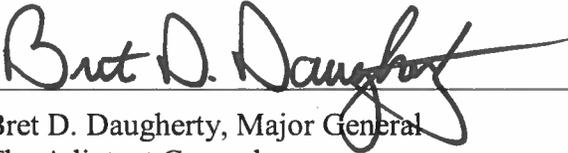




Department Policy No. FIN-104-02

Title:	Capital Asset Policy
Former Number:	02-001-02
Authorizing Source:	State Administrative and Accounting Manual (SAAM) Sections 30.30, 30.40, 30.45
Forms:	-A56 Capital Asset Management System (CAMS) Input Data Sheet -Inventory Verification Form (IVF) -State Property Documentation Form
Information Contact:	Inventory (253) 512-8272
Effective Date:	October 15, 2002
Mandatory Review Date:	January 1, 2017
Revised:	January 1, 2013
Approved By:	 Bret D. Daugherty, Major General The Adjutant General Washington Military Department Director

Purpose

To establish the Washington Military Department's (WMD) policy for recording, tracking, and inventorying state owned assets.

Scope

All employees of the WMD will safeguard state-owned assets as resources of the state. To safeguard the assets, the WMD will conduct a physical inventory of assets once every two years.

Policy

All assets valued greater than \$5,000 with a useful life more than one year and those assets determined to be small and attractive, will be considered assets subject to inventory and carried on the property records of the WMD. All assets will be clearly marked identifying them as state property.

The Finance Division is responsible for maintaining the property records of the WMD using the Capital Asset Management System (CAMS). A physical inventory of all capital and small and attractive assets must be conducted every other year. The Inventory Manager is responsible for reconciling the inventory records with the asset inventory.

Definitions

Asset Custodian - Each Division Director will assign a representative(s) who will be responsible for tracking and inventorying assets belonging to the division.

Capital Assets - Assets with a life expectancy of more than one year as defined by the Office of Financial Management (OFM). The cost includes transportation charges, sales tax, installation costs, warranties, and any other normal or necessary costs required to place the asset in its intended location and condition for use. This definition also includes, land regardless of cost, buildings, building improvements, and leasehold improvements with a cost of \$100,000 or greater. Assets valued at over \$5,000 will be maintained in the Capital Asset Management System (CAMS); small and attractive assets may be maintained in CAMS or another system. Each record will contain the data elements as defined in the OFM Policy Manual (SAAM 30.40.30). Intangible assets such as rights of way or software will be capitalized if they have a value greater than \$1,000,000.

Independent Third Party - An independent third party is a person who will assist the asset custodian with the inventory process by confirming that an asset exists. This person will have no direct responsibility for the asset.

Inventory Manager – The designee working in the State Finance Division.

Small and Attractive Assets -

- All items in the commodity class code major group 10XX – Weapons, Firearms, Signal Guns, and Accessories no matter of value; and

Assets in the following groups having a value greater than \$300:

- All items in the class code major group 5822 – Communications equipment, Public Safety: Audio and video
- All items in the class code major group 6651 – Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders
- All items in the class code major group 6710 through 6730 - Cameras, Motion Picture Cameras, Still Picture Cameras and Photographic Projection Equipment
- All items in the class code major group 7012 through 7013 – Non-portable Microcomputer Systems, including desktop and personal computers, Portable Microcomputer Systems, Laptop and Notebook Computers

- All items in the class code major group 7034 through 7039 – Plotters, Other IT Accessorial Equipment and Components (Scanners, Data Displays, etc.), Monitors, Laser Printers, Impact and Other Printers
- All items in the class code major group 7420 through 7450 – Accounting and Calculating Machines, Typewriters and Office Type Composing Machines, Office Type Sound Recorder
- All items in the class code major group 7730 – Record Players, Radios, Television Sets, Tape Recorders, VCRs, and Video Cameras, Home Type

Responsibilities

Actor	Action
State Finance Office	
Inventory Manager	<ol style="list-style-type: none"> 1. Responsible for recommending procedures for identifying, marking, maintaining records, and accounting for the department assets as defined by this document. 2. Ensures that purchased assets are recorded in the Capital Asset Management System (CAMS). 3. Maintains control of all asset identification tags. 4. When an asset is purchased, assigns a control number and forwards an asset tag with State Property Documentation Form to the receiver. 5. Ensures that a physical inventory of department assets is conducted at least once every other year. 6. Produces an Inventory Verification Form (IVF) on a monthly basis that includes assets not inventoried at least once in the last two years based on the Fiscal Month/Biennium (FMBI) field in CAMS. 7. Distributes the IVF to the asset custodians for the purpose of verifying that assets requiring verification are inventoried. 8. When the IVF is returned, ensures the form is completed correctly and signed by a third party. 9. Reconciles the IVF to CAMS. Adds missing items to CAMS. Takes appropriate action for items not located. 10. Biennially certifies that the inventory to date has been completed, reconciled and the CAMS database has been updated. The original signed and dated certification is sent to the Accounting Manager and copies are retained and filed with the IVFs.

	<ol style="list-style-type: none"> 11. If a significant number of unrecorded assets are located, the inventory manager will consult with the Accounting Manager to develop a corrective action.
Fiscal Analyst 2	<ol style="list-style-type: none"> 1. Documents applicable information on Input Data Sheet A56 and attaches document received from Accounts Payable. 2. Inputs information from Input Data Sheet into Capital Asset Management System (CAMS). 3. Reconciles expenditures on a monthly basis in the Agency Financial Reporting System (AFRS) for assets greater than \$5,000 and small and attractive assets to the received Input Data Sheets. 4. Updates the FMBI field in CAMS to reflect the biannual inventory verification dates. 5. Files Input Data Sheet with the inventory section.
Accounts Payable	<ol style="list-style-type: none"> 1. Pays for the asset after shipping documentation is received. 2. Copies and sends the purchase order, invoice, and State Property Documentation Form to the Fiscal Analyst 2 for processing into CAMS.
Operating Division	
Asset Custodian	<ol style="list-style-type: none"> 1. When an asset is received, signs for the asset(s) from the shipper and writes Subject to Inventory and Count (SIC) by annotating the acronym SIC, with the date, and their signature on the packing slip. 2. Affixes the state asset tag(s) in a conspicuous place on the asset. The tag is to be placed on the body of the asset and not on a removable part. Asset tags must be placed in a visible location and should be consistently placed in the same location on like assets (i.e. computers, copiers, etc). Labeling will be done immediately upon receipt and acceptance of property. 3. Documents the serial number(s) or other identifying numbers on the State Property Documentation Form and signs the form. The form, the signed and dated Field Order Receiving Report, and the packing slip will be sent to the State Military Department Finance Accounts Payable. If an invoice is received at the time of delivery, that should also be included. 4. When an Inventory Verification Form (IVF) is received from the Inventory Manager, enlists an independent third party to verify the asset(s) exists, and signs the IVF; the asset custodian will return the IVF to the Inventory

	<p>Manager. The tag number, description, location and serial number will be verified. Any discrepancies will be corrected on the IVF.</p> <ol style="list-style-type: none">5. If an asset is located, but not listed on the IVF, adds the asset to the IVF.6. If an asset is not located, follows the process described under the Lost or Stolen Property section.7. Questions about the process should be directed to the Inventory Manager.
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Description of Inventory Processes

Conducting the Inventory –On a monthly basis, the Inventory Manager will distribute an IVF to all Asset Custodians, notifying them of assets that have not been inventoried during the past 22 months.

The Asset Custodians will enlist an independent third party, locate the assets needing verification, and document that the asset exists on the IVF. The independent third party will sign the IVF and the IVF will be returned to the Inventory Manager who will forward them to the Fiscal Analyst 2 for processing into CAMS. If an item is not located, a State Property Documentation Form must be attached to the IVF (see Lost or Stolen Property section below).

At the end of the biennium, the Inventory Manager will run a complete listing of all active assets and their value. The Inventory Manager will certify that all assets requiring verification have been inventoried at least once every other fiscal year noting any exceptions, and sign the report. The Inventory Manager will send it to the Accounting Manager for inclusion in the documentation of the biennial financial statements.

Marking and Labeling

Assets are marked to facilitate accounting, aid in identification if property is lost or stolen, discourage theft, and reduce the possibility of department losses. All inventoried assets will be permanently marked with a bar code and control number tag to identify them as WMD property. The standardized adhesive identification tag will consist of the following information:

- Washington State
- Department number
- Department name: Military Department
- Control Number

Under certain circumstances asset labeling will be done with a permanent marker. In these cases the asset will be marked with the control number from the state barcode tag.

Transferring Property - Assets transferred from one location to another must be coordinated in advance with the Inventory Manager by completing a State Property

Documentation Form. The Inventory Manager will update the property records to reflect the new location of the asset.

Lost or Stolen Property

1. If at any time a WMD asset is suspected missing, the division director (or designee) will notify the Inventory Manager. A State Property Documentation Form will be prepared with the date and an explanation of how the loss occurred. The form will include a description of the asset and the inventory control number.
2. A department-wide search for the missing property will be led by the Inventory Manager. All custodians will be notified of the missing asset and the identifying numbers (tag number/serial number). If the asset is located, the Inventory Manager will update the asset location records if the asset was transferred to another location.
3. If theft is suspected, the WMD Chief Financial Officer (CFO), with concurrence from TAG, will notify the appropriate law enforcement agencies.
4. If the asset is not located, the Inventory Manager will initiate a Property Disposal Request (SF267A) to remove the asset from the inventory. The State Auditor's Office and OFM Risk Management will be notified and the asset will be removed from CAMS.

Disposal/Turn-In Of Assets

1. When assets are no longer needed, a State Property Documentation Form will be completed. The form must include the condition of the item(s) and a description of the item(s) being turned-in.
2. Property is turned-in to the Inventory Manager. For vehicles or large items, call 253-512-8272/7596 for guidance.
3. Department of Information Services policies and guidelines will be followed to dispose of information technology related assets (Information Technology Investment Standards Policy 201-S2). Department of General Administration, Division of Commodity Redistribution policies and procedures must be followed for disposing of all other assets (<http://www.ga.wa.gov/Surplus/pdintro.htm>).
4. The Inventory Manager will complete a Property Disposal Request (SF 267A) and all inventoried assets will be removed from the property records after approval is received.
5. Asset disposition records are maintained for six years. After six years, the record of the asset may be eliminated.