



State of North Carolina
 Department of Public Safety/
 POLICY
 REQUIREMENTS & PROCEDURES

CONTROLLER

Division: ADMINISTRATION

Chapter: CONTROLLER

Policy: FIXED ASSETS

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
FORMS & POLICY TERMS.....	Page 5
PURPOSE	Page 6
GENERAL	Page 6
I. North Carolina Accounting System (NCAS) and the Fixed Asset System (FAS)	Page 6
II. Offender Population Unified System (OPUS)	Page 6
III. Separation of Duties	Page 6
FIXED ASSETS DEFINED	Page 7
I. Capitalized Assets	Page 8
II. Other Inventoried Assets	Page 8
III. Other Assets	Page 8
IV. Intangible Assets	Page 9
V. Libraries	Page 10
DETERMINING FIXED ASSET VALUE	Page 10
I. Historical Cost	Page 10
II. New Assets	Page 10

**DPS Controller Policy, Requirements, and Procedures Document
Fixed Assets**



<u>SECTION</u>	<u>PAGE</u>
III. Multiple Part Assets	Page 11
REAL PROPERTY	Page 12
I. Land	Page 12
II. Buildings and Structures	Page 12
ADDITIONS, RENOVATIONS, IMPROVEMENTS & MAINTENANCE	Page 16
I. Additions	Page 16
II. Renovations and Improvements	Page 17
III. Maintenance	Page 17
DONATED ASSETS	Page 18
I. Employee Restrictions	Page 18
II. Donor Restrictions	Page 19
III. Acceptance Concerns	Page 19
IV. Controller's Office Responsibility	Page 19
V. Donated Assets Valued Less than \$1,000	Page 19
VI. Donated Assets Valued From \$1,000 - \$4,999	Page 20
VII. Donated Assets Valued From \$5,000 - \$24,999	Page 21
VIII. Donated Assets Valued at \$25,000 and Above	Page 21
IX. Asset Value	Page 22
FIXED ASSET ACCOUNTABILITY	Page 22
I. Reporting Changes	Page 22
II. Suspense Action	Page 23

<u>SECTION</u>	<u>PAGE</u>
ASSET IDENTIFICATION LABELS	Page 24
I. General	Page 24
II. Tagging Assets	Page 24
III. Accuracy	Page 25
IV. Replacement	Page 25
PHYSICAL INVENTORY	Page 25
I. Annual Inventory	Page 25
II. Change of Command Inventory	Page 27
III. Facility/Location Closing	Page 28
MISSING AND STOLEN ASSETS	Page 28
I. Missing Asset Procedures	Page 29
II. Stolen Asset Reporting Procedures	Page 31
TRANSFERS AND LOCATION CHANGES.....	Page 32
I. Transfer Within the Department	Page 32
II. Transfer Outside the Department	Page 34
SURLUS PROPERTY	Page 34
I. Swap Shop	Page 34
II. Surplus Procedures	Page 35
III. Restrictions	Page 38
IV. Junk Property	Page 39
V. Scrap Metal	Page 40
VI. Enterprise Farm Commodities	Page 40

**DPS Controller Policy, Requirements, and Procedures Document
Fixed Assets**



<u>SECTION</u>	<u>PAGE</u>
FEDERAL SURPLUS PROPERTY	Page 41
I. Authorization	Page 41
II. Federal Restrictions	Page 42
III. Control Requirements	Page 42
SOLID WASTE REDUCTION (RECYCLE) PROGRAM	Page 42
I. General	Page 42
II. Establishing Program	Page 43
III. Recyclable Materials	Page 44
IV. Procedures	Page 44
V. Authorized Purchases	Page 45
FIXED ASSETS FUNDED BY GRANTS	Page 45
I. General	Page 45
II. Responsibility	Page 45
III. Management Standards	Page 45
IV. Accountability Standards	Page 46
APPENDIX A – OSC FIXED ASSET EXPENDITURE ACCOUNT CODES	Page 47

FIXED ASSET FORMS

Fixed Asset Input Form – DPS Form 260

Fixed Asset Action Form – CNTR 008

Donations Acceptance Form – CNTR 009

Transportation & Communication Equipment Transfer Form – TC-02

Missing/Stolen Asset Form – CNTR 013

State Property Incident Report – SBI-78

NC Federal Property Agency – Authorized Representatives – PC-FS-99

FIXED ASSET POLICY TERMS

NCAS – North Carolina Accounting System

FAS – Fixed Asset System (North Carolina Accounting System – Fixed Asset Module)

OPUS – Offender Population Unified System

SSP Tracking System – State Surplus Property Tracking System

PURPOSE

The purpose of this policy is to provide guidance in the acquisition, classification, control, maintenance, transfer, inventory, surplus and disposition of fixed assets within the North Carolina Department of Public Safety (Department). Additionally, guidance is provided for handling lost and stolen assets, and in establishing a solid waste reduction program (reuse and recycling).

GENERAL

- I. The North Carolina Accounting System (NCAS). The NCAS – Fixed Asset Module (FAS) is used by the Controller’s Office to record and track fixed assets within the Department of Public Safety. The Office of the State Controller (OSC) also has access to fixed asset information through NCAS. Fixed asset data is downloaded daily into the Offender Population Unified System (OPUS), for use by various locations of the Department.
 - II. The Offender Population Unified System (OPUS). Although individual locations cannot update or change fixed asset information in OPUS, they can obtain up-to-date information and reports regarding the fixed assets within their area of responsibility. Specific information regarding access to fixed asset data through OPUS is available in the Department’s OPUS User’s Guide for Fixed Assets.
 - III. Separation of Duties. Even though each Section/Location has its own unique operating structure, it is essential that the responsibility for accountability and control of fixed assets be separated and distributed among several individuals.
 - A. For the Department of Public Safety, the Controller has custodial and supervisory responsibility for the Fixed Asset System. In carrying out these duties, the Controller entrusts the Director of General Accounting, the Fixed Assets Unit and other sections within the Controller’s Office to handle the activities and responsibilities associated with fixed assets. The Fixed Assets Unit shall be responsible for making all entries in the Fixed Asset System (FAS).
 - B. While the Controller has broad Department-wide responsibility for fixed assets and for recording the fixed assets in FAS, Section/Location Heads are responsible for ensuring fixed assets assigned to their own location are provided adequate safeguards and subject to accountability standards. The Section/Location Head shall assign fixed asset duties to different employees in a manner that ensures there is a proper separation of duties for the various fixed asset activities at that location. This delegation of duties shall be in writing to document each position responsible for each fixed asset function
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and shall be maintained on site for audit purposes and updated as changes are made. The delegated responsibilities include:

- i. Requisitioning and receiving new assets; ensuring the asset received agrees with the asset requisitioned.
 - ii. Ensuring Identification Labels have been delivered with new assets that require labels, and that the labels are complete and accurate.
 - iii. Ensuring that new assets are properly tagged.
 - iv. Custody of the actual fixed assets
 - v. Advertising unneeded assets on the Department's Swap Shop when appropriate.
 - vi. Surplus and disposal action for worn and/or obsolete assets.
 - vii. Ensuring compliance with this policy.
- C. Fixed Asset Inventory – The Section/Location Head is responsible for approving the final annual fixed asset inventory and shall ensure a complete and accurate fixed asset annual inventory is taken according to instructions provided by the Controller's Office. Only "disinterested parties" shall take part in the fixed asset inventory process.

NOTE: "Interested Parties" are individuals who have been assigned responsibilities for initiating fixed asset transactions (acquisitions or disposals) and individuals who have been assigned custodial responsibilities.

FIXED ASSETS DEFINED

"Fixed asset" is an accounting term used to describe property, plant and equipment that is tangible in nature, assigned to a particular Section/Location and used in the normal operation of the Section/Location. Fixed assets can include land, buildings, equipment, furniture, machinery and other like items. Fixed assets cannot be items acquired for the purpose of resale, as are the products sold by Correction Enterprise. Fixed assets are separated into different categories that are generally, but not always based on cost and/or durability:

- I. Capitalized Assets. A capitalized fixed asset is property, such as land, land improvements, easements, buildings, equipment, works of art and historical treasures, and infrastructure, with a cost equal to or greater than \$5,000 and a useful life of two or more years. Capitalized fixed assets are acquired for use in normal operations and are not for resale. These assets may be subject to depreciation, depending on which fund was used to record the asset. The high dollar values associated with these assets require that more stringent control measures are in place.

For information related to depreciation, please see the Office of the State Controller (OSC) Policy – NC OSC Policy 102.5:

<https://www.osc.nc.gov/state-agency-resources/statewide-policies/100-accounting-financial-reporting/depreciation>

NOTE: DPS tracks and records depreciation only for the proprietary fund assets and Correction Enterprises Assets. Depreciation for DPS General Fund assets (Governmental Funds) is recorded by OSC on a statewide basis.

- A. All capitalized fixed assets are recorded and inventoried through the NCAS - Fixed Asset Module (FAS). Likewise, these assets are also shown in OPUS.
 - B. Capitalized fixed assets are reported in the Comprehensive Annual Financial Report (CAFR).
- II. Inventoried Assets. Inventoried assets are those assets valued at \$1,000 through \$4,999.99. These items are also recorded in FAS and OPUS for tracking purposes but are not included in the CAFR.

Exceptions:

- Firearms, computers (including laptops) and vehicles (including trailers that require license tags and titles) shall be added to FAS as inventoried items, regardless of cost
- Cameras and video equipment shall be inventoried and added to FAS when the cost is \$500.00 and above.

- III. Other Assets. Items purchased for less than \$1,000 will not be recorded in the NCAS Fixed Asset Module, except as noted above.

Items in this category are expensed during the year purchased and are not recorded in the NCAS Fixed Asset Module (FAS). Even when an addition or improvement is made that increases the item value to exceed \$1,000, the item is not added to FAS.

- A. Although items valued below \$1,000 do not get added to FAS (except for the items mentioned above), these items should still receive reasonable care, security and accountability. Individuals are not relieved from liability related to the loss, misuse or negligence associated with these assets.
- B. Section/Location Heads are encouraged to maintain a database to control selected items valued below the \$1,000 threshold, such as radio equipment, cell phones, and other similar items.
- IV. Intangible Assets – Generally intangible assets should be treated as capital assets. However intangible assets may be more difficult to identify and report than other capital assets with their unique nature.
- A. Intangible assets have the following three (3) characteristics:
- i. **Lacking physical substance** – Intangible assets cannot be physically touched, except in cases where the intangible is carried on a tangible item (i.e. software on a DVD).
 - ii. **Non-financial in nature** – Intangible assets are not in a monetary form like cash or securities. In addition, there is not a claim or right to assets in a monetary form such as receivables or prepayments for goods or services.
 - iii. **Useful life beyond one (1) year** – The initial useful life for an intangible asset extends beyond a single reporting period.
- B. Examples of intangible assets include: easements (which are the right to use land for a specific purpose, such as building a highway), land use rights (such as the right to use a water source or remove minerals or other resources from land, computer software, patents, and trademarks.
- C. Thresholds for capitalizing intangible assets:
- \$1,000,000 – Internally generated computer software (applications development costs only); and
 - \$100,000 – All other intangible assets (including purchases of licensed computer software).

NOTE: See detailed policy requirements for capitalizing and reporting intangible assets under the Office of the State Controller’s Capital/Fixed Assets Policies.

- V. Libraries – A library is a repository for literary and artistic materials such as books, periodicals; newspapers, pamphlets, videos, etc. kept for reading or reference. Books and other library material should be listed in the Fixed Asset System (FAS) if the books/library materials have a useful life of two (2) or more years and have a cumulative cost of \$5,000 or more. Libraries valued at less than \$5,000 should not be entered into FAS, regardless of the Department’s threshold to inventory assets. The threshold of \$5,000 shall be applied at each library level not the total value of the various libraries for the Department.

The cost of all books and library materials shall be recorded in FAS as one asset. The asset value will be adjusted each year for additions and retirements of various library materials during the year.

NOTE: To ensure accurate accounting records of DPS fixed assets, it is imperative that proper account coding be used when requisitioning, approving and purchasing a fixed asset. Please refer to Appendix A – Office of the State Controller List of Fixed Asset Expenditure Account Codes.

DETERMINING FIXED ASSET VALUE

- I. Historical Cost. Generally Accepted Accounting Principles (GAAP), require that fixed assets be recorded at historical cost, or estimated historical cost if the value is not known.
- II. New Assets. The cost of a new asset is the amount actually paid for the asset, less any discounts. This cost also includes any payments required to place the asset in its intended location and condition for use. Examples of such payments include:
- Legal fees
 - Title fees
 - Appraisal fees
 - Negotiation fees
 - Survey fees
 - Other closing costs
 - Damage payments
 - Land preparation costs
 - Demolition costs
 - Architectural fees
 - Accounting fees
 - Insurance premiums during construction
 - Transportation costs (freight and handling)

- Interest cost during construction
- Labor and Installation costs
- Other similar costs

III. Multiple Part Assets. Fixed assets containing separate physical parts (i.e. CPU, monitor and keyboard) are not considered one asset having one or more component parts.

A. Each separate physical part is considered a separate asset and is evaluated, based on cost, to determine if it should be capitalized and/or recorded in the fixed asset system.

B. The total invoice cost must be allocated to each separate item.

- i. This allocation process is not necessary when the invoice lists a separate price for each item. Rather, each item is evaluated based on the price listed.
- ii. However, when the invoice groups all the items on the invoice as one lump sum price, the total invoice price must be allocated to each item before a value can be determined. This can be done by locating the individual price on state contract, or by contacting the vendor.
- iii. As an example: if a \$3,500 computer (CPU, monitor and keyboard) are invoiced as one item. Assuming the monitor costs \$350 and the keyboard \$50, only the CPU (at a cost of \$3,100) would be recorded in the Fixed Asset System, and assigned a fixed asset number. The monitor and keyboard would not be recorded because they each cost less than the \$1,000 price threshold.
- iv. Another example is a patrol car, containing three main parts: the car, detachable lights and radio. The lights and radio would be recorded separately if they cost more than the \$1,000 threshold.
- v. Often a system (telephone system, security system, etc.), will be purchased that has multiple equipment items that comprise the complete system. In these cases, the Controller's Office may elect to account for the item as a complete system, rather than individual separate items, regardless of the cost of each separate component within the system.

REAL PROPERTY

Real Property includes land, buildings and structures. All real property owned by the State of North Carolina is managed by the Department of Administration, which allocates property to the various Departments. The State Property Office acts as the approving authority for the Department of Administration for the lease, acquisition or disposition of all real property. The Department's Engineering Division manages all real property transactions for the Department, except for lease agreements. Property lease agreements are managed by the Department's Purchasing and Logistics Section.

- I. Land. Land includes all real estate property held by the State. Land can be either purchased or donated. Land valued at \$5,000 or greater is capitalized and shown on the financial statements. Land with a value of at least \$1,000 is inventoried and recorded in the Fixed Asset System for control purposes only (the value will not be included in the Department's financial statements).
 - A. Land is entered into the NCAS Fixed Asset Module when the State takes ownership of the property. DPS Engineering is responsible for providing the Controller's Office with all finalized transaction documents, including a copy of the deed, which is obtained from the State Property Office.
 - B. Purchased land is entered at cost. The cost includes its purchase price plus other charges necessary to purchase the land.
 - a. If land and building are acquired as a single parcel, the value of the land shall be determined separately from the building, and each recorded in their respective accounts.
 - b. If land and building are acquired together with the intent of demolishing the building, the cost of the demolition shall be included as part of the cost of the land.
- vi. Donated land shall be recorded at the appraised market value at the time of donation.
- II. Buildings and Structures. Buildings are defined as structures that are permanent in nature, and have an asset life of two (2) or more years. Buildings and structures can include shelters, storage buildings, dog houses, modular structures, guard towers and other similar items.

- A. Buildings valued at \$5,000, or more are capitalized and recorded on the NCAS Fixed Asset Module. Buildings valued from \$1,000 to \$4,999.99 are also inventoried and recorded in the Fixed Asset Module, but will not be included on the Comprehensive Annual Financial Report (CAFR).
- B. Buildings are valued at the purchase price, or construction cost. Cost shall include all charges necessary to put the building or structure in its intended state of operation.
 - i. Building fixtures are included as part of the cost of the building. A fixture is an item of equipment or apparatus that is considered permanently affixed to the structure. Items that are permanently affixed fall into one of the following four categories:
 - a. Items hard wired to existing electrical system – may include air handlers, ovens, control panels, heaters, light fixtures, switch gear, motors, and other like items.
 - b. Items hard piped to any piping system, including water, sewer, gas, steam and air piping systems – may include pumps, chillers, water coolers, deep fryers, and other like items.
 - c. Items attached to the structure, including items bolted, welded, screwed, glued or tied to the structure – may include kitchen hoods, walk-in coolers/freezers, doors, cabinets, carpet, and other like items.
 - d. Items that are an integral part of an operating system, critical to the functionality of the system – may include computers that are part of HVAC systems, cameras that are part of security systems, door controls, and other like items.
 - ii. In-house resources such as labor, material, and supplies used to construct the building are also included as part of the building cost.
- C. Buildings are included in the physical inventory of the Department. The inventory assures that the Department has all buildings accounted for in its records.
- D. Portable buildings, including storage sheds, maintenance shelters and hand-made structures that have been made non-moveable (permanent foundation) are no longer considered portable.

- i. Items in this category are considered a state property asset and must be identified with an asset number.
 - ii. ***Failure to identify these structures as a state property asset will negate insurance coverage for the building and its contents.***
 - iii. Section/Location Heads shall notify the Controller's Office (Fixed Assets and CAFR Units), and the Department's Engineering Section, in a timely manner, when modification of a portable structure changes its status to a permanent asset.
 - iv. All buildings, including portable buildings valued from \$1,000 to \$4,999.99 shall be recorded in the Fixed Asset Module for control purposes only.
- E. For projects under the supervision of DPS Engineering, the Engineering Section shall be responsible for notifying the Controller's Office (Fixed Assets and CAFR Units) of all building acquisitions and dispositions, upon finalization of the transaction.
- i. Constructed buildings are considered complete after the letter of acceptance has been received by Engineering from the State Construction Office, and the building is ready for occupancy.
 - ii. Engineering is responsible for completing a Building Update Form (Dual Reporting) and sending it to the State Property Office and the Controller's Office (Fixed Assets and CAFR Units), upon completion of the building.
 - iii. Likewise, when a building is demolished, the Department's Engineering Section shall submit the appropriate documentation to the State Property Office, and to the Controller's Office.
- NOTE: Not all projects come under Engineering's supervision. In those instances when another Section has oversight, that Section shall be responsible for completing the Building Update Form (Dual Reporting) and notifying the Controller's Office – Fixed Assets and CAFR Units of the completed project.
- F. Completed Construction Projects (Adding Completed Buildings, Infrastructure or Other Assets to the Fixed Asset System).

- i. The Controller's Office CAFR Unit is responsible for tracking construction costs (Construction in Process, Account No. 127800) as costs are expended in the Capital Improvements (CI) budget codes while the building projects are under construction. Such costs include architect fees, plumbing and electrical contracts, contractor fees, etc. Construction in Process (CIP) worksheets provide the documentation for the costs to be capitalized when a construction project is completed.
 - ii. The Controller's Office CAFR Unit shall complete a Fixed Asset Input Form to add the newly constructed building, addition/renovation, or infrastructure when a Building Update Form is received from Engineering. The Building Update Form provides notice that a project has been completed and a letter of acceptance has been received from State Construction. It also provides a description of the asset to be added.
 - iii. Information to include on the Fixed Asset Input Form:
 - Fixed Asset Number assigned by the Controller's Office;
 - Asset Description;
 - Location Identifier;
 - Center code(s);
 - Budget Code;
 - Cost (provided by the CAFR Section: CIP worksheets);
 - Other identifying information (square footage, serial number, county, etc.)
 - iv. Once the CAFR Unit has completed the Fixed Asset Input Form, the form is submitted to the Fixed Assets Unit to capitalize the construction costs and add the newly constructed asset to the Fixed Asset System (FAS).
- G. Insurance Coverage – It is the responsibility of each Section/Location Head to ensure their Section/Location has adequate insurance coverage on the property and contents for which they have oversight. Once a year, the Controller's Office Fixed Assets Unit will provide the Sections/Locations with current insurance coverage information on Form SPFIF 2020. The SPFIF 2020 is a report generated by the North Carolina Department of Insurance State Property Fire Insurance Fund which provides detailed insurance coverage by county, complex and State Property number. The Controller's Office will distribute applicable pages of the report to each Section/Location.

- i. This form should be carefully evaluated by the Section/Location Head to ensure adequate coverage is provided to each building and its contents.
- ii. If, upon evaluation of the insurance coverage, it is determined that coverage is not adequate, the Section/Location Head should line through the current coverage and write in the new estimated amount of coverage needed. The form should then be returned to the Fixed Assets Unit.
- iii. The Fixed Assets Unit will coordinate with the Department of Insurance to affect all changes necessary to the current coverage.
- iv. If any major changes occur during the year that impact coverage, the Section/Location should contact the Fixed Assets Unit to request the increase or decrease in insurance coverage as needed.

Note: Sections/Locations should contact the Fixed Asset Unit in the Controller's Office with any fixed asset insurance questions. Some asset types require additional information to be provided prior to receiving insurance coverage. As an example, outdoor generators will not be covered unless they are associated with an existing building

ADDITIONS, RENOVATIONS, IMPROVEMENTS AND MAINTENANCE

- I. Additions. An addition is an increase to the physical size, or operating capability of an asset through expansion or extension. Additions add future economic benefit to the asset. Examples of an addition would be a new wing to a building or the addition of an air-conditioning system.
 - A. **Additions are considered separate assets.** The addition is capitalized if its cost is \$5,000 or more, and recorded in the NCAS Fixed Asset Module (FAS) and OPUS.
 - B. Additions valued from \$1,000 to \$4,999.99 are also recorded in FAS and OPUS, for inventory control purposes only.
 - C. Care must be taken to provide accurate and detailed descriptions for additions, in order to correctly identify the addition and associate it with the original asset.

- II. Renovations and Improvements. Renovation and improvement costs are incurred to restore or improve buildings, or other assets. Costs associated with a renovation or improvements involve the substitution of old parts for new ones. Renovations and Improvements increase the economic benefit to be derived from the asset.
 - A. In order to capitalize a renovation or improvement, the cost must equal or exceed the \$5,000 capitalization threshold, and the renovation or improvement must either significantly extend the useful life of the original asset, or increase its future service potential.
 - B. As with an addition, renovations and improvements are issued separate asset numbers. A detailed description of the renovation or improvement must be recorded so that it will identify and tie it to the original asset.
 - i. Should the renovation or improvement be so significant as to render the original asset useless (i.e. gut the inside of a machine so that only its shell remains), the original asset shall be retired, and the equipment identification number assigned to the renovation or improvement shall be used to identify the asset.
 - ii. The decision on whether to retire the original asset shall be made by the Controller's Office with input from Engineering. Likewise, decisions regarding the useful life of the renovation or improvement shall be made by the Controller's Office.
 - C. Renovation and Improvement Costs vs. Maintenance Costs – Care must be taken when distinguishing between renovation/improvement costs and maintenance costs. For example, energy conservation projects that guarantee energy savings to exceed costs should generally be capitalized since these projects increase the efficiency and future service potential of the asset and are not routine maintenance.
- III. Maintenance. Maintenance costs are incurred to keep an asset in normal operating condition. These expenses do not extend the life of an asset beyond what is normally expected, nor do they increase its future service potential. Maintenance costs typically include repair or replacement of worn parts, including replacement of roofing shingles or light fixtures, repair of plumbing and electrical systems, small engine repair and other similar repair or replacement actions.

- A. Maintenance costs are always expensed, regardless of the dollar amount. The Section/Location shall ensure that maintenance costs are coded to the correct 'Repair' charge code, and not an 'Equipment' charge code.
- B. Management should periodically review their maintenance account (at least annually) to consider:
 - i. replacing an asset when maintenance costs become excessive, and if replacement with a new asset would prove a more efficient use of funds;
 - ii. initiating a service contract with a local vendor, if a comparison indicates that a service contract is more cost effective than the repair-as-needed method;
 - iii. whether expenditures included in the maintenance account are actually for repair and replacement, and not items that should have been capitalized; and
 - iv. whether expenditures shown in the equipment account are actually for new equipment and not items purchased for maintenance and repair of an older asset.

DONATED ASSETS

Occasionally, donations are offered to a Section/Location and may comprise of buildings, pianos, religious equipment, recreational equipment and almost anything else. Land shall not be accepted by the Section/Location. All State land must be handled through the Department of Administration. Money, regardless of whether it is in the form of cash, check, or money order, shall only be accepted by the Controller's Office. Other Sections/Locations shall not accept any form of monetary donation for any purpose.

Once an asset has been donated and accepted, it becomes the property of the Department of Public Safety. It shall not be used as a contest prize, raffle, or otherwise be given away. In accepting donated assets, the following criteria must be followed:

- I. Employee Restrictions. An employee may not solicit or accept donations from any source, under any circumstances if:
 - A. He or she is involved with preparing plans, specifications or estimates for work to be released on contract.

- B. The employee is directly involved with awarding or administering contracts, or otherwise involved in the procurement process.
 - C. The employee has the responsibility for inspecting or supervising major maintenance or construction projects.
- II. Donor Restrictions. Donations may not be accepted from individuals, for-profit organizations, non-profit organizations or other non-governmental entities if:
- A. The potential donor is under contract, or is otherwise doing business with the Department of Public Safety.
 - B. The potential donor has performed under a contract, been involved in the procurement process, or has done business with the Department of Public Safety within the past twelve (12) months.
 - C. The potential donor intends to bid on a contract, or otherwise do business with the Department of Public Safety within six (6) months following the donation.
- NOTE: The Section/Location shall obtain a written confirmation from the potential donor certifying that none of the above circumstances apply to the donor. This shall be accomplished via the Form CNTR 009 – Donation Acceptance Form.
- III. Acceptance Concerns. Designated approvers must consider each donation carefully before approval is given to accept the donation. Often there are additional costs necessary to place the donated asset into operation. There may also be support requirements associated with the donation, as in the case of maintenance or instructional support required for some computer equipment and software. These areas must be researched thoroughly prior to accepting the donation.
- IV. Controller's Office Responsibility: The Controller's Office shall monitor all proposed donations for their impact on the Department's fixed assets (including entry into the Fixed Asset System), providing approval when required, for ensuring all required approvals are in place according to the donation value, and for potential concerns with the Comprehensive Annual Financial Report (CAFR).
- V. Donated Assets Valued Less Than One Thousand Dollars (\$1,000). Donated assets with a value of less than one thousand dollars (\$1,000) shall be authorized and approved by the Section/Location Head, with the exception of firearms, computers and vehicles, which must be sent to the Controller's Office for approval. This is accomplished by use of the Form CNTR 009.

- A. Section/Location Heads shall ensure the donated asset is needed and necessary, and that it will improve operations and/or morale for employees or inmate population before the donation is accepted.
 - B. The Form CNTR 009 shall be completed for all donations and signed by the Section/Location Head.
 - C. The Section/Location shall then provide a copy to the Donor, and retain a copy on site for audit purposes. The original will be sent to the Controller's Office, Fixed Assets Unit only for exception items.
 - D. Because these items are below the fixed asset accountability level for entry into the NCAS Fixed Asset Module, no other formal accountability is required.
 - i. Even if a donated item has a value less than \$1,000 and not required to be inventoried in the Fixed Asset System, the item shall still receive reasonable care, security and accountability measures.
 - ii. In addition, individuals shall still be liable for misuse or negligence associated with the donated property.
 - E. Complete documentation concerning the donation shall be kept on file at the Section/Location for audit review, including a copy of the approved Form CNTR 009 and any other pertinent information.
- VI. Donations from One Thousand and less than Five Thousand Dollars (\$1,000 - \$4,999.99). A donation within this range shall be authorized and approved by the appropriate Section Head and the Controller.
- A. Section Heads shall ensure the donated asset is needed and necessary and/or will improve operations or morale for employees or inmate population before approving the donation.
 - B. Section Heads shall review the circumstances for the donation and the written certification included on the Form CNTR 009 from the donor prior to approval.
 - C. Fixed asset donations within this range are considered Inventoried Assets, and shall be recorded in the NCAS Fixed Asset Module and appropriately tagged.
 - D. Upon approval by the Section Head, the Form CNTR 009 and any other pertinent documents surrounding the donation shall be sent to the Controller's Office for review and approval. If approved, the Controller shall sign the Form CNTR 009 and return it to the Section/Location for completion of Section F.

- E. The Section/Location shall then provide a copy to the Donor, and retain a copy on site for audit purposes. The original shall be returned to the Controller's Office, Fixed Assets Unit.
 - F. Upon return of the Form CNTR 009, the Fixed Assets Unit will process the item for inclusion in the NCAS Fixed Asset Module.
- VII. Donations from Five Thousand and less than Twenty-five Thousand Dollars (\$5,000 - \$24,999.99). Donations from five thousand dollars (\$5,000) and less than twenty-five thousand dollars (\$25,000) shall require the authorization and approval from the Section/Location Head, the Controller and the Division Head, or designee, before they can be accepted.
- A. Documentation shall be submitted by the Section/Location through the Chain-of-Command to the Controller's Office. The Controller shall review the donation and advise the Division Head, or designee, of any concerns prior to the Division Head, or designee, approving the donation.
 - B. The required documentation shall include the Form CNTR 009 – Donation Acceptance Form, an appraisal (if required), and any other information pertinent to the asset and its intended use.
 - C. Upon approval, the documents shall be returned to the Section/Location for completion of Section F. of the Form CNTR 009.
 - D. After the donation has been accepted, the Section/Location shall provide a copy to the donor, and keep a copy on file for audit purposes. The original Form CNTR 009, along with all other pertinent documentation shall be forwarded to the Fixed Assets Unit – Controller's Office.
 - E. The Fixed Assets Unit will process the Form CNTR 009 for inclusion in the NCAS Fixed Asset Module and the donated fixed asset shall be appropriately tagged.
- VIII. Donations Twenty-five Thousand (\$25,000) and Above – Any donation valued at twenty-five thousand dollars (\$25,000) or above shall be approved by the Section/Location Head, the Controller, the Division Head, and the Secretary of the Department of Public Safety, or designee, before the donation can be accepted.

Documentation shall be submitted and processed as described in Paragraph G. above but shall also require the approval of the Secretary or designee.

- IX. Asset Value. The asset shall always be valued at its Fair Market Value. The donor shall set the value, and unless there is a reasonable doubt, the Section/Location should accept that amount. If, however, the Section/Location has reason to believe the stated value is grossly inaccurate the following actions shall be taken:
- A. If the value of a donated item is questionable, the item's value should be determined through one, or more of the following means:
- Research the Internet for items similar in age and physical characteristics to the one being donated.
 - Check retail stores, used furniture stores and other establishments for similar items.
 - Check with local financial institutions for an estimated value.
 - Review the local newspapers for similar items for sale.
 - Use any other means as appropriate to obtain a reasonable value for the asset.
- B. Donated land and buildings shall be capitalized at the appraised fair market value at the time the building was donated.
- C. Documentation obtained to correct the estimated value given by a donor, along with an explanatory memorandum, shall accompany the Form CNTR 009 – Donation Acceptance Form through the Chain-of-Command to the appropriate final approver.
- D. In the event that a compromise cannot be reached with the donor as to the value of the donated asset, the donation shall not be accepted.

FIXED ASSET ACCOUNTABILITY

It shall be the responsibility of the Section/Location Head to possess the capability of physically locating all fixed assets assigned to the Section/Location within a reasonable time frame. For a small Section or Location, the control and accountability may be accomplished through the Annual Fixed Asset Inventory Report. For large Sections/Locations that have various operations comprised of multiple sections, additional internal accountability within the various areas may be needed in order to control and account for the fixed assets assigned to that area.

- I. Reporting Changes (Including Missing Assets and Requests to Surplus and Junk):

The Section/Location shall prepare the Form CNTR 008 – Fixed Asset Action Form for any needed changes. After the appropriate sections of the Form CNTR 008 have been completed, including fixed asset information and any required signatures, the

form(s) shall be sent to the Fixed Assets Unit of the Controller's Office by one of the following methods.

- A. Preferred method: Email the completed form(s) to the Fixed Assets Unit of the Controller's Office by scanning the form(s) and attaching to an e-mail. Email the information to the following address:

DPS_Fixedassets@ncdps.gov

Once the information has been emailed to the Fixed Assets Unit, an automated reply will be generated to the sender with the following message:

"The Fixed Assets Unit has received your request. The estimated processing time is ten (10) days. Please monitor your requested transactions and follow up with the Fixed Assets Unit if your request has not been updated."

Remember, Sections/Locations are responsible for their own fixed asset reporting and should follow up with the Fixed Assets Unit if their request has not been processed.

Copies of the automated response, along with the fixed asset form(s), shall be kept on file at the Section/Location for audit purposes.

- B. If the Section/Location does not have access to a scanner, forms may be faxed or sent through the mail or courier. Confirmation will not be sent for forms received by fax or mail.
- II. Suspense Action. It shall be the responsibility of the Section/Location to monitor pending actions relating to its fixed assets, until these actions are completed in their entirety.
 - A. A suspense system shall be established by each Section/Location for all pending actions. The suspense system will function as a reminder to pursue an inquiry if the action has not been completed in a reasonable time frame.
 - B. Timely inquiry (within 30 days) shall be made to the Controller's Office, Fixed Assets Unit for all actions not completed. A documented follow-up inquiry shall continue at thirty (30) day increments until the action is completed. All follow-up inquiries shall copy the Controller. Documentation shall be available within the Section/Location for audit purposes.

ASSET IDENTIFICATION LABELS

Providing positive identification of inventoried fixed assets is essential to maintaining accountability and control. This is accomplished through assignment of Asset Identification Labels which, for the most part, are affixed to the asset.

- I. General. All fixed assets that are valued at one thousand dollars (\$1,000) or more are issued an Identification Label, except for those assets depicted herein. That is, those items that are defined as Capitalized or Inventoried Assets, listed in the NCAS Fixed Asset Module shall receive an Asset Identification Label.
 - A. The Identification Label will remain with the fixed asset throughout its life unless the asset is transferred outside the Department of Public Safety.
 - B. The asset number shown on the Identification Label, as well as the equipment serial number (if applicable), should agree exactly with the numbers listed on the asset, and on the Section/Location Annual Fixed Asset Inventory Report.
- II. Tagging Assets.
 - A. Labels shall be affixed at approximately the same location on each similar type asset.
 - B. If possible, the tags should be accessible for viewing without disturbing the operation of the item.
 - C. Assets that cannot reasonably be tagged will not have a label issued. If a Section/Location desires to have an Equipment Identification Label for these items, they may request it through the Fixed Assets Unit. Types of fixed assets that are not normally issued labels include:
 - Land
 - Buildings
 - Firearms
 - D. Assets that, through normal use often lose their Identification Labels shall have the equipment number etched or engraved on the items. These include:
 - Maintenance tools and equipment
 - Lawn movers
 - Others, as appropriate.

- III. Accuracy. The Section/Location shall ensure accurate and complete Identification Labels are affixed to each asset. This shall also include the equipment serial number, if applicable.
- IV. Replacement. Should a vendor replace a defective asset under warranty with a new like item, the Section/Location shall complete the Form CNTR 008 – Fixed Asset Action Form:
 - A. Check the box “Correct Serial Number or Asset Description”;
 - B. Provide the old and new asset information;
 - C. Provide the packing slip or other documentation showing identification of the replacement asset;
 - D. Check the box for “Replacement Equipment Tag”; and
 - E. Forward the completed CNTR 008 and supporting documentation to the Controller’s Office – Fixed Assets Unit.

PHYSICAL INVENTORY

- I. Annual Inventory. Each individual location shall conduct a physical inventory of all fixed assets at least once annually around April of each year, which shall correspond to the receipt of the Annual Fixed Asset Inventory Report sent from the Controller’s Office.

Note: Locations that have implemented the Fixed Asset Tracking System (FATS) shall use the Fixed Asset Inventory Report generated by FATS in lieu of the Annual Fixed Asset Inventory Report. The FATS report shall be submitted to the Controller’s Office when certifying the annual inventory for these Sections/Locations.

- A. Only disinterested parties, individuals who do not have custody of the fixed assets and who do not have responsibilities for initiating fixed asset transactions (purchasing, receiving, or disposing of fixed assets), shall take part in the annual inventory process.
 - B. Discrepancies found during the inventory process should be documented on the Annual Fixed Asset Inventory Report or the FATS Fixed Asset Inventory Report (Physical Inventory Worksheet) and brought to the attention of the appropriate Section/Location Head and appropriate location administrative personnel for resolution.
 - C. Form CNTR 008 – The Section/Location shall complete the appropriate sections of the Form CNTR 008 – Fixed Asset Action Form for any needed change or discrepancy revealed during the annual fixed asset inventory with
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appropriate approvals (Section/Location Head or designees). Possible issues to report include:

- i. Discrepancies related to missing or inaccurate Equipment Identification Labels. Check the “Request Equipment Tag” box and provide the needed information related to the corrective action.
- ii. Inaccurate equipment descriptions. Check the “Correct Serial Number or Asset Description” box and provide the correct description for the asset.
- iii. Errors or any incomplete or missing information on the Equipment Report related to the equipment serial number, model or manufacturer. Check the “Correct Serial Number or Asset Description” box and provide the corrected or missing information.
- iv. Assets that need to be removed from a location’s Equipment Report. Check the “Remove Asset” box and provide justification for removal using one of the following processes:
 - a. Location Change – Check the “Transfer/Change Location” and provide information related to the asset’s new location.
 - b. Transferred to a different State Agency – Check the “Transfer to another State Agency” box and provide information and documentation related to the property transfer.
 - c. Surplus – Check the “Surplus” box if the asset is in the surplus process. Please see the Surplus Property section of this policy for detailed procedures on the surplus process.
 - d. Junk – Check the “Junk” box if the asset is in the process of being junked and is still on the location’s Equipment Reports. Please see paragraph IV in the Surplus Property section of this policy regarding procedures to “junk” property.
 - e. Scrap Metal – Check the “Scrap Metal” box if the asset is in the process of being scrapped. Please see paragraph V. of the Surplus Property section of this policy for procedures to “scrap” an asset.
- v. Assets included on the location’s Equipment Report but cannot be located. Check the “Missing/Stolen” box and complete the Form CNTR 013 – Missing/Stolen Asset Form. Please see the Missing and

Stolen Asset section of this policy for detailed procedures related to missing and stolen assets.

- vi. Assets not included on a location's Equipment Report but should be. Check the "Request to Add Asset" box and provide documentation (i.e. purchase order/invoice, etc.) for the assets to be added.

D. Certification and Submission of the Annual Fixed Asset

- i. Certification – Upon completion of the physical inventory and resolution of all discrepancies, the Section/Location Head and the disinterested party conducting the inventory shall sign the certification at the end of the Annual Fixed Asset Inventory Report stating:

"We hereby certify that we have completed the Department of Public Safety's requirements for conducting an annual inventory for fixed assets, and we acknowledge that failure to follow policy or falsify records associated with conducting the inventory can result in disciplinary action up to and including dismissal."

- ii. The original certified Annual Fixed Asset Inventory Report should then be returned to the Controller's Office - Fixed Assets Unit, along with all supporting documentation noted above (requested transactions, discrepancies and changes discovered during the inventory and reported on the CNTR 008 or missing/stolen assets reported on the CNTR 013). A signed copy shall also be provided to the Department's Internal Audit Section, and a signed copy shall be retained at the Section/Location.

- E. Retention Period for Inventory Reports and Work papers – All Section/Location working papers used for taking inventory shall be retained for a period of five (5) years for audit purposes. Working papers shall contain a notation (check mark, tick mark, etc.), indicating that the asset was located. If a Section/Location is large enough to have more than one person taking inventory, the person or persons taking inventory shall sign the section of the working papers which they completed.

- II. Change of Command Inventory. A physical inventory of Section/Location assets shall be required upon reassignment, termination or retirement of a Section/Location Head (whenever there is a change in management or supervisory position that has had custodial responsibility for the fixed assets at that location). The Section/Location Head shall sign the inventory.

Exception: If an annual inventory has been taken within sixty (60) days from the change in leadership, the annual inventory will be deemed sufficient and a new physical inventory will not be required for the change in command.

- A. At the discretion of the Section/Location Head, an inventory of a unit's assets may also be scheduled upon the unit leader's reassignment, termination or retirement.
- B. Unscheduled inventories of a unit's fixed assets may be accomplished by Section/Location administrative personnel, or by designated personnel.

III. Facility/Location Closing. A final inventory is required for any departmental facility/location that is scheduled to close. The Facility/Location Head is responsible for ensuring the final inventory is conducted in accordance with the inventory procedures and controls, outlined in policy for the Annual Fixed Asset Inventory.

Once the final inventory has been completed, the Facility/Location Head shall sign the inventory with similar certification language required for the annual fixed asset inventory:

"We hereby certify that we have completed the final inventory for _____ according to the Department of Public Safety's requirements for conducting a fixed asset inventory. We have appropriately documented all fixed asset counts and any discrepancies found during the inventory. We acknowledge that failure to follow policy or falsify records associated with conducting the inventory can result in disciplinary action up to and including dismissal."

The certified final inventory shall be sent to the Controller's Office and a signed copy should also be forwarded to DPS Internal Audit.

MISSING AND STOLEN ASSETS

Capital assets are considered missing when an inventory is taken and assets on the Physical Inventory Worksheet cannot be located. This can occur when an asset is moved to another location, but the new location is not recorded on the system prior to generating the Physical Inventory Worksheets, or the asset could be lost.

Weapons – If the asset involved is a missing or stolen weapon, it shall be reported IMMEDIATELY.

Electronic Communication Devices - All lost electronic communications devices shall be reported to DPS Purchasing & Logistics within twenty-four (24) hours.

I. Missing Asset Procedures.

A. Completing the Form CNTR 013 – Missing /Stolen Asset Form

The Section/Location Head shall make every effort to determine the location and/or disposition of assets that are considered to be missing. *These efforts shall be documented*, using the CNTR 013 – Missing/Stolen Asset Form which shall be completed in its entirety.

The CNTR 013 for Missing Assets must be signed by the Section/Location Head since they held responsible for all assets at their designated section/location.

B. Reporting Missing Assets to the Controller's Office

The completed Form CNTR 013 shall be forwarded, along with any other pertinent documentation, through the chain-of-command to the Controller's Office, Fixed Assets Unit. The form shall be sent by one of the following methods:

- Preferred method: Email the completed form to the Fixed Assets Unit of the Controller's Office by scanning the form, attaching it to an email, and sending the email to the following address:

DPS_Fixedassets@ncdps.gov

Once the information has been emailed to the Fixed Assets Unit, an automated reply will be generated to the sender with the following message:

"The Fixed Assets Unit has received your request. The estimated processing time is ten (10) days. Please monitor your requested transactions and follow up with the Fixed Assets Unit if your request has not been updated."

Remember, Sections/Locations are responsible for their own fixed asset reporting and should follow up with the Fixed Assets Unit if a request has not been processed.

A copy of the Missing/Stolen Asset Form (CNTR 013) and a copy of the automated email response shall be kept on file at the Section/Location for audit purposes.

- Alternate method: If the Section/Location does not have access to a scanner, forms may be faxed or sent through the mail or courier. Confirmation will not be sent for forms received by fax or mail.

C. Processing the Missing & Stolen Asset Form (CNTR 013) – Controller’s Office

- The Fixed Assets Unit in the Controller’s Office will review recent transfer actions to ensure the missing asset was not transferred to another location, and shall complete the appropriate section of the Form CNTR 013. If the asset is located at another Section/Location, the Fixed Assets Unit shall take steps to transfer the asset to the new location, and inform the Section/Location that originally possessed the asset of the transfer.
- If the review does not locate the asset, it shall be deemed missing. The Fixed Assets Unit shall change the status in NCAS to reflect the status “M” for missing. The status date in NCAS will also be changed to correspond to the “Missing” status.
- The Section/Location shall immediately notify the Fixed Assets Unit if the missing asset has been located.
- If the asset has not been located after one (1) year of being identified as “Missing,” the Fixed Assets Unit shall remove the asset from the fixed asset records.
- The Fixed Assets Unit will, upon request, provide a report of missing fixed asset(s) to the Office of State Controller, along with all pertinent documentation from the Section/Location stating the efforts made to locate the missing asset(s).

D. State Property Incident Report (Form SBI-78)

The State Property Incident Report (Form SBI-78) can be accessed on the DPS Internal Audit website:

<http://www.ncsbi.gov/Services/SBI-Forms.aspx>

- The Section/Location Head shall complete the (SBI-78) when theft, misuse or some type of intentional or criminal act is suspected in relation to a missing asset. The completed SBI-78 shall be sent to the DPS Internal Audit Director within three (3) days of being notified of the asset’s missing status.

The SBI-78, along with any attachments (i.e., copy of police report, if applicable) shall be submitted to DPS Internal Audit Director via email (statepropertyincidentreports@ncdps.gov).

If applicable, any attachments such as police reports or additional information that cannot be scanned and emailed may be faxed to DPS Internal Audit at (919)-716-3973.

- ii. Should the missing asset(s) be found after the SBI-78 has been completed and submitted, the Section/Location Head shall notify the Internal Audit Director and the Fixed Assets Unit.

II. Stolen Asset Reporting Procedures

The following procedures shall be followed upon discovery or notification of a stolen asset, lost or stolen weapon, or other crime against state-owned property:

- A. The employee shall report the incident to his/her immediate supervisor as soon as possible, but shall report no later than three (3) days after discovery (N.C. General Statute 143B-920). **However, if the incident involves a missing or stolen weapon, it shall be reported immediately.**
- B. Once notified by the employee, the supervisor shall *immediately* report the stolen asset to the Section/Location Head.
- C. Section/Location Head shall perform all of the following upon receiving notification from the supervisor that a theft or other crime against state-owned property has been committed:
 - i. Conduct an investigation of the incident, and verify that a theft [or other crime] of state-owned property has occurred. Documentation should be available to support these findings.
 - ii. Notify local law enforcement authorities upon verifying that a theft [or other crime] against state-owned property has occurred.
 - iii. Complete a State Property Incident Report (SBI-78) and submit the SBI-78, along with any attachments (i.e., copy of police report, if applicable) to DPS Internal Audit Director via email (statepropertyincidentreports@ncdps.gov).
 - iii. Submit a completed Missing & Stolen Asset Form – CNTR 013 to the Fixed Assets Unit of the Controller’s Office, along with the SBI -78.

Note: When theft, misuse or criminal activity is suspected, check the box under Section B. (Missing Asset Information) of the CNTR 013 and complete the SBI-78 verification under Section C. (Signatures & Verification).

- D. The Fixed Assets Unit will classify the asset as “Stolen” by changing the NCAS status to “T” (for theft). Adequate time shall be allowed to recover the stolen asset. ***However, no asset shall remain in a “T” status beyond the fiscal year in which it was discovered to be “stolen.”***
- E. If the asset has not been recovered by the end of the fiscal year in which it was identified as “Stolen,” the Fixed Assets Unit shall remove the asset from the fixed asset records.

Although this section deals primarily with stolen assets, the same procedures shall apply for other *“crimes against state-owned property.”* A crime against state-owned property as defined by N.C. General Statute 143B-920 includes assets that have been stolen or willfully damaged, and should also include information or evidence that indicates an attempt to commit arson, or arson, damage of, theft from, or theft of, or embezzlement from, or embezzlement of, or misuse of any state-owned personal property, buildings or other real property. For reporting purposes, “state-owned property” includes *all funds and assets of the Department, and all weapons whether stolen or lost.*

Additionally, the requirement to report all crimes against state property does not impact or change the duty to follow the chain-of-command regarding allegations or suspicion of other types of potential criminal conduct occurring on state property, such as illegal drug use or inappropriate staff-offender relationships. These types of allegations should be reported through the normal chain-of-command.

TRANSFERS AND LOCATION CHANGES

Fixed Assets are routinely moved from one organization to another. If the move is to another location within the Department of Public Safety, its official designation is a location change. If, however, the asset is moved to another department outside the Department of Public Safety, it is officially called a transfer. For the purpose of this policy, all movement of equipment shall be referred to as a transfer.

- I. Transfer within the Department. Moving assets from one Section/Location to another within the Department is accomplished by using the CNTR 008, Fixed Asset Action Request Form. The Transportation and Communication Office (TCO), however, may use an Equipment Transfer Form (TC-02) to transfer vehicular and radio equipment.

EXCEPTION: When vehicle information must be safeguarded in order to ensure organizational mission and personnel's safety, the existence of the vehicle, location, and driver name(s) are not documented on the forms required for all other fixed assets.

- A. All asset transfers shall be approved through the Chain-of-Command prior to the transfer taking place.
- B. Upon approval, a completed CNTR 008 shall be forwarded by the transferring Section/Location to the Fixed Assets Unit in the Controller's Office in order for the transfer to be properly recorded. All pertinent information must be shown on the CNTR 008, including the location identifier, asset number, serial number (as applicable), description, etc. The Form CNTR 008 shall be sent to the Fixed Assets Unit by one of the following methods:
 - i. Preferred method: Email the completed form to the Fixed Assets Unit in the Controller's Office by scanning the form, attaching it to an email, and sending the email to the following address:

DPS_Fixedassets@ncdps.gov

Once the information has been emailed to the Fixed Assets Unit, an automated reply will be generated to the sender with the following message:

"The Fixed Assets Unit has received your request. The estimated processing time is ten (10) days. Please monitor your requested transactions and follow up with the Fixed Assets Unit if your request has not been updated."

Remember, Sections/Locations are responsible for their own fixed asset reporting and should follow up with the Fixed Assets Unit if a request has not been processed.

A copy of the CNTR 008 and a copy of the automated email response shall be kept on file at the Section/Location for audit purposes.

- ii. Alternate method: If the Section/Location does not have access to a scanner, forms may be faxed or sent through the mail or courier. Confirmation will not be sent for forms received by fax or mail.

- C. A suspense file shall be maintained by each Section/Location until such time as the action has been completed and the asset has been moved. Both the receiving and transferring Sections/Locations shall monitor the appropriate Fixed Asset screens to ensure the asset has been properly moved.
- II. Transfers Outside the Department. An asset is considered transferred if it is permanently moved out of the Department of Public Safety into another department or agency. Any asset transfer outside of the Department to another State agency requires prior approval from the State Surplus Property Office (Auxiliary Services).
- A. Transfers between State agencies shall be approved through the Chain-of-Command to the Controller's Office. The Controller's Office Fixed Asset Unit will submit the request to State Surplus for approval, upon receiving completed transfer information from the Section/Location involved.
 - B. State Surplus, will negotiate a price with the receiving agency, based on previous sales of similar products in the open market.
 - i. After the asset is transferred to the receiving agency, the Fixed Assets Unit will be notified of the sale by the State Surplus Office.
 - ii. The Fixed Assets Unit shall then: (1) notify the transferring Section/Location of the "sale," and (2) remove the asset from the Section/Location's asset inventory by retiring the asset in the Fixed Asset System (FAS).
 - C. Transfers between agencies that are based on legislative directive are not subject to the approval and selling process of the State Surplus Office.

SURPLUS PROPERTY

The information under this paragraph regarding surplus property applies equally to all materials and equipment, regardless of cost or value, which are the property of the Department of Public Safety, and the State of North Carolina.

For additional information on NC State Surplus Property and Surplus Procedures, please to the NC Sate Surplus website: <http://ncadmin.nc.gov/citizens/state-surplus-property>

- I. Swap Shop. Prior to any surplus action being initiated by a Section/Location, the item or items may be advertised on the Department's Internet Swap Shop as a way to identify another section or unit within the Department that may be able to use the property. For used personal computers (PCs), please contact the Management

Information Systems (MIS) section at Yonkers Road facility for instructions on PC replacement and/or disposal – the Swap Shop shall not be used for computers.

- Only serviceable items should be advertised; junk and salvage items should not be posted on the Swap Shop.
- If another Section/Location within the Department can use the item, a Form CNTR 008 should be completed to transfer the asset to the new Section/Location.

II. Surplus Procedures

- A. To initiate a request for surplus action, most Sections/Locations will need to submit Form CNTR 008, providing the required asset description and detail (see paragraph C. in this section), through appropriate chain of command and required approvals (see paragraph B. in this section) to the Controller’s Office – Fixed Assets Unit.

The form shall be sent by one of the following methods:

- i. Preferred method: Email the completed CNTR 008 to the Fixed Assets Unit of the Controller’s Office by scanning the form with appropriate signatures and attaching it to an email. The request should be sent to the following address:

DPS_Fixedassets@ncdps.gov

Once the information has been emailed to the Fixed Assets Unit, an automated reply will be generated to the sender with the following message:

“The Fixed Assets Unit has received your request. The estimated processing time is ten (10) days. Please monitor your requested transactions and follow up with the Fixed Assets Unit if your request has not been updated.”

Remember, Sections/Locations are responsible for their own fixed asset reporting and should follow up with the Fixed Assets Unit if a request has not been processed.

A copy of the CNTR 008, along with the automated email response, shall be kept on file at the Section/Location for audit purposes.

- ii. Alternate method: If the Section/Location does not have access to a scanner and unable to email the surplus request, the CNTR 008 may be faxed or sent through the mail or courier. Confirmation will not be sent for requests received by fax or mail.

In order to prevent duplicate transactions, only submit one (1) surplus request for a given asset. For example, if Form CNTR 008 is faxed to the Fixed Assets Unit, do not also send the original documents by mail. The Fixed Assets Unit will coordinate surplus actions through the State Surplus Property Office.

- B. Surplus Action Approval – The Section/Location Head shall be the approving authority for all surplus action, unless that Division requires further Chain-of-Command approval. However, the Fixed Assets Unit will not proceed with the surplus without at least the Section/Location Head’s signature on the request for surplus. If higher approval is required, the request should be sent to that office before forwarding to the Fixed Assets Unit.
- C. Asset Details for Surplus - All asset detail and information shall be included on the CNTR 008 for the assets to be sent to State Surplus:
 - i. Provide a complete description of the item for surplus. Include the fixed asset and serial numbers (if applicable), along with reason for surplus.
 - ii. In addition, provide information concerning the condition of the item and whether any major improvement/repairs have been made to the item within the last twelve (12) months.
- D. Upon receipt of a properly completed and authorized surplus request, the Controller’s Office – Fixed Assets Unit will key the item(s) into the State Surplus Property (SSP) tracking system.

Exception: If a Section/Location has their own access to the State Surplus Property (SSP) tracking system, the Section/Location will key their own request in the SSP tracking system, entering all the required asset information. At that point, the surplus request and asset information will go to a queue for approval by the Controller’s Office – Fixed Asset Unit. Once approved, these assets will be released to State Surplus. For those instances when a Section/Location has entered their own surplus request in to the SSP tracking system, a Form CNTR 008 should not be completed.

- i. After the Fixed Assets Unit has keyed the asset information into the SSP tracking system (or approved assets entered by another Section/Location), the State Surplus Property Office will change the status in the SSP system to “Awaiting Receipt of Inventory.” The State Surplus Property Office will also generate surplus labels for the item(s) and send them directly to the Section/Location.
- ii. Once the status has been changed in the SSP system for the requested surplus item(s), the Fixed Assets Unit shall send a copy of the approved request and the printout from the SSP system to the Section/Location.
- iv. Once the Section/Location has received a copy of their approved request and SSP printout from the Fixed Assets Unit and the SSP labels from the State Surplus Property Office, the Section/Location shall perform the following:
 - a. Verify the SSP labels match to the SSP printout from the Controller’s Office – Fixed Asset Unit;
 - b. Tag the item(s) to be sent to State Surplus with the appropriate label(s);
 - c. Call the State Surplus Property Warehouse (919) 854-2160 to ensure that space is available for the surplus item(s); and, if so
 - d. Deliver the item(s) to the warehouse.
- v. Property approved for disposal must be delivered to the State Surplus Property Warehouse within twenty (20) business days from the receipt of labels from the State Surplus Property Office and SSP documentation from the Fixed Assets Unit, if adequate space is available at the warehouse, or barring any unforeseen circumstances arise that may prevent timely delivery. If this delivery deadline is not met, the reason for the delay shall be documented on the surplus documentation, signed and dated by the Section/Location Head. The Section/Location should make every effort to deliver the items for surplus to the warehouse as soon as possible after the delivery deadline has passed.
- vi. Upon delivering the item(s) to the State Surplus Property Warehouse, each item shall be checked off the SSP printout. The State Surplus Property Office shall then print a copy of the receipt from the SSP tracking system, sign and date it, and give it to the Section/Location representative.

- vi. The Section/Location shall keep the original receipt from the State Surplus Property Office on file at its location, and send a copy to the Fixed Assets Unit. The Fixed Asset Unit will then change the asset's status in the Fixed Asset System (FAS) to "SURPLUS", indicating that the accountability for the asset has been passed to the State Surplus Property Office.
 - E. In some cases, State Surplus may approve an item to be sold on site and not delivered to the State Surplus Property Office.
 - i. These instances will be determined by the Section/Location and coordinated through the State Surplus Property Office on a case-by-case basis.
 - ii. Specific questions regarding advertising should be directed to the Fixed Assets Unit.
 - F. If no other state agencies are interested in the item(s), sealed competitive bids, or other appropriate means will be used in offering the item to the general public.
 - G. Items that cannot be sold by the State Surplus Property Office shall be disposed of by other suitable means. This may include the item being scrapped, junked, or salvaged for spare parts. State Surplus will notify the Controller's Office if this action is taken.
 - H. If an item is sold, the State Surplus Property Office will notify the Department, and a check will be remitted to the Controller's Office.
 - I. The Fixed Assets Unit will make the necessary changes in the Fixed Asset System for the assets that have been sent to State Surplus.
- III. Restrictions. Under no circumstances can any State-owned property be donated, traded-in, or given away without the expressed, written approval of the Chain-of-Command, the Controller's Office and the State Surplus Property Office.
- A. Generally, assets belonging to the State will not be donated to another entity. However, if circumstances make it advantageous for the State to do so, a donation of State property may be allowed. This determination shall be made on a case-by-case basis by the Controller's Office and the State Surplus Property Office.

- B. Trade-in of old assets for a reduced price on a new asset is often advantageous to the Department. Each trade-in will be measured on its cost effectiveness, and approval must be obtained from the Controller's Office and the State Surplus Property Office.
 - C. Often a new asset is purchased with no trade-in option included. In these cases, it is often tempting to avoid the aggravation of disposal by allowing the delivery company to remove the old asset as the new one is delivered. **This is strictly prohibited.**
- IV. Junk Property. Disposal of any property considered junk, including used clothing, must be approved by the DPS Fixed Assets Unit and the State Surplus Property Office.

In some cases, a particular item may be pre-approved for junking by State Surplus Property. The Section/Location shall always contact the Fixed Assets Unit for guidance in this area.

- A. Requests for disposal of junk property should be sent to the Controller's Office – Fixed Assets Unit or to the Director of Enterprise Accounting for Enterprise operations. Requests shall be made by use of Form CNTR 008. Two signatures are required in order to dispose of junk property, one of which shall be the Section/Location Head.
- B. The Fixed Assets Unit shall obtain approval and disposal instructions from the State Surplus Property Office.
 - i. In many instances, State Surplus Property may require the items to be sent to them, and handled in the same manner as other surplus property.
 - ii. Approval to deviate from normal surplus procedures must be obtained in writing, and the Section/Location will be notified of the proper course of action after approval is received from the State Surplus Property Office.
 - iii. The Section/Location must not dispose of junk property until written approval from the Fixed Assets Unit has been received. Approval documentation shall be maintained at the Section/Location for audit purposes.

- C. Should the Section/Location have need of junked items (lawn mowers, etc.) to salvage for parts, prior approval must be obtained from the Fixed Assets Unit and the State Surplus Property Office before any parts are removed from the asset. Upon approval, the Fixed Assets Unit will take steps to remove the asset from the system (if applicable). Approval documentation shall be maintained at the Section/Location for audit purposes.
 - D. Local disposal of junked property shall always be witnessed by two employees, and authenticated by their signatures on the disposal form. A copy shall be maintained on file within the Section/Location for audit purposes.
- V. Scrap Metal. Scrap Metal is an item that can be recycled. However, in some cases, the State Surplus Property Office may have a regional contract in an area, or there may be other reasons to surplus the scrap metal. The Section/Location should contact the Controller's Office – Fixed Asset Unit for instructions on how to handle scrap metal. If it is determined that the scrap metal should be subject to surplus procedures, it may be handled in one of two ways:
- A. It may follow the same guidelines as set forth for other surplus property disposal, and placed on bid through the State Surplus Property Office; or
 - B. The Section/Location may obtain three bids from local vendors to sell.
 - i. Funds received shall be made payable to the State Surplus Property Office. The Section/Location shall forward the check and sales receipt to that office.
 - ii. The Section/Location shall ensure that 'Department of Public Safety' is included on documentation forwarded to the State Surplus Property Office, so that proper credit for the funds can be given.
 - iii. If it is not possible to obtain three bids, a justification shall be provided as to why three bids are not available. The justification shall be included with the check and sales receipt when forwarding to State Surplus.
 - iv. The Section/Location shall forward a copy of the check and sales receipt to the Fixed Assets Unit within the Controller's Office.
- VI. Enterprise Farm Commodities. North Carolina General Statute 66-58 (c)(10) authorizes Correction Enterprise to sell farm commodities directly to its buyers, without going through the State Surplus Property Office.

- A. Other goods produced by Prison Enterprises will normally have identified buyers, who have placed specific orders for these products. Occasionally, however, a surplus may exist with these products as well. In those cases, disposition shall be handled through the State Surplus Property Office.
- B. Machinery and equipment used in the production of Prison Enterprise merchandise, including farm commodities, that have worn out or become obsolete will likewise become surplus items and follow the State Surplus Property Office procedures.

FEDERAL SURPLUS PROPERTY

North Carolina Federal Surplus Property Agency, a division of the Department of Administration, serves as a procurement and distribution organization for surplus federal property. Authorized state agencies, including the Department of Public Safety are allowed to receive donated federal surplus property, upon payment of a service charge for handling, storage, freight and other related costs and purchase federal surplus items at a discount.

For additional information on Federal Surplus Property and Federal Surplus Property Procedures please visit the following website:

<http://ncadmin.nc.gov/government-agencies/federal-surplus-property>

- I. Authorization. Each Section/Location that desires to receive federal surplus items must obtain authorization from Purchasing and Logistics. This is accomplished by submission of a completed Form PC-FS-99.
 - A. Form PC-FS-99 may be obtained from Purchasing and Logistics, or from the NC Department of Administration's web page under Federal Surplus (forms).
 - B. The form should be completed in its entirety, listing the names of those individuals to be authorized to receive this property.
 - C. Upon submission to Purchasing and Logistics, the Director will sign as the 'Authorizing Official'.
 - D. Purchasing and Logistics will send Form PC-FS-99 to the NC Federal Surplus Property Agency. A copy of the form will also be provided to the Section/Location Head.
 - E. The completed form should be maintained at the Section/Location and be available for audit purposes.

- II. Federal Restrictions. The following restrictions have been placed on the recipient of Federal surplus property:
 - A. The property shall only be used at the Section/Location for the purpose it was intended. It shall not be obtained for personal use.
 - B. The property shall be placed into operation within one year of receipt, and shall remain in use for a period of at least one year.
 - C. Property with an original acquisition cost of five thousand dollars (\$5,000), or more, and passenger motor vehicles regardless of cost shall remain in service for at least eighteen (18) months.
 - D. The property shall not be sold, loaned, traded or cannibalized for parts without prior written permission of the NC Federal Property Agency.
 - E. The Section/Location agrees to pay the U.S. Government the fair market value of the property, if the property was not used in the specified time frame, or for its intended use.

- III. Control Requirements. Fixed Assets obtained through the NC Federal Property Agency shall be controlled the same way as all other fixed assets purchased through normal means.
 - A. Assets with a value of \$5,000 or more shall be capitalized and included on the Department's Comprehensive Annual Financial Report (CAFR).
 - B. Fixed Assets with a value between \$1,000 and \$4,999.99 shall receive an asset identification label and be placed on the fixed asset system for control purposes only.
 - C. Assets with a value of less than \$1,000 shall be controlled at the Section/Location as described within this policy.

SOLID WASTE REDUCTION (RECYCLE) PROGRAM

- I. General. Reducing solid waste materials within our state has become crucial, as landfills continue to reach their capacity. The Secretary encourages each Section/Location to do all it can to reduce solid waste materials through an effective and efficient Recycling Program.



- A. North Carolina General Statute 143-64.05 (c) authorizes the Department to retain any funds generated from the transfer or sale of recyclable material, less the standard service charge levied by the State Surplus Property Office.
- B. Funds earned by a Recycling Program may only be used to defray the costs associated with the Recycling Program. (See Page 45, Section V. – Authorized Purchases).

II. Establishing a Recycling Program. Each Division may establish and operate a Recycling Program for the various Sections/Locations within the Division. Each Division will determine how to allocate profits received from recycling efforts and provide funds for the Recycling Program needs of the divisional units.

- A. Accounting for the Receipts from Recycling Programs:
 - i. Acceptable Form of Payment – All checks received from the sale of recyclable materials shall be made payable to the “State Surplus Property Office.” Cash is not an acceptable form of payment and shall NOT be received for the sale of recyclable materials.

Note: Care must be taken to ensure that ‘Department of Public Safety’ is written on the receipt sent to the State Surplus Property Office in order to assure proper credit.

- ii. Receipts from the Department’s Recycling Program should be credited to the following accounts and centers:
 - a. Operating Fund.

<u>Company</u>	<u>Account</u>	<u>Center</u>
1901	434390001	Various

- b. Prison Enterprise.

<u>Company</u>	<u>Account</u>	<u>Center</u>
1907	434320	7100

- iii. This funding information shall be written on the vendor receipt and sent to the State Surplus Property Office, along with the vendor’s check.

- iv. In some cases, the vendor will send the check directly to the State Surplus Property Office.
- v. In all cases, a receipt shall be obtained from the vendor. A copy of the receipt and a copy of the check shall be sent to the Controller's Office so that proper credit may be given.

III. **Recyclable Materials.** Recyclable materials may be defined as any material that would normally be discarded, for which a buyer has agreed to purchase, or that may be processed and reused by the Section/Location. These materials may change as marketability changes, but for the purpose of this policy, recyclable materials shall include, but not limited to:

- Wooden pallets
- Paper and cardboard
- Plastics
- Scrap metals
- Tires
- Food residuals
- Oil and antifreeze
- Computers and computer parts
- Aluminum
- Cloth
- Compost

IV. **Procedures.** Recyclable materials shall be processed as described below:

- A. The Section/Location shall sell recyclable material directly to a local vendor.
 - i. If more than one vendor is available in the area, the competitive bid process should be used.
 - ii. Unless extraordinary circumstances exist, the Section/Location shall use the vendor with the highest bid.
 - iii. If only one vendor is available, it should be so noted on the documentation provided to the State Surplus Property Office.
- B. The Department is not eligible to keep funds received from the transfer or sale of recyclable materials under geographical or statewide contracts established and administered by the State Surplus Property Office. Specific questions concerning these contracts should be submitted to the Controller's Office, Fixed Assets Unit.

V. Authorized Purchases. Purchases are restricted to equipment and materials used in the recycling process when using funds earned through the Recycling Program. These items include, but are not limited to:

- Bailers and associated supplies
- Pallets for the temporary storage of recycled materials
- Composting supplies
- Containers to hold recycled materials
- Can crushers
- Building materials needed to construct or store recycled material

FIXED ASSETS FUNDED BY GRANTS

I. General. Grants may come from a number of sources, including the Federal Government, State Government, private foundations or individuals. Each may have restrictions in the manner in which funds are to be expended, or in the disposition of any assets purchased.

Note: The program staff are responsible for determining allowable expenditures for a given grant.

II. Responsibility. In addition to the program staff, it is also the responsibility of the Controller's Office (Grant Accounting) to ensure adequate accountability is maintained.

Note: While the DPS Controller's Office will track grant payments in the North Carolina Accounting System and other systems utilized in grant accounting, the NC Emergency Management Homeland Security Branch Staff will also approve, track and maintain inventory of all purchases with Homeland Security Funds.

III. Management Standards. Fixed Assets obtained from Grant Funds shall be managed as prescribed by the grantor, but will always receive at least the same minimum standards as given to assets purchased with State funds.

A. The purchase of Fixed Assets, acquired with Grant Funds shall comply with the objective of the grant. Funds shall not be used for purchases unrelated to the grant intent, nor will they be used for purchases deemed unnecessary or frivolous.

B. Assets acquired with Federal funds are subject to property management standards set by the Federal government.

Note: Federal Department of Homeland Security requires that all equipment purchased with Homeland Security Grant Funds be identified as such. North Carolina Emergency Management ensures equipment funded with Homeland Security Grants receives, in addition to a DPS Fixed Asset sticker, a US Department of Homeland Security sticker (see below).



- C. Questions concerning the purchase and management of assets obtained through Grant Funds should be directed to the Controller's Office (Grant Accounting).
- IV. Accountability Standards. If the Department does not hold title to property acquired with Grant funds, the property shall not be capitalized. However, the property shall be inventoried for tracking purposes.
- A. All inventoried assets acquired with Grant Funds must be identified to ensure that these assets will not be sold or transferred without following property disposition guidelines for that Grant.
 - B. The Federal Reimbursement Code (FRC) is depicted on the Fixed Asset Input Form to denote Federal property. When federally funded assets are no longer needed for the grant program, the Department must dispose of the assets according to the federal property disposition guidelines.
 - C. Under no circumstances shall Grant assets be moved, sent to State Surplus, scrapped or otherwise disposed of without first obtaining approval from the Controller's Office, Fixed Assets Unit and the grant program staff.
 - i. Requests for the disposition of Grant assets should be submitted separately from disposition requests for other assets.
 - ii. Requests should be submitted to the DPS Fixed Assets Unit, who will coordinate and obtain approval from the Grant Accounting Section.
 - D. Grant assets can be identified by the funding source.

Appendix A

Office of the State Controller List

Fixed Asset – Expenditure Account Codes

Property, Plant, & Equipment

Definition: This account class includes payments for acquiring legal ownership to real property, to construct additions to buildings, and to furnish buildings with equipment, furniture, furnishings and machinery. Equipment should possess both of the following characteristics: it is not consumable or expendable and has an expected useful life of longer than one year. This property may require entry into the fixed asset system if the capitalization criteria are met.

Land (COA)

- 534110 Land Acquisition Costs
 - 534110001 Land Acquisition Costs - Demolition
 - 534110002 Water/Sewer Connections
 - 534110005 Land Acquisition Costs - Other
- 534120 Legal and Recording Fees
- 534130 Appraisals and Surveys

Buildings - Purchased (COA)

- 534210 Building Acquisition Costs
- 534220 Legal and Recording Fees
- 534230 Appraisal Fees

Buildings - Constructed (COA)

534310	Planning Expenses
534320	Design Contracts
	<ul style="list-style-type: none"> • 534320001 Design Contract 2 • 534320002 Design Contract 3 • 534320003 Design Contract 4 • 534320004 Design Contract 5 • 534320005 Design Contract 6
534321	Buildings Constructed - Consultant Contracts
	<ul style="list-style-type: none"> • 534321001 Buildings Constructed - Consultant Contract 2 • 534321002 Buildings Constructed - Consultant Contract 3 • 534321003 Buildings Constructed - Consultant Contract 4 • 534321004 Buildings Constructed - Consultant Contract 5

DPS Controller Policy, Requirements, and Procedures Document

Fixed Assets



Construction Contracts - Structure	
534331	General Contracts
	<ul style="list-style-type: none"> 534331001 General Contract 2 534331002 General Contract 3 534331003 General Contract 4 534331004 General Contract 5
534332	Electrical Contracts
	<ul style="list-style-type: none"> 534332001 Electrical Contracts 2 534332002 Electrical Contracts 3 534332003 Electrical Contracts 4
534333	Plumbing Contracts
	<ul style="list-style-type: none"> 534333001 Plumbing Contract 2 534333002 Plumbing Contract 3 534333003 Plumbing Contract 4
534334	Masonry Contracts
534335	Roofing Contracts
	<ul style="list-style-type: none"> 534335001 Roofing Contract 2 534335002 Roofing Contract 3 534335003 Roofing Contract 4 534335004 Roofing Contract 5
534336	Erosion Control Contracts
	<ul style="list-style-type: none"> 534336001 Erosion Control Contract 2 534336002 Erosion Control Contract 3
534337	Mechanical Contracts
	<ul style="list-style-type: none"> 534337001 Mechanical Contract 2 534337002 Mechanical Contract 3 534337003 Mechanical Contract 4
534338	Landscaping Contracts
	<ul style="list-style-type: none"> 534338001 Landscaping Contracts 2 534338002 Landscaping Contracts 3 534338003 Landscaping Contracts 4
534339	Grading, Filling and Clearing Contracts
	<ul style="list-style-type: none"> 534339001 Grading, Filling and Clearing Contract 2 534339002 Grading, Filling and Clearing Contract 3 534339003 Grading, Filling and Clearing Contract 4

DPS Controller Policy, Requirements, and Procedures Document

Fixed Assets



534340	Asbestos Removal Contracts
	<ul style="list-style-type: none"> 534340001 Asbestos Removal Contract 2 534340002 Asbestos Removal Contract 3

Construction Contracts - Equipment

534351	Heating, Ventilation and Air Condition Contracts
	<ul style="list-style-type: none"> 534351001 Heating, Ventilation and Air Conditioning Contract 2 534351002 Heating, Ventilation and Air Conditioning Contract 3 534351003 Heating, Ventilation and Air Conditioning Contract 4
534352	Refrigeration Contracts
534353	Elevator Contracts
534354	Sprinkler Contracts
	<ul style="list-style-type: none"> 534354001 Sprinkler Contract 2 534354002 Sprinkler Contract 3
534355	Communication Cable Contracts - Constructed Buildings
	<ul style="list-style-type: none"> 534355001 Communication Cable Contracts 2 534355002 Communication Cable Contracts 3 534355003 Communication Cable Contracts 4

Other Construction Costs

534371	Testing & Boring
534371001	Testing & Boring 2
534371002	Testing & Boring 3
534371003	Testing & Boring 4
534371004	Testing & Boring 5
534371005	Testing & Boring 6
534372	Legal Fees and Advertising
534372001	Legal Fees and Advertising 2
534372002	Legal Fees and Advertising 3
534372003	Legal Fees and Advertising 4
534372004	Legal Fees and Advertising 5
534373	Construction Site Survey
534373001	Construction Site Survey 2
534373002	Construction Site Survey 3
534374	Project Inspection Fees
534374001	Project Inspection Fees Contract 2

DPS Controller Policy, Requirements, and Procedures Document Fixed Assets



534374002	Project Inspection Fees 3
534374003	Project Inspection Fees 4
534375	General Laborers - Inmates
534379	Miscellaneous Project Costs
534379001	Miscellaneous Project Costs Contract 2
534379002	Miscellaneous Project Costs 3
534379003	Miscellaneous Project Costs 4
534398X-53439X	Open

Other Structures and Improvements (COA)

- 534410 Planning Expenses
- 534420 Design Contracts
 - ▶ 534420001 Design Contract 2
 - ▶ 534420002 Design Contract 3
 - ▶ 534420003 Design Contract 4
 - ▶ 534420004 Design Contract 5
 - ▶ 534420005 Design Contract 6
- 534421 Other Structures and Improvements - Consultant Contracts

Construction Contracts - Structure

- 534431 General Contracts
 - 534431001 General Contract 2
 - 534431002 General Contract 3
 - 534431003 General Contract 4
 - 534431004 General Contract 5
 - 534431005 General Contract 6
- 534432 Electrical Contracts
 - 534432001 Electrical Contract 2
 - 534432002 Electrical Contract 3
 - 534432003 Electrical Contracts 4
 - 534432004 Electrical Contracts 5
 - 534432005 Electrical Contracts 6
- 534433 Plumbing Contracts
 - 534433001 Plumbing Contract 2
 - 534433002 Plumbing Contract 3
 - 534433003 Plumbing Contracts 4
 - 534433004 Plumbing Contracts 5
 - 534433005 Plumbing Contracts 6
- 534434 Masonry Contracts
 - 534434001 Masonry Contracts 2
 - 534434002 Masonry Contracts 3

DPS Controller Policy, Requirements, and Procedures Document Fixed Assets



- 534435 Roofing Contracts
 - 534435001 Roofing Contracts 2
 - 534435002 Roofing Contracts 3
 - 534435003 Roofing Contract 4
 - 534435004 Roofing Contract 5
 - 534435005 Roofing Contract 6

- 534436 Erosion Control Contracts
 - 534436001 Erosion Control 2
 - 534436002 Erosion Control 3

- 534437 Mechanical Contracts
 - 534437001 Mechanical Contract 2
 - 534437002 Mechanical Contract 3
 - 534437003 Mechanical Contract 4
 - 534437004 Mechanical Contract 5
 - 534437005 Mechanical Contract 6

- 534438 Landscaping Contracts
 - 534438001 Landscaping Contract 2
 - 534438002 Landscaping Contract 3

- 534439 Grading, Filling and Clearing Contracts
 - 534439001 Grading, Filling & Clearing Contract 2
 - 534439002 Grading, Filling & Clearing Contract 3

- 534440 Asbestos Removal Contracts
 - 534440001 Asbestos Removal Contract 2
 - 534440002 Asbestos Removal Contract 3

- 534441 Restoration and Renovation Contracts
 - 534441001 Restoration & Renovation 2
 - 534441002 Restoration & Renovation 3

- 534442 Demolition Contract
 - 534442001 Demolition Contract 2
 - 534442002 Demolition Contract 3

- 534443 Paving Contract
 - 534443001 Paving Contract 2
 - 534443002 Paving Contract 3
 - 534443003 Paving Contract 4
 - 534443004 Paving Contract 5
 - 534443005 Paving Contract 6

Construction Contracts - Equipment

- 534451 Heating, Ventilation and Air Condition Contracts
 - 534451001 Heating, Ventilation and Air Conditioning 2
 - 534451002 Heating, Ventilation and Air Conditioning 3
 - 534452 Refrigeration Contracts
 - 534453 Elevator Contracts
-

DPS Controller Policy, Requirements, and Procedures Document Fixed Assets



- 534454 Sprinkler Contracts
- 534455 Communication Cable Contracts
- 534456 Water Treatment System

Other Construction Costs

- 534471 Testing & Boring
 - 534471001 Testing & Boring 2
 - 534471002 Testing & Boring 3
 - 534471003 Testing & Boring 4
 - 534471004 Testing & Boring 5
- 534472 Legal Fees and Advertising
 - 534472001 Legal Fees & Advertising 2
 - 534472002 Legal Fees & Advertising 3
 - 534472003 Legal Fees & Advertising 4
 - 534472004 Legal Fees & Advertising 5
 - 534472005 Legal Fees & Advertising 6
- 534473 Construction Site Survey
 - 534473001 Construction Site Survey 2
 - 534473002 Construction Site Survey 3
- 534474 Project Inspection Fees
 - 534474001 Project Inspection Fees 2
 - 534474002 Project Inspection Fees 3
- 534475 General Laborers - Inmates
- 534479 Miscellaneous Project Costs
 - 534479001 Miscellaneous Project Costs 2
 - 534479002 Miscellaneous Project Costs 3
 - 534479003 Miscellaneous Project Costs 4
- 53448X - 53449X Open

Equipment (COA)

Furniture

- 534511 Office
- 534512 Residential
- 534513 Classroom and Library Furniture
Expenditures incurred for the purchase of classroom and library desks, carrels, chairs, tables, bookshelves and other such furnishings.

Equipment

- 534521 Office Equipment
- 534522 Computers
(This account is invalid effective 7-1-2002 and agencies must use the more detailed accounts 534530; 534531; and 534532 instead.)
- 534523 Scientific/Medical
- 534524 Engineering/Drafting
- 534525 Dietary

DPS Controller Policy, Requirements, and Procedures Document Fixed Assets



- 534526 Athletic
- 534527 Agricultural
- 534528 Voice Communications Equipment
To record charges for voice-based communications equipment including bundled software.

- 534528001 Pay Telephones
- 534528002 Radios
- 534529 Custody and Security Equipment
This account is to be used to record purchases of custody and security equipment such as firearms. Equipment that becomes a part of a building or vehicle such as security systems or security cages for vehicles should be charged to the building or motor vehicle fixed asset accounts.

- 534529001 Weapons
- 534530 Other DP Equipment
To record costs of purchasing other data processing equipment not recorded in a more specific account such as 534531, 534532, 534533, 534534, 534535, 534536.

- 534531 WAN Equipment
- 534532 Video Transmission Equipment
- 534533 LAN Equipment Purchases
To record costs of purchasing local area network equipment not recorded in a more specific account such as 534534, 534535, 534536.

- 534534 Personal Computer and Printer Purchases
- 534535 Server Purchases
- 534536 Mainframe Purchases
- 534537 IT Security Equipment
To record the purchase of IT Security Equipment. Examples are firewalls, VPN boxes, IPS boxes.
- 534539 Other Equipment
- 534539001 Audio-Visual Equipment
- 534539002 Jackpot digits
- 534539003 Instant ticket dispenser

Motor Vehicles

- 534541 Autos, Trucks, & Buses
- 534541001 Autos, Trucks, & Buses/Refurbish
- 534542 Aircraft
- 534543 Boats
- 534544 Trailers
- 534549 Other Motorized Vehicles
- 534550 Livestock and Other Animals

Intangible Assets (COA)

- 534700 Other Intangible Assets
Former title is Intangible assets. To record expenditures for copyrights, trademarks, patents and land use rights (e.g., water, timber and mineral), or any other intangible asset not recorded in a more specific account. Land use rights purchased with property should be included with the cost of the property and not be broken out as a separate expenditure. This account should not be used to record easements or computer software expenditures for which there are separate 5347xx NCAS accounts.

DPS Controller Policy, Requirements, and Procedures Document Fixed Assets



- 534711 Non-WAN Computer Software To record the purchase of commercial off the shelf software not recorded in a more specific account such as 534712, 534713, 534714, 534715, or 534720.
- 534712 WAN Computer Software To record charges for software purchased separately from a WAN equipment purchase.
- 534713 Personal Computer Software Purchases To record purchase of commercial off the shelf software loaded on a laptop or desktop personal computer.
- 534714 Server Software Purchases
To record purchase of commercial off the shelf software installed on a server. To include Database software.
- 534715 IT Security Software
To record the purchase of IT Security Software. Examples are licenses for filtering, malware, antivirus, Botnet, etc.
- 534720 Mainframe Software To record purchase of commercial off the shelf software installed on a mainframe.
- 534730 Externally Developed Software
- 534740 Easements

Art, Other Artifacts and Literature (COA)

- 534610 Art and Artifacts
- 534620 Textbooks
- 534630 Library and Learning Resource Collections