

RESOLUTION NO. 2024-019

A RESOLUTION OF THE CITY COUNCIL OF BANDERA AUTHORIZING AND APPROVING THE ADOPTION OF AN INVENTORY POLICY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council is responsible for creating and maintaining a complete and accurate list of system inventory for the District; and

WHEREAS, the City Council finds that items that are consumed or used within a short period of time, are not intended for resale, or do not meet the threshold for capitalization as defined by the Generally Accepted Accounting Principles need not be reflected on a per item system inventory report; and,

WHEREAS, City staff have created an inventory policy to account for the immediate expensing of items at the time of purchase; and

WHEREAS, the City Council has reviewed and determined that the attached inventory policy should be utilized by the City as the policy for inventorying items in the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA THAT:

Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 2. The City Council authorizes and approves the attached Exhibit A as the inventory policy for the City of Bandera.

Section 3. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED this ____ day of _____ 2024.

Rebeca Gibson, Mayor

ATTEST:

Jill Shelton, City Secretary

EXHIBIT A

Immediate Expensing of Inventory Policy

Objective: This policy outlines the guidelines for expensing inventory as soon as it is purchased, rather than tracking it as inventory on the balance sheet.

Scope: This policy applies to all inventory purchases made by City of Bandera.

Policy:

1. **Immediate Expense Recognition:** All inventory purchases shall be expensed immediately upon acquisition. The cost of inventory, including purchase price, freight, handling, and any other directly attributable costs, shall be recognized as an expense in the period in which the inventory is acquired.
2. **Types of Inventories:** This policy applies to all types of inventories procured by the municipality, including but not limited to office supplies, maintenance materials, spare parts, and other consumables necessary for the operation of municipal services.
3. **Threshold:** There is no minimum threshold for immediate expense. All inventory purchases, regardless of value, shall be expensed immediately.
4. **Documentation:** Adequate documentation shall be maintained for all inventory purchases, including invoices, receipts, and other supporting documents. This documentation should be retained in accordance with the city's record-keeping policies.
5. **Consistency:** The immediate expensing of inventory shall be applied consistently across all departments and functions of the municipality to ensure uniformity and transparency in financial reporting.
6. **Compliance:** This policy shall comply with relevant accounting standards and guidelines applicable to municipal accounting practices, including any regulations set forth by the municipal accounting board or regulatory authorities.
7. **Review and Updates:** This policy shall be periodically reviewed by the finance department or designated authority to assess its effectiveness and relevance. Any updates or revisions to the policy shall be approved by the City Council before implementation.

Responsibilities:

- **Finance Department:** Responsible for implementing and enforcing this policy, ensuring compliance with accounting standards, and overseeing proper documentation of inventory purchases.
- **Department Heads:** Responsible for adhering to this policy within their respective departments, including procuring inventory in accordance with the policy guidelines and providing necessary documentation for expense recognition.