0 Policy Principles**

- 6.1** When assets are planned, acquired, renewed, upgraded or divested/decommissioned, customer needs shall be considered.
- 6.2** The Authority's Asset Management activities will be based on applicable policies, plans and strategies of the Authority while understanding the service needs of the customer and the availability of resources.
- 6.3** Risk associated with the ownership and operation of the Authority's assets should be understood, with plans in place to address and respond to the elimination or mitigation of those risks, as part of the asset management activities.
- 6.4** The Authority will own and operate assets in a manner that ensures long term sustainability while providing a safe and healthy environment.

## **7.0 Asset Operations and Maintenance**

- 7.1** The Authority will ensure that the optimum life cycle is achieved by properly maintaining assets.
- 7.2** The Authority shall have planned maintenance regimens in place to ensure assets meet their design lives in the most cost effective manner.
- 7.3** Maintenance plans will be designed using the best available analysis techniques, as appropriate, and shall incorporate a cost/benefit approach.
- 7.4** Information shall be captured within the Authority's information systems to assist in the analysis of current and future asset management activities.
- 7.5** The Authority will act to maximize the utilization/capacity of its assets where appropriate.
- 7.6** The Authority will ensure that the assets are used in a manner deemed proper.

## **8.0 Financial Responsibilities**

- 8.1** The Authority will capitalize assets over \$10,000 with a useful life of over one year.
- 8.2** Assets will be valued in accordance with accepted accounting principles.
- 8.3** Effective economic lives will be assigned to each asset grouping with the written down and/or depreciated value determined based on accepted accounting principles.
- 8.4** The appropriate level of insurance will be maintained for the Authority assets.

## **9.0 Inventory Control**

- 9.1** The Authority will maintain an asset software system that will contain assets by division with a value over \$500 at a minimum. Information contained in the software will include a picture of the asset (where applicable), area which it primarily resides, a description of the item, approximate date of purchase, approximate price and/or appraised value (if known). The life expectancy should be based on the category of the asset and previous knowledge of like items. Adjustments to the life expectancy should be made as necessary, but at a minimum be reviewed periodically for accuracy. Any pertinent

information pertaining to the asset should be housed in the asset software system or other appropriate systems decided upon by the Authority.

- 9.2 Compliance shall track the capital assets of the Authority for accuracy and usefulness by performing audits.
- 9.3 The Asset Management Committee will set the detailed procedures for capital asset management. These procedures should be in writing and be available to those involved in the control and inventory of assets.
- 9.4 Division Managers are designated as division custodians that may appoint someone to act on behalf of them to ensure control over the divisions assets. The Division Manager or their designee(s) will ensure assets are recorded, maintained, used and accounted for in the proper manner.
- 9.5 To maintain the accuracy and completeness of assets, Division Managers or their designee(s) shall conduct periodic inventory counts. The results of these counts shall be compared to detailed inventory records. Appropriate adjustments should be made and a list of such adjustments submitted to the Comptroller.
- 9.6 The Division Managers will determine what assets need markings, tags and/or identification numbers in order to properly identify the asset as Authority owned. Such identification methods will be used to deter theft, add protection and/or quickly identify the asset.
- 9.7 The Authority may restrict access to assets in order to establish individual or group accountability. Only those employees with a functional need will be provided access.

## **10.0 Risk Management and Planning**

- 10.1 Staff directly responsible for activities associated with the management of assets shall take appropriate measures to ensure risk assessment practices are applied. This includes risks pertaining to the Authority's information systems housing asset information.
- 10.2 Division Managers will periodically assess their overall asset risks and determine the most appropriate strategies to manage these risks.
- 10.3 An Asset Management Plan will be developed by considering risks, lifecycles, strategies, customer needs and safety and environmental responsibilities.
- 10.4 Asset Management Plans will be used as input when determining short and long term financial needs.