

BOROUGH OF FANWOOD, UNION COUNTY, NEW JERSEY

ORDINANCE: O-2022-06-R

AN ORDINANCE AMENDING CHAPTER 9: CLAIMS APPROVAL AND PAYMENT REGULATING FIXED ASSETS AND NONEXPENDABLE TANGIBLE PERSONAL PROPERTY OF THE CODE OF THE BOROUGH OF FANWOOD, COUNTY OF UNION, AND STATE OF NEW JERSEY

WHEREAS, all local units shall have and maintain a fixed assets accounting and reporting system that establishes and maintains a physical inventory of fixed assets of nonexpendable, tangible property; and

WHEREAS, local units shall have a fixed assets system that places a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets shall be valued on the basis of actual cost, the basis of which shall be disclosed in the local unit's annual financial statement; and

WHEREAS, the minimum threshold for "nonexpendable tangible personal property" as defined in N.J.A.C. 5:30-5.6 "Accounting for Governmental Fixed Assets" - was increased from \$1,000.00 to \$5,000.00 for both municipalities and Counties in Local Finance Notice CFO-96-13 effective January 1, 1997; and

WHEREAS, Local Finance Notice CFO 96-13 also increased the useful life of all nonexpendable, tangible personal property from at least one (1) year to at least five (5) years.

NOW THEREFORE BE IT ORDAINED, by the Mayor and Council of the Borough of Fanwood, in the County of Union, State of New Jersey, as follows:

Chapter 9 is hereby amended to read:

Section 1. "Chapter 9: Claims Approval and Payment, § 9-7. Fixed assets and nonexpendable tangible personal property

- A. The Governing Body does hereby increase the fixed asset limit defined by CFO 96-13 and N.J.A.C. 5:30-5.6 from \$1,000 to \$3,000.
- B. Pursuant to CFO 96-13, the useful life of all nonexpendable, tangible personal property is hereby increased from at least one year to at least five years.
- C. All fixed assets having a value greater than that allowed by the rules promulgated by the Director of the Division of Local Government Services shall be assigned a fixed asset number.
- D. The Borough Administrator shall cause a physical inventory to be completed by each Department and office of their fixed assets on an annual basis beginning in 2022. Each department and office shall have sixty (60) days to complete the physical inventory. The department's new inventory list shall be reconciled by the department with the existing fixed asset list for that department. The department head shall forward a list

of additions or deletions to Administration. Any request for additions or deletions shall be made in writing to the Borough Administrator.

- E. The Borough Administrator may at any time request from all departments, reports showing stocks of required and usable supplies on hand and stocks and supplies on hand which are no longer needed, obsolete, worn out or to be scrapped.
- F. The Borough Administrator shall have the authority to transfer surplus usable stocks to other using departments.
- G. When supplies and/or equipment have been designated by resolution of the Governing Body as no longer needed for public use, the Borough Administrator shall, whichever is in the best interest of the township, either sell the unneeded supplies or equipment in the manner prescribed by the Local Public Contracts Law or exchange or trade in the unneeded items in the process of purchasing new, like or replacement items. Sales under this section shall be made to the highest responsible bidder. A record of each sale shall be made and placed on file in the Administration office.
- H. The sale of property to another contracting unit or to any body politic need not be advertised for bids; however, the Governing Body must adopt an authorizing resolution to allow such sale to be made.

Section 2. All Ordinances or parts of Ordinances inconsistent herewith are hereby repealed.

Section 3. If any section, subsection, sentence, clause, phrase, or a portion of this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed severable, separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

Section 4. This Ordinance shall become effective after second reading and publication as required by law.

BE IT FURTHER ORDAINED this section of Chapter 9 shall take effect as provided by law.

Introduced: May 16, 2022

Adopted: June 20, 2022

Colleen Mahr, Mayor

Attest: _____
Kathleen Holmes, Clerk