



Town of Londonderry, New Hampshire

Administrative Policies and Procedures

Policy Title: Asset Management

Policy Number: ADM-135

Original Adoption Date: March 4, 2026

Revision Date:

Approved by: Town Manager

Signed by:

Shawn Mulholland

82BB7E423858440...

Section 1.0: Purpose

This policy provides direction for the management and control of property owned by or in the custody of the Town of Londonderry. The policy provides procedures to meet the responsibilities of federal and state grant requirements relative to property purchased through grants or surplus distribution to the Town. The policy details the procedures to determine if Town property other than land and buildings is surplus to the needs of the Town. Surplus property may be disposed of in accordance with the procedures detailed in this policy.

Section 2.0: Scope

This policy applies to all departments, divisions, boards, committees, and commissions of the Town.

Section 3.0: Definitions

The following definitions apply to this Policy:

Assets – Property that is owned by the Town that has been acquired during the course of business, which includes but is not limited to vehicles, equipment, machinery, supplies, materials, office equipment, furniture, computer equipment, etc.

Capital Assets – The term capital assets includes land, improvements to land, easements, buildings, building improvements, infrastructure, vehicles, machinery, equipment, works of art and historical treasures, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one year and valued at \$10,000 or more.

Infrastructure – Roadway systems, bridges, tunnels, sidewalks, water treatment and distribution systems, sewer treatment and collection systems, stormwater systems, traffic signal systems, fiberoptic systems, greenways, athletic fields and related facilities, and other long-lived systems.

Small Assets – Non-capitalized items that are particularly at risk or vulnerable to loss, theft or misuse. These assets last longer than a year, are mobile and might be easily replaced through a procurement system without raising suspicion. Departments have discretion in defining small assets; however, departments must include, at a minimum, the following assets with unit costs of \$500 or more as small assets: handheld radios and other electronics; optical devices; cameras and photographic projection equipment; computers, laptops, tablets and cellphones (tagged and inventoried by IT/Cyber Services);

other data processing accessory equipment and components; office equipment; shop tools and Public Works power equipment; and other items deemed vulnerable based on a departmental risk assessment.

Surplus Property – Assets belonging to the Town of Londonderry other than land or permanent buildings that are no longer needed by the Town. This includes vehicles, equipment, machinery, supplies, office equipment, furniture, computer equipment, etc.

Section 4.0: Policy Detail

4.1 Asset Management – The Town has adopted an asset management system to serve several purposes:

1. Create an inventory of the Town's capital assets.
2. Maintain a history of activities related to a particular asset.
3. Create a work and inspection schedule for capital assets.
4. Develop metrics for labor and cost relative to maintenance and inspection of capital assets.

4.2 Surplus Town Property – Assets determined to be surplus to the needs of the Town may be disposed of as detailed in the procedures below. The goal is to extend the value of the surplus assets. If particular assets have a trade in value they may be disposed of by trade in to reduce the cost of purchasing new assets. Assets may also be sold by various means to recover monetary value for the asset to produce revenue for the Town.

Section 5.0: Procedures

5.1 Department Responsibilities

Departments are responsible for protecting and controlling the use of Town assets assigned to their department. The Department Head must designate one or more Department Inventory Officers to be responsible for maintaining and safeguarding the department's capital assets and small assets.

Any time a capital asset is purchased, surplus, sold, or transferred to another department, the Department Inventory Officer will complete an Asset Management form and submit it to the Asset Manager (DPW) with the related documentation. DPW will maintain a complete list of all capital assets in the asset management software system.

Each department has discretion in determining what is operationally appropriate for designation as a small and attractive asset. They will identify small and attractive assets based on a risk assessment. Small assets deemed vulnerable to loss will be recorded on the Small Assets Record form and tracked by the individual departments or entered into the asset management software. Each department is responsible to maintain their small assets list and to conduct annual inventory or spot checks.

5.2 Depreciation/Appreciation of Capital Assets

The Finance Department will determine the depreciated/appreciated value of capital assets on an annual basis in accordance with applicable standards. This includes the determination of initial value, salvage value, depreciation schedule and useful life of an asset for the purposes of determining the monetary value of the asset.

5.2.1 Improvements and Repairs to Capital Assets

Routine repair and maintenance costs should be expensed as they are incurred and not factored into depreciation/appreciation calculations. Major repairs should be capitalized if they result in betterments/improvements. When the cost of improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation/appreciation calculations for future periods will be revised based on the new book value and the new estimated remaining useful life. No adjustment will be made to prior periods.

5.3 Capital Asset Inventory

5.3.1 Additions

The Town acquires property via purchase, construction, grant, donation, or lease. When a capital asset is purchased, the department will send a copy of the invoice to the Asset Manager. The Asset Manager will identify those assets that meet the capitalization requirements and assign a unique inventory control number to the asset.

Departments are encouraged to use Town issued inventory tags whenever feasible. Each piece of property may be affixed with an inventory ID tag identifying the asset as the property of the Town of Londonderry and including the Town identification number. Tags shall be removed or obliterated only when the item is sold, scrapped, or otherwise disposed of.

Occasionally, it will be impractical or impossible to mark some inventorial capital assets according to these standards. For example, do not tag if the asset: (1) is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, and improvements); (2) has a unique permanent serial number that can be used for identification, security and inventory control (such as vehicles); (3) would lose significant historical or resale value by being tagged; or (4) would have its warranty negatively impacted by being permanently marked. In these cases, the department is to apply alternative procedures to inventory and identify such assets.

5.3.2 Deletions

Asset deletion may be required due to the sale of the asset, scrapping, lost or stolen items, or destruction (fire, flood, etc.). See procedures for disposal of surplus assets in Section 5.5.

5.3.2.1 Lost or Stolen Property

When suspected or known losses of assets occur, departments should conduct a search for the missing property. If the missing property is not found: notify the inventory control officer and department head; report lost or stolen capital assets to the Londonderry Police Department and file a police report; notify

the Asset Manager and submit a copy of the police report; complete and sign an Asset Disposition form; and the Asset Manager will remove the lost or stolen property from the inventory and asset management database.

5.3.2.2 Transfers

Transfers of property between departments, individuals within a department or funds may occur. The original controlling department is accountable for all assets in its inventory and for initiating a notice of transfer. The department transferring the asset must complete an Asset Disposition form and submit the form to the Asset Manager. The Asset Manager will reassign the asset in the asset management system, if applicable.

5.3.3 Valuation of Capital Assets

Capital assets shall be valued at cost, including any ancillary charges necessary to place the asset in its intended location and condition for use. Values will be determined for purchased assets, land, equipment, infrastructure, self-constructed assets, construction in progress, and donated assets consistent with generally accepted accounting principles. Values will be determined as follows:

Purchased Assets

Historical costs and all appropriate ancillary costs less any discounts or rebates. If the historical cost is not practicably determinable, estimated cost may be used.

Land

The capitalized value of land includes the purchase price plus costs such as legal fees, environmental assessments. If land is acquired by gift, the capitalized value will reflect its appraised or fair market value at the time of acquisition. Included in this category are right-of-ways and easements that provide access to Town-owned land. Excluded are "temporary easements" acquired to facilitate maintenance of public infrastructures or used for road right-of-way.

Equipment

Furniture, fixtures, or other equipment should be classified as equipment. Since they are not an integral part of a building, they are not considered capital improvements. The cost for this asset type should reflect the actual or estimated cost of the asset, including the cost of an extended maintenance/warranty contract if the contract is purchased at the same time (or soon thereafter) as the capital asset.

Infrastructure

In accordance with the Governmental Accounting Standards Board Statement Number 34, acquisitions of capital assets defined as infrastructure which meet the Town's capitalization policy are to be capitalized.

Self-Constructed Assets

All direct costs associated with construction and management costs associated with a construction project will be capitalized.

Construction in Progress

Construction in Progress will be closed out and the costs capitalized when a project is substantially complete, accepted, and placed into service. Depreciation will not be applied to construction in progress.

Donated Assets

Donated assets will be recorded at the fair market value at the time of acquisition plus all appropriate ancillary costs. If the fair market value is not determinable due to lack of sufficient records, estimated cost will be used. If the donation is cash to be used in conjunction with the construction of a specific asset, the donation is reported as revenue; however, if a capital asset is donated it should be recognized as a capital contribution.

Improvement, Repair and/or Maintenance Expenditures

Routine repair and maintenance costs should be expensed as they are incurred. Major repairs should be capitalized if they result in betterments/improvements. A difficulty arises in the case of capital outlays that are partly replacements and partly betterments/improvements. To the extent that the project replaces the old part of a capital asset, outlays should not be capitalized; and to the extent that the project is betterment/improvement, outlays should be capitalized. When the distinction between replacement and betterment/improvement is not easily determinable, the Town should expense the entire cost of the project. When the cost of the improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation charges for future periods should be revised based on new book value and the new estimated useful life of the asset. No adjustment should be made to prior periods.

Replacements

For building, improvements other than buildings and equipment the cost of outlays that replace a part of another capital asset will be capitalized when the cost of the replacement is \$5,000 or more and at least 10 percent of the total replacement value of the asset, or \$100,000, whichever is less.

Example: A \$9,000 replacement of a heating boiler in a building having a replacement value of \$120,000 would not be capitalized. In this case \$9,000 is not at least 10 percent of the building's replacement value. Had the building's replacement value been less than \$90,000, the \$9,000 boiler replacement would have been capitalized. 1. Improvement cost exceeds \$5,000 2. Building cost is greater than \$100,000 3. Improvement is < 10% of replacement

Exceptions

- Replacement roof coverings are not capitalized unless the replacement extends the useful life of the building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use, where the remodeling does not extend the useful life of the structure itself, are not capitalized.

After replacing a part of another asset, the capitalized value and the associated accumulated depreciation of the replaced item will be removed from the accounting records, and the costs of the replacement will be capitalized.

In the case of capital outlays that are partly replacements and partly betterments/improvements, to the extent that the project replaces the "old" part of a capital asset, outlays will not be capitalized; and to the extent that the project is betterment/improvement, outlays will be capitalized. When the distinction between replacement and betterment/improvement is not easily determinable, the Town will expense the entire cost of the project. When the cost of improvement is substantial or where there is a change in the estimated useful life of an asset, depreciation charges for future periods will be revised based on the new book value and the new estimated remaining useful life.

Ancillary Costs

Normally, ancillary costs will be included in the cost of a capital asset. However, minor ancillary costs not measurable at the time a capital asset is recorded are not required to be capitalized.

Ancillary costs for Land include:

- Legal and title fees;
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

Ancillary costs for Infrastructure include:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Survey fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

Ancillary costs for Buildings and Building Improvements include:

- Professional fees of architects, engineers, attorneys, appraisers, etc.;
- Damage payments;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums, interest, and related costs incurred during construction; and
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For furnishings, equipment, or other capital assets:

- Transportation charges,

- Installation costs; and
- Extended maintenance/warranty contracts or any other normal or necessary costs required to place the asset in its intended location and condition for use.

Depreciation of Capital Assets

The following shall be considered when recording depreciation:

- 1) Except for land, right of way, construction in progress, and artwork, all capital assets will be depreciated.
- 2) Scrap value will be ignored in establishing the amount to depreciate.
- 3) Depreciation will be based on a reasonable estimate of expected useful life; that is, the number of years, miles, service hours, etc., that the Town expects to use that asset in operations. An asset that is surplus or that is held for possible future use is an investment and will not be depreciated.
- 4) Depreciation will be calculated using the straight-line method. In straight-line depreciation, the cost of the asset is pro-rated over the estimated useful life of the asset.
- 5) Depreciation will be based on the entire cost of the asset, including any amounts contributed or donated.
- 6) Depreciation charges will be made for each full calendar month that an asset is in service.
- 7) If it is determined that there is a need to revise the expected useful life of an asset, any such change will be applied prospectively; that is, the rate will be recalculated based on the remaining useful life at the time of the revision, and the new rate will be applied in the present and future accounting periods.
- 8) No changes will be made to financial records of previous years for revised estimates.
- 9) Depreciation will generally begin when an asset is purchased or completed. However, if it is not placed into service immediately, depreciation should begin when the asset is placed into service or otherwise begins to lose value.
- 10) Pursuant to generally accepted accounting principles (GAAP), depreciation is recognized as an expense for financial reporting purposes in individual enterprise funds. The Town's enterprise funds consist of the Sewer Fund only right now. Depreciation expense is not recognized as an expense for financial reporting purposes in the Town's other funds.
- 11) Furthermore, pursuant to GAAP, the Town's government-wide financial statements consisting of the Statement of Net Position and the Statement of Activities do record depreciation expense and accumulated depreciation for the Town as a whole subject to the Modified Approach discussed next.
- 12) The Town will utilize the Modified Approach to Infrastructure Reporting GAAP permit a government to forego reporting depreciation in connection with certain infrastructure that the government has made a commitment to maintain in a certain condition. The Town will use the modified approach for the following infrastructure;
 1. Roadways and related roadway systems to include stormwater systems.
 2. The sewer collection system.

The Town utilizes a Pavement Management Program to monitor pavement condition and has elected not to depreciate streets. In order to comply with the modified approach the following will need to occur;

1. The inventory of these assets must be kept current including repairs, upgrades and replacement.
2. A condition assessment must occur at least once every five years and,
3. Documentation in the asset management system that the respective assets are operational at a designated condition level established by the Town. In the case of roadway surfaces we will use the PCI or Pavement Condition Index.

Useful Life Schedule for Capital Assets

Assets will be depreciated over their estimated useful life as specified in the Useful Life Schedule provided in Attachment A.

5.4 Maintenance, Work and Inspection Program

The asset management database shall be used to develop work and maintenance schedules as well as inspection schedules for Town assets. Staff conducting maintenance or inspection on an asset shall update the asset management database detailing the work that was completed.

5.5 Procedures to Dispose of Surplus Assets

When a department determines that it no longer has a need for a Town asset it may initiate the process to deem the asset surplus and dispose of that asset. The process is as follows:

- (1) Department Head determines the asset is no longer needed;
- (2) Evaluate trade-in;
- (3) Determine whether the asset has value to another department;
- (4) Notify other departments and allow fifteen (15) days to respond for transfer;
- (5) Sell by auction, bid, or other approved methods;
- (6) Town Manager approval is required to deem assets surplus; and
- (7) Construction and residual materials are Town assets and must be reused or stored securely when feasible. Roadway and other infrastructure projects or maintenance activities that result in materials derived by the work must be reused when possible. This would include but is not limited to gravel, loam, aggregate, reclaimed asphalt and related materials. These materials should be reused on other projects or stored securely for use in future Town projects. Contracts should include language relative to the protection and delivery to the appropriate location of these assets by the contractor on any given project.

Section 6.0: References

1. Accounting for Capital Assets, Government Finance Officers Association (GFOA), 2023 (or current edition).

- 2. Asset Management Handbook & Toolkit, NH Department of Environmental Services (NH DES), November 2021.
- 3. City of Lebanon, NH, ADM-145 Asset Management Policy (reference model).

Section 7.0: Policy & Procedure Revision History

Original Adoption Date: March 4, 2026		
Section	Description of Revision	Date
	Formerly Title VI-Financial Management Policy Chapter XVII, Section VIII	8/13/18

Appendix A: Schedule of Projected Useful Life of the Asset

This schedule is intended as a guideline for use under normal circumstances. If there are circumstances that justify assigning a useful life other than those listed here, the department shall contact the Finance Department for assistance.

Land (Including shorelands, tidelands, harbor areas) Not Calculated

Construction In Progress Not Calculated

Art Collections, Museum and Historical Collections Not Calculated

Infrastructure

Streets 30 Years

Overlays 15Years

Chip Seals 5 Years

Sidewalks 30 Years

Bridges 50 Years

Street Lights 15 Years

Storm Drainage 30 Years

Detention Ponds 50 Years

Crossing Signals 15 Years

Buildings/Components 50 Years

Motor Vehicles, Trailers, and Cycles

Passenger Automobiles 10 Years

Trucks 10 Years

Trailers, Cargo and Utility 15 Years

Police Cruiser 3 Years Police Motorcycle 3 Years

Pumper 20 Years

Ladder Truck 20 years Ambulance 7 Years

Dump Truck 10 Years

Sweeper 15 Years

Tractors 10 Years

Engines, Turbines, and Components 5 Years

Mechanically Powered Transmission Equipment 5 Years

Torque Converters

Gears, Pulleys, and Sprockets

Power Transmission Equipment

Hydraulic System Components

Tools and Attachments for Woodworking Machinery

Metalworking Machinery and Welding Equipment 10 Years

Construction, Mining, and Highway Maintenance Equipment 10 Years

Earth Moving and Excavating Equipment

Cranes and Crane Shovels, Equipment

Mining, Quarrying, and Rock Drilling Equipment

Rock Crushing Equipment

Road Clearing and Cleaning Equipment

Traffic Safety Devices

Pavement Marking Equipment and Accessories

Weed Burners and Brush Control Equipment

Pumps and Compressors 5 Years

Compressors, Mounted and Unmounted

Power and Hand Pumps

Centrifugals, Separators, and Pressure and

Vacuum Filters

Furnaces, Steam Plants, Driers, and Air Purification Equipment 13 Years

Industrial Boilers

Heat Exchangers and Steam Condensers

Industrial Furnaces, Kilns, Lehrs, and Ovens

Driers, Dehydrators, and Anhydrators

Air Purification Equipment

Plumbing, Heating, and Sanitation Equipment 5 Years

Plumbing Fixtures and Accessories

Dispensers, All Types

Space Heaters

Water Heaters

Fuel Burning Units and Accessories

Water Purification and Sewage Treatment Equipment 5 Years

Water Purification Equipment

Water Distillation Equipment

Sewage Treatment Equipment

Specialized Maintenance and Repair Shop Equipment 10 Years

Motor Vehicle Maintenance and Repair Shop Equipment

Aircraft Maintenance and Repair Shop Equipment

Marine Maintenance and Repair Shop Specialized Equip.

Lubrication Equipment and Accessories

Fuel Dispensing Equipment and Accessories

Miscellaneous Maintenance and Repair Shop Equipment

Tool and Hardware Boxes

Measuring Tools and Gauges 10 Years

Measuring Tools, Craftsmen's

Inspection Gauges and Precision Layout Tools

Fiber Optics Materials, Components, Assemblies, and Accessories 5 Years

Electric Wire, Power, and Distribution Equipment, Batteries, and Generators 5 Years

Motors, Electrical

Electrical Control Equipment Switchgear, Servomechanisms, etc.

Generators and Generator Sets, Electrical

Solar, Thermal, and Power Equipment

Transformers, Distribution and Power Station

Converters, Electrical, Rotating

Converters, Electrical, Nonrotating

Batteries

Alarm and Signal Systems 10 Years

Traffic and Transit Signal Systems

Alarm and Signal Systems

Information Technology (IT) Equipment and Software 4 Years

Main Frame Computer Systems

Minicomputer Systems and Servers

Microcomputer Systems, Laptop and Notebook Computers

Front End Communications Processors

Data Processing Terminals

Data Communications Equipment (Multiplexors, Modems, Routers, Hubs, and Switches)

Input/Output and Storage Devices

Software

Plotters

Scanners

Data Displays

Monitors

Printers

Punched Card Equipment

Test and Monitor Equipment

Furniture, Fixtures, and Accessories 10 Years

Office Furniture, Desk, Chairs, etc.

Mail Room Furniture and Equipment

Furniture, Critical Environment (Prisons, etc.)

Furniture Fabrication and Repair Supplies

Cabinets, Lockers, Bins, and Shelving

Auditorium and Theater Furniture

Household and Commercial Furnishings and Appliances 7 Years

Awnings

Containers, Utility

Miscellaneous Household and Commercial Furnishings and

Appliances (Fireplace Sets, Hair Dryers, Washers Dryers,

Compactors, Sewing Machines, Irons, etc.)

Food Preparation and Serving Equipment 10 Years

Food Cooking, Baking, and Warming Equipment

Kitchen Equipment and Appliances

Kitchen Utensils

Vacuum Containers and Chests

Recreational and Athletic Equipment and Toys 5 Years

Athletic and Sporting Equipment

Playground Equipment

Signs 5 Years

Advertising Signs and Identification Plates

Highway Signs

Sign Making Machines and Accessories



Town of Londonderry, New Hampshire

268B Mammoth Road • Londonderry, NH 03053

(603) 432-1100 • londonderrynh.gov

Town Surplus Agreement

This Agreement is made on this day of , 20 , by and between the Town of Londonderry, New Hampshire ("Town") and ("Recipient").

1. Purpose

The purpose of this Agreement is to document the transfer of surplus supplies from the Town to the Recipient. The Town has determined that the listed items are no longer needed for municipal operations and are considered surplus property.

2. Description of Surplus Items

The surplus supplies covered under this Agreement include the following:

Item Description	Department of Origin	Quantity	Condition	Estimated Value
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(Attach additional pages if necessary.)

3. Terms of Transfer

- No Warranty – All items are provided "AS IS" with no warranties, express or implied, regarding condition, safety, or fitness for a particular purpose.
- No Cost – The Recipient acknowledges that the items are transferred at no cost and that no monetary compensation will be provided to the Town.
- Final Transfer – Upon execution of this Agreement, ownership of the items transfers to the Recipient, and the Town retains no further responsibility for them.

4. Liability Release

The Recipient agrees to release, indemnify, and hold harmless the Town of Londonderry, its officers, employees, and agents from any claims, liabilities, damages, or expenses arising out of or related to the use, possession, or disposal of the surplus items.

5. Compliance with Laws

The Recipient agrees to use and/or dispose of the surplus items in accordance with all applicable federal, state, and local laws and regulations.

6. Entire Agreement

This document constitutes the entire agreement between the parties concerning the surplus office supplies and supersedes any prior discussions or agreements.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Town of Londonderry, NH

Name:

Signature:

Title/Department:

Date:

Recipient

Name:

Signature:

Title/Position:

Organization:

Date:

