**Model Asset Management Policy Insert for:**

* **[Model Capital Program & Budget Policy](https://www.vlct.org/resource/model-municipal-financial-policies)**
* **[Model Debt Management Policy with Guidance](https://www.vlct.org/resource/model-municipal-financial-policies)**

**ASSET MANAGEMENT**
To strengthen the Town’s capital planning, the Town will incorporate basic asset management practices into its Capital Improvement Plan (CIP). Asset management ensures that capital assets are tracked, maintained, and replaced in a cost-effective manner and that capital planning decisions are based on accurate information about the Town’s infrastructure and equipment.

1. Inventory: The Town will maintain an inventory of all capital assets, including purchase date, cost, location, condition, and estimated useful life.
2. Depreciation and Lifecycle Costs: All capital assets (except land) will be assigned a useful life and considered in terms of their lifecycle costs, including acquisition, operation, maintenance, and replacement.
3. Condition Assessments: Departments will periodically assess the condition of capital assets (e.g., bridges, roads, vehicles, buildings) to identify needs for repair, replacement, or major maintenance.
4. Maintenance and Replacement: The CIP will include funding strategies for the maintenance and renewal of existing assets, not only new projects. Reserve funds may be used to smooth large expenses and reduce reliance on debt.
5. Reporting: At least once every three years, the Selectboard will receive a plain-language report on the condition of major capital assets, projected replacement needs, and funding levels.