

	STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES		POLICY AND PROCEDURE NUMBER DPDR 10.03.010	PAGE 1 of 11
	Policy and Procedure		EFFECTIVE DATE August 1, 1992	
SUBJECT Property Control		SUPERSEDES		DATED
TITLE Procurement and Property	CHAPTER Controlled Property, Inventory and Fixed Assets	APPROVED BY <p style="text-align: center;">Signature on File</p>		

PURPOSE AND SCOPE

To explain the property accounting system and provide for a standardized operating procedure.

Property owned, leased, rented or loaned to the Department of Transportation and Public Facilities (DOT&PF) shall be controlled in accordance with the minimum requirements of the State Property Accounting Manual and AS 37.05.160. The Department will maintain a computerized inventory file of controlled property, provide an essential tool for good management by performing a physical count and evaluation of DOT&PF property for all areas of the state, and provide data that will assist directors in property replacement or budgeting decisions. The Department will provide information to the Alaska Division of Emergency Services or other emergency needs, and provide Risk Management with an accurate inventory of all state controlled equipment. Employees should recognize the importance and necessity of accurate record keeping, accountability and proper safeguarding of state property.

All employees who have custody of state property should be advised of liabilities they might incur by reason of such custody.

Establishing the degree of responsibility, liability, and appropriate punitive measures, where negligence or misuse of public funds is shown, is the prerogative of the director of each division.

DISTRIBUTION

All holders of the Department of Transportation & Public Facilities Procedures Manual.

PROCEDURE

A. Assignment of Responsibility

1. Department Property Officer

Responsible for the development of policies and procedures, implement and monitor the program and the operation of the computerized property accounting file. Provide policy and technical assistance to the regional procurement officers and directors. Audit receiving reports and physical inventories. Conduct field inventory audits.

2. Division Directors

Responsible for the state property assigned to their division and assignment of property custodians. Ensure that the list of property custodians kept by the Department Accounting Officer is updated when staff changes occur. Timely notification is necessary for a smooth transition of property responsibility.

3. Regional Procurement Officer

Under policy guidelines, implement the property control programs. Responsible for the data entered into the computer. Maintain property and custodian records and other document files for audit review. Keep the Departmental Property Accounting Officer advised of property custodian changes. Provide technical services to property custodians. Provide assistance to auditors and the Department Property Accounting Officer in conducting property and purchase audits.

4. Property Custodian

An employee, designated by a division director, to be responsible for accountable property or equipment. Ensures appropriate transfer documents are initiated and forwarded to Regional Procurement Officer when equipment is loaned, traded or transferred to another unit, section, or department. Responsibility includes ensuring proper initialization, management, protection of all state property and advising employee/user of liabilities they might accrue through their negligence.

5. Employee/User

Responsible to the property custodian for the protection and proper utilization of state property. Can be held liable if property is lost, stolen, or damaged through negligence or misuse.

B. Acquisition of Controlled Property

1. Controlled property is acquired by using a Purchase Order, Delivery Order, Contract Award, Transfer from State or Federal Surplus, or Statement of Gain by Inventory. If the property is received as a result of a gift or loan, the document which sets forth the conditions of the agreement shall become part of the property accounting records. For property acquired with federal funds, refer to paragraph 6 of this section.

“Controlled Property” shall mean all non-expendable property owned by or under control of the Department; record of such property being a mandatory entry on the computerized master inventory if any of the following factors are applicable:

- a. An item will be recorded when its value is one thousand (\$1,000.00) or more, with the only exception being items which, when installed, become an integral part of a structure or another unit of controlled property.
- b. An item will be recorded when listed in the group “A” sensitive class codes.
- c. An item will be recorded when its value is two hundred dollars (\$200.00) or more and it is listed in the group “B” class codes.

2. Receiving Report

A copy of the source document (i.e., DO, PO, or CA) may be used as a receiving report. Data required to make the source document into a receiving report are: receiving report number; tag number; serial number (if applicable); class code; property custodian code, location, and signature of custodian. For vehicle reports, see paragraph 3.

3. Equipment Fleet Receiving Check Sheet Form 25-078

- a. Upon receiving a vehicle, the equipment manager shall obtain the vehicle number and Official Use Plate from the Department Property Section, complete form 25-078, as defined in the State Equipment Fleet Manual, Section 29-0514. For units acquired as part of a Capital Improvement Program (CIP) Project, the project number and name is to be shown on the receiving report. For units acquired from Federal Excess, the disbursement document “DD” shown on the Bill of Sale is to be listed as the source document on the Receiving Report.
- b. Requests for license plates from other departments are submitted to the Department Property Section using form 02-628, Application for State License Plate. Refer to Chapter XVIII, State Property Accounting Manual. The Vehicle Log, Application for Titles, and the Central Title File are maintained by the Department Property Section. Titles for all state vehicles shall be kept in a locked fireproof cabinet.

4. Prenumbered Property Decals

The Department Property Accounting Officer shall issue blocks of prenumbered property decals to the Regional Procurement Officer. Regional Procurement Sections will maintain a ledger of decal numbers containing the following required information; tag number, property custodian code, and source document number. The disposition of all decal numbers must be shown. For property acquired with federal funds, refer to paragraph 6 of this section.

5. Numbering of Reports

Property reporting documents are to be uniformly numbered. The numbering of property documents shall consist of the following: a two digit report prefix, a one digit region number, a two digit fiscal year, and a three digit sequential number.

a. The report prefixes are:

- 1) Receiving Report RR
- 2) Excess Report, form 25A-023 ER
- 3) Physical Inventory Report, form 25A-421 PI
- 4) Lost-Stolen-Damaged, form 02-627 LD
- 5) Intra-Dept. Transfer TF
- 6) Gift GI

For example, a Transfer of Property for Central Region of items received in FY 85 would be as follows: TF185000.

The procurement sections are responsible for the numbering of these reports.

b. Region numbers are to be identified in the field called Division Code. They are as follows:

Headquarters 00
Central 10
Northern
Interior District 20
Western District 40
Southcentral District 50
Southeast 30
Optics Lab 60
Marine Highway System 70

6. Federal Aid

a. Control of Federal Equipment

- 1) Equipment purchased with federal aid project funds shall be assigned a state property decal with the prefix 25-F. The tag number on the property item must be the same as listed on the computer printout including the prefix. These funds can be identified by the ledger code. Ledger codes that begin with 30 and end with a 2 could be federal participating funds, and prior approval is required by the Federal Highway Administration (FHWA). Non-expendable equipment is defined by FHWA as equipment having a useful life of more than one year and an acquisition cost of \$300.00 or more per unit.
- 2) Equipment purchased with federal aid funds must be used predominately on the federal aid project which funded the acquisition. The equipment

may be used on other projects if such use will not interfere with the work on the project or program which originally funded the acquisition. First preference for such other use shall be given to other projects or programs sponsored by FHWA; second preference shall be given to projects or programs sponsored by other federal agencies; and third, state funded projects.

- 3) On items with the property decal prefix "25-F", the federal aid project number is to be reviewed yearly. This project number (also called the ledger code) is displayed in the description field of the computer record. The termination date of the project shall be recorded in the description field.

b. Disposition of Federal Aid Equipment

- 1) Equipment that had an acquisition cost of \$300.00 to \$999.00 per unit does not require FHWA approval for transfer or disposal. Equipment that had an acquisition cost of \$1000.00 per unit or more requires FHWA approval. The project manager will be responsible for processing credit to the previous project.
- 2) When the project or study is completed, the property custodian shall notify the procurement section with form 25 A-023 Field Excess Report. The procurement section shall determine if the items can be used. First preference for such other use shall be given to other projects or programs sponsored by FHWA. Second preference shall be given to projects or programs sponsored by other federal agencies. Third preference to state funded projects.
- 3) If it is determined that the units are to be transferred to another federal aid project, form 25 A-030 Transfer of Property shall be used. The new project number (ledger code) shall be changed on the computer record. Required FHWA approvals shall become part of the transfer document.
- 4) If it is determined that the units are to be transferred to other federal agencies form 02-622 Transfer and Excess report shall be used. The required FHWA approval and shipping instruction shall become part of the excess document. this document will be processed per instruction in the State Property Accounting Manual.
- 5) If it is determined that the units are to be retained by the State, form 25 A-030, Transfer of Property, shall be used. The field excess report and the required FHWA approval shall become the source document. The units will be retagged with a new property decal.

7. Lost, Stolen, Damaged, or Destroyed

- a. This report, form 02-627 (Refer to State Property Accounting Manual), is submitted by the employee/user to their supervisor when the loss has

occurred or when first noticed. The employee/user completes blocks 1 through 13. Their immediate supervisor completes block 14. Block 15 is reviewed and signed by the division director. The report is then sent to the regional procurement function for assignment of the control number, entered into the computer program, then sent to the Department Property Accounting Officer.

- b. Block 16 is reviewed by the Department Property Accounting Officer, who checks if findings are consistent with state and department policies.
- c. Block 17 is reviewed by the Commissioner or designee. The Department Supply Chief is designated as the Commissioner's representative. The report is verified/certified/approved and approval/disapproval entered into the computer program, then forwarded to the State Property Manager.

8. Physical and Audit Inventories

The annual physical inventory will be conducted by property custodians. The department procurement staff may be required to assist Legislative Audit, Internal Review, or the State Property Manager in conducting special inventories.

- a. The Department Property Officer requests the property printouts (from DOA); assigns physical inventory numbers to the individual custodian inventories, and distributes the inventories to the applicable Regional Property Officer. The Regional Procurement Officer distributes the inventories to the appropriate custodians and provides any assistance or instruction the custodian might need. Upon receipt of the inventory listing, the custodian will perform an inventory of all controlled property assigned to them or within the realm of their responsibility, making notes on the property, adding any tagged items found that are not listed on the printout, and making appropriate notes for items listed that have been transferred, excessed, lost, stolen, damaged, or otherwise are no longer in the custody of the property custodian.

Upon completion of the physical inventory, the property custodian will sign the letter of certification that accompanies the inventory and return the inventory and signed certification to the Regional Procurement Officer.

- b. The Regional Property Officer will reconcile the inventory and compile the letters of certification, by division, along with the physical inventory certification list, and forward all documents to the division directors for their review and certification. The division director returns the signed Physical Inventory Certification List to the Regional Procurement Officer, to be forwarded to the Department Property Accounting Officer.
- c. The Department Property Officer forwards the completed and signed certified inventories to the Commissioner for review.

9. Trade-In

Items that are being traded-in require the approval of the State Property Manager. Reference Chapter V, section E, of the State Property Accounting Manual for the mechanics of the procedure.

10. Leased or Rented Property

As part of our annual financial statement, we are required to report the dollar amount of equipment being leased by the Department. If the lease meets any one of the following classification criteria, we are required to report the value.

1. The lease transfers ownership of the property to the lessee by the end of the lease term.
2. The lease contains an option to purchase the leased property at a bargain price.

Leased equipment that meets the above criteria will be tagged (with a standard tag number) and entered into the property system similar to a non-leased item with the following exception:

Description

Description Line 1 Vendor's name and Model Number
Description Line 2 Lease term and number of payments
Description Line 3 Date lease begins, date lease ends

Example:
Acme Copier, Mod. 4593
36 months @ \$250.00 per
7-1-92 to 6-30-95

Fund: Use "L"

Value

Show total value of lease. If the lease contains a purchase option at the end of the lease term add the additional cost to the value of the lease.

Example:

36 month lease @ \$250.00 per month. At the end of the term the machine becomes property of the state. Show the value as \$9,000.00, or

36 month lease @ \$250.00 per month with a purchase option of \$500.00 at the end of the lease term. Show the value as \$9,500.00.

It is not mandatory to control, within the state's property inventory system, short term rentals or seasonal rented equipment. If you choose to do so use a Fund Code "R." Do not use an "L."

11. Loan of property

Property custodians may loan controlled property to agencies within the state system, through the Regional Procurement Section. The Property Loan Receipt, Form 25A-038 shall be used for the accounting record.

12. Disposal of Excess State Property

- a. Equipment (other than vehicles), supplies, etc.: The property custodian is responsible for the Declaration of Excess Equipment, Supplies or Materials. This declaration is transmitted on Field Excess Report, form 25A-023 to the Regional Procurement Section. The regional procurement section staff shall determine if the excess items may be used in other sections of the Department. If the items cannot be utilized, the regional property officer prepares an Inter-Departmental Property Transfer Authorization and Report, form 02-622 for transfer of the property to the Department of Administration Property Management Office for disposition.
- b. Vehicle/attachments: Excess vehicles are processed through the regional/district equipment managers, including non-rental vehicles. The Field Excess Report is processed through State Equipment Fleet (SEF) Headquarters for approval, then sent to the Headquarters Procurement Section, Property Unit. The Property Unit shall prepare the Inter-Departmental Property Transfer Authorization and Report, form 02-622. All reports must contain the statement, "All transactions prior to the Public Sale require the written approval of the Headquarters State Equipment Fleet, Department of Transportation and Public Facilities." The report is then signed by the Department Property Accounting Officer, and sent to the Department of Administration with the vehicle titles.

Prior to advertising the sale, the Statewide Equipment Fleet and the Department of Administration, Division of General Services and Supply will verify the items for sale.

No item, once reported as excess, will be further used or cannibalized, nor will it be removed from its reported location without prior written approval of the procurement section, or, in the case of vehicles, Statewide Equipment Fleet.

13. Disposal of Excess Buildings

Regional directors responsible for buildings, shall make the Declaration of Excess Buildings. This declaration is transmitted on form 02-656 (Rev 12/83) to the regional procurement function. The procurement function shall assign a report control number, ensure the form is complete, signed per Delegation of Authority, and sent per instructions on the form. Furnishing, appliances, etc., bearing a PCN Decal and scheduled to be included with the unit in Transfer or

Sale, shall be reported separately on form 02-622 which will be referenced in the remarks block and attached to form 02-656.

14. Optical Equipment

The issuing or returning of optical equipment shall be done on form 25A-030, Transfer of Property. The manager of the Optics Lab shall prepare the transfer document and forward to the property custodian. The property custodians shall prepare the transfer document for returning the equipment to the Optics Lab.

15. Computer Listings

Many versions of the property listing can be requested. Most common is the physical inventory format shown below as number 9. The regional property officers can request these listings by using the report request on the Property Control System menu. Division directors can request listing by group or individual class to assist them in the budgeting process or replacement of property custodians, or reutilization of equipment. Requests of this type will be performed by the Regional Procurement Officer.

a. Available property listings:

- 1) Department/region/custodian/location/tag
- 2) Department/tag
- 3) Department/class/tag
- 4) Not available
- 5) Department/fund/tag
- 6) Department/region/tag
- 7) Audit track/department/tag
- 8) Department/class/region/tag
- 9) Department/custodian/location/tag (inventory format)

16. Property Custodian's Role, Surplus Sales

In conducting sales of surplus property in remote locations, the Property Management Section, Department of Administration, must rely heavily on assistance from field personnel of other departments. When this is necessary, the departmental property officer of each department involved in the sale will select a DESIGNATED CUSTODIAN to provide the following assistance.

a. Pre-sale Publicity:

The Designated Custodian receives from Property Management:

- 1) Assignment to assist in a specific sale.
- 2) Several sale listings, depending on population of the area and number of posting requested.

- 3) Instructions as to posting requirements and inspection periods.
- 4) "Request to Post Form," part of which is an AFFIDAVIT OF POSTING. In areas having a post office, a similar notice is sent to the Postmaster with a Request to Post; in those areas, the custodian will not include the post office as a location for posting his notices. However, in areas where the postal facility is located in a general store, etc..., posting in the facility by the custodian is acceptable and highly recommended. Other suggested locations include the general store, telephone facility, airport facility, or any other place known to have a "bulletin board" which is used locally to display information of public interest. The AFFIDAVIT OF POSTING must be returned to the property management office indicated on the Request to Post.

Failure to post and/or failure to return the Posting Affidavit may result in cancellation of the sale; the custodian's department will be notified of the failure to comply.

b. Tagging items with sale number and item number as listed on the sale document.

c. Inspection Assistance:

Assists prospective bidders in finding items when requested. If opinions are expressed, the bidder(s) must be reminded that the opinion, although honest, does not constitute a guarantee as to condition or value.

d. Sale Wrap-up:

- 1) Review the buyer's "Authorization to Release" copy of the Notice of Award; ensure it indicates payment received in full and is signed by a surplus property officer (or State Property Manager).
- 2) Assist the buyer in locating item(s) purchased; ensure buyer removes all items listed on his release document (and no other items).
- 3) Obtain buyer's signature, indicating the items purchased have been received.
- 4) Forward the release document to the surplus property office indicated in the upper left hand block. THIS IS THE FINAL STEP IN THE PROPERTY AUDIT TRACK, AND IS THE ONLY MEANS BY WHICH THE END RESULT OF THE SALE CAN BE DOCUMENTED. FAILURE TO FOLLOW THROUGH CAUSES ERRORS AND CONFUSION IN DEPARTMENTAL PROPERTY RECORDS AND MAY BE CAUSE FOR REPRIMAND FROM THE CUSTODIAN'S DIRECTOR.

17. Employees Not Eligible to Bid

State employees, or members of their immediate families, are not eligible to bid on state surplus property if they:

- a. Make the decision to excess.
- b. Are the custodian for the sale process.
- c. Are connected with the excess process of the procurement section, unless approved by the State Property Manager or sale manager.

18. Use of Employee Personal Property

Only property that is required on the job will be covered by the State. This includes that equipment required by union contracts or for those employees required to live in state housing. An employee that elects to use his/her personal property on the job must have it clearly marked.

19. Property Owned By An Entity Other Than The State

An item on loan to the State but to which the State does not have title, will be recorded when it is in the care and custody of the state. Such items shall be noted on inventory input documents, and shall be tagged per instructions for identifying loaned, leased or rented items.

EXCEPTIONS

- a. Art work and artifacts under control of the State museums.
- b. Items loaned for display in public areas, encased, and/or identified by affixed placard or other permanent marking identifying ownership. In this case, the division/section responsible for the public area shall maintain in a properly recorded and adequately safe-guarded book or log, a list of all items on loan to the state. The log shall list the items, owners name and address, and location.
- c. Items may be considered NOT in care and custody of the State if an entity other than the State has control authority of the area.