
 <p>State of Connecticut Department of Correction</p> <p><b>ADMINISTRATIVE DIRECTIVE</b></p>	Directive Number 3.4	Effective Date 04/28/2017	Page 1 of 6
	Supersedes Inventory Control, dated 10/03/14		
Approved By   Commissioner Scott Semple	Title  Asset Management		

1. Policy. The Department of Correction shall maintain the highest standards of asset management and ensure effective stewardship of all state property entrusted to it.

2. Authority and Reference.

- a. Connecticut General Statutes, Sections 4-33a, 4-36 and 18-81.
- b. Office of State Comptroller Memorandum #2015-05.
- c. State of Connecticut, Office of the Comptroller, Property Control Manual.
- d. State of Connecticut, Office of the Comptroller, State Accounting Manual.
- e. State of Connecticut, Office of the Comptroller, Memorandum #2015-05
- f. American Correctional Association, Standards for Administration of Correctional Agencies, Second Edition, April 1993, Standard 2-CO-1B-08.
- g. American Correctional Association, Standards for Adult Correctional Institutions, Fourth Edition, January 2003, Standard 4-4037.
- h. American Correctional Association, Performance-Based Standards for Adult Local Detention Facilities, Fourth Edition, June 2004, Standard 4-ALDF-7D-15.
- i. American Correctional Association, Standards for Correctional Training Academies, First Edition, May 1993, Standard 1-CTA-1B-08.
- j. Administrative Directive 6.6, Reporting of Incidents.

3. Definitions. For the purposes stated herein, the following definitions apply:

- a. Building Service Systems. Any article or attachment with a relatively long life but shorter than the life of the building to which it is affixed including wiring, computer and network cabling, electrical fixtures, plumbing, elevators, heating, ventilation and air conditioning systems, alarm systems and stationary telecommunication equipment.
- b. Capital Equipment. Any equipment (moveable machinery, tools, furniture, or vehicles) received after 7/1/2015, with a normal useful life of more than one (1) year and a value of \$5,000 or more including any books or sets of books, software, and licenses. All assets received prior to 7/1/2015, will need to be tracked at the \$1,000 threshold.
- c. Controllable Property. Tangible property that is not capital equipment and requires individual identity and control as determined by the Director of Fiscal Services.
- d. Fixed Equipment. Fixtures which are permanently attached to and made part of a building and which cannot be removed without damaging walls, ceilings or floors, built-in benches, cabinets, counters, tables, lockers, conveying systems, fume hoods, refrigeration piping and machinery and built-in shelving.

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- e. Improvements to Leased Property. Any renovation or upgrading of property leased by the State.
  - f. Non-Controllable Property. Tangible property that is not capital equipment and does not require individual identity and control.
  - g. Real Property. Land and rights therein, ground improvements, utility distribution systems, buildings and structures owned by the State of Connecticut.
  - h. Renovations, Additions and Repairs to Real Property. Any improvement made to a building which extends its useful life and/or which increases the economic benefits to be derived from an asset.
  - i. Site Improvement. Improvements which increase the value of the original property such as paving, landscaping, fencing, and lighting.
4. Property Control Liaison. The Unit Administrator shall appoint a Property Control Liaison for each respective unit. The Unit Administrator shall notify the Director of Fiscal Services of such appointment. The Property Control Liaison, under the direction of the Unit Administrator and in conjunction with the Director of Fiscal Services or designee, shall be responsible for assisting the Asset Management Team in the following tasks:
- a. Assisting the Asset Management Team in recording and documenting the location and condition of all property assigned to the unit.
  - b. Complete and sign an annual physical inventory of all property assigned to the unit.
  - c. Report the results of that inventory to the Fiscal Services, Asset Management Unit in the required format.
  - d. Assisting the Asset Management Team in recording all adjustments of loaned property consistent with Section 12 of this Directive.
  - e. Assisting the Asset Management Team in coordinating and documenting the disposal, transfer or donation of all property through the Asset Management Unit.
5. Director of Fiscal Services. The Director of Fiscal Services shall be responsible for the following:
- a. Establish and maintain the Department's Property Control Record System.
  - b. Provide training, copies of unit property control records, and support to Property Control Liaison s in maintaining the unit physical inventory.
  - c. Prepare and submit Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form.
  - d. Report all losses and/or damage to real property, controllable items and capital equipment using Attachment B, CO-853, Report of Adjustment to State-owned Real and Personal Property and adjust inventory accordingly.
  - e. Report all recovered property and modify inventory accordingly.
6. Property Control Records. A separate record shall be established and maintained on a continual basis for all property owned by or in the custody of the Department relating to the following categories:
- a. Real Property - land, buildings and site improvements;
  - b. Capital equipment and controllable property;
  - c. Materials and goods-in-process;
  - d. United States Government property;

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- e. Property on loan from federal agencies;
- f. Property acquired in whole or in part with federal funds;
- g. Leased or on-loan property not owned by the State;
- h. Stores and supplies (perpetual);
- i. Motor Vehicles owned by the State and in custody of the facility;
- j. Software;
- k. Books, maps and records which are affiliated with a library;
- l. Fine arts; and,
- m. Other property acquired by the Department (e.g., Welfare and Activity Fund, federal surplus property).

7. Identification. Capital equipment and Agency identified controllable property shall be tagged with a unique identification for the purpose of Asset Management. Non-controllable items may be marked with a non-numerical tag identifying them as Department property.

8. Physical Inventories. A physical inventory of the tagged capital equipment and controllable property in each unit shall be conducted at least annually or on an ongoing process throughout the year. The Unit Administrator shall certify the Unit's physical inventory as complete and accurate. Any loss, damage or discrepancy of inventory items assigned to the facility's Food Services, Health Services and/or Maintenance Units shall be communicated to the respective Director overseeing that particular support area.

a. Inspection. The Property Control Liaison or Fiscal Services representative conducting the inventory shall physically inspect the condition of each item with respect to the need for repairs, maintenance, replacement or surplus. Any inventory item requiring repair, maintenance and/or replacement shall be reported to the Property Control Liaison for appropriate action.

b. Evaluation. The physical inventory shall be used to identify losses not previously revealed and determine any weaknesses in Asset Management controls.

9. Inventory Modifications.

a. Additions. Newly purchased, as well as used assets, donated assets and assets acquired through capital leases shall be added to the inventory when appropriate as determined by Agency rules and dollar thresholds. Additions to the inventory shall include transfers from the State Surplus Center which shall be recorded at the original cost or fair market value. Additions recorded during the reportable fiscal year shall be annotated on Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form and supported by original documentation. Additions reported on Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form must reconcile to records maintained on the CORE-CT Asset Management System, supported by file records.

b. Transfers. Any movement of an asset by virtue of change in location, either by department, building, or floor shall constitute a transfer. All requests for transfer shall be authorized by a unit head or the division head and submitted to the Property Control Liaison. A written record of capital and/or personal and real property transfers shall be initiated for records adjustments and retained for audit-trail utilizing Attachment D, COR-INV-1, Inventory Transfer Request Form.

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c. Deletions/Dispositions. All requests for the deletion and/or disposition of property, to include capital and/or personal and real property, excluding electronics, transferred, donated, scrapped or surplus, shall be submitted on Attachment E, COR-INV-5, Public Surplus Auction Form through the Property Control Liaison and the Asset Management Unit. Requests for electronic property to be transferred, donated, scrapped or surplus, shall be submitted on Attachment F, COR-INV-%a, Electronics Only Surplus Property Form (PDC).

i. Deletions recorded during the reportable fiscal year shall be annotated on Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form and supported by original documentation.

ii. Under no circumstances shall any item of real or personal property belonging to the State of Connecticut be destroyed, disposed of or donated without an approved Attachment E, COR-INV-5, Surplus Property Transfer Form signed by the Unit Administrator and subsequently authorized by the Department of Administrative Services Property Distribution Center.

10. Reporting of Loss or Damage to Real and Personal Property. Reporting of loss or damage to real and personal property shall be in accordance with this section as well as Administrative Directive 6.6, Reporting of Incidents.

a. CN 6601, Incident Report shall be completed and processed in accordance with Administrative Directive 6.6, Reporting of Incidents.

b. Attachment B, CO-853, Report of Adjustment to State-Owned Real and Personal Property shall be used to report all property other than vehicles pertaining to theft, vandalism, criminal or malicious damage, missing property (cause unknown) or damages caused by wind, fire or lightning.

c. Attachment G, DAS Vehicle Incident/Accident shall be used to report motor vehicle losses/damages to State-owned or leased automobiles pertaining to theft, vandalism, glass breakage of all types, and/or other loss caused by outside forces, and wind, fire or lightning.

d. The original copy of the above referenced loss reports shall be forwarded to the Director of Fiscal Services. A copy of Attachment B, CO-853, Report of Adjustment to State-Owned Real and Personal Property shall be submitted to the Security Division for appropriate follow-up action.

11. Equipment Component Parts. A component part shall be considered to be a part of a unit of equipment when it cannot be used independently of the remaining piece of equipment or is physically connected to the major asset. The total cost of all the component parts shall be inventoried as one unit and assigned one tag number.

12. Loan Procedures for Property. State property shall only be loaned out in order to conduct State business. Written approval shall be obtained from the Director of Fiscal Services.

a. Equipment may be loaned if the Director of Fiscal Services is convinced that the removal of such equipment shall not:

i. Interfere with the normal operation of the Department;

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- ii. Cause unreasonable wear and tear on the equipment;
- iii. Cause expense to be incurred by the Department; and,
- iv. Provide for profit-making activities.

b. Attachment C, CO-1079, Record of Equipment on Loan shall be completed for this purpose.

13. Books, Maps and Records. Any unit which maintains a library shall be required to maintain a separate inventory for library materials. Acquisitions and deletions of materials for a library shall be recorded directly into a separate control account maintained by the facility librarian and summarized on Attachment A, CO-59, Asset Management/Property Inventory Report/GAAP Reporting Form. Libraries include, as part of their inventory, books, maps, records, videos, and electronic media. Single books or sets of books (multiple volumes) costing over \$1000, shall be tagged and inventoried as part of the unit inventory as capitalized property. Libraries shall conduct a physical inventory annually and submit a report to the Asset Management Unit.

14. Depreciation. Depreciation of State assets is limited to internal service funds. Depreciation shall be calculated using the straight-line method on an annual basis.

15. Real Property - Land and Buildings. A separate record of all State-owned real property shall be maintained by the Facilities Management and Engineering Services Unit. Any damage or discrepancies to real property shall be reported to the Director of Fiscal Services utilizing Attachment B, CO-853, Report of Adjustment to State-Owned to Real and Personal Property.

16. Department-Owned Motor Vehicles. The inventory records for Department-owned automobiles, buses, and trucks shall be maintained under this category as determined by the Office of the State Comptroller Property Control Manual.

17. Software Inventory. Each unit (i.e., Unified School District #1, Facilities Management and Engineering Services, and Correctional Enterprises of Connecticut) shall be responsible for maintaining an inventory of software not issued by the Management Information Systems Unit and shall be required to: establish a central software inventory for each unit, to control all of the master software diskettes, documentation and related items. Each original software diskette shall be maintained with a copy of its operational manual. Capital software is to be reported on Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form under the "Software (Capitalized) Owned by State" category.

a. Records shall contain the following data:

- i. Assigned identification number;
- ii. Title of software;
- iii. Description - software name or functional application;
- iv. Version;
- v. Manufacturer;
- vi. Software serial/registration number (if available);
- vii. Acquisition type (purchased, leased, or donated gift);
- viii. Acquisition detail - purchase order number and/or donation source or gift source;
- ix. Initial installation date;

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- x. Location and ID of CPU Device;
- xi. Cost the cost of the purchased software; and,
- xii. Disposal, upgraded (list new serial number), transferred, sold, or destroyed.

b. A physical inventory of all software shall be conducted by each unit at the end of each fiscal year. One (1) copy shall be sent to the Asset Management Unit by August 1<sup>st</sup> of the following fiscal year. The original shall be retained by the unit.

18. Stores and Supply Inventory. Inventory reporting and tracking shall be as follows:

- a. Warehouse Inventory. A computerized, perpetual inventory shall be maintained at each warehouse location for all supplies and clothing items with a physical inventory conducted at least annually. Each warehouse shall submit a year-end closing balance to the Asset Management Unit, who shall complete Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form.
- b. Commissary Inventory. The Commissary shall maintain an active inventory report for the Fiscal Services Unit in accordance with Administrative Directive 3.8, Commissary. The year-end closing balance shall be submitted to the Asset Management Unit, who shall complete Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form.
- c. Food Inventory. The Food Services Unit shall maintain a perpetual food inventory report for the Fiscal Services Unit. The year-end closing balance shall be submitted to the Asset Management Unit, who shall complete Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form.
- d. Materials and Goods in Process. Correctional Enterprises of Connecticut shall maintain a perpetual inventory report for the Fiscal Services Unit. The year-end closing balance shall be submitted to the Asset Management Unit, who shall complete Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form.

19. Annual Reports.

- a. The Director of Fiscal Services or designee shall transmit to the Office of the State Comptroller by October 1 of each year an inventory report of all real and personal property in the unit's possession as of the close of the fiscal year on June 30. The reports shall be signed by the Director of Fiscal Services or designee to ensure their accuracy. A copy of the inventory reports shall be sent to the Deputy Commissioner of Administration.
- b. The Director of Engineering and Facilities Management shall transmit to the Office of Policy and Management by August 1 of each year a building inventory spreadsheet.

20. Forms and Attachments. The following attachments are applicable to this Administrative Directive and shall be utilized for the intended function:

- a. Attachment A, CO-59, Asset Management Inventory Report/GAAP Reporting Form;
- b. Attachment B, CO-853, Report of Adjustment to State-Owned Real and Personal Property;
- c. Attachment C, CO-1079, Record of Equipment on Loan;

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- d. Attachment D, COR-INV-1, Inventory Transfer Request Form;
- e. Attachment E, COR-INV-5, Surplus Property Transfer Form; and,
- f. Attachment F, COR-INV-5a, Electronics Only Surplus Property Form (PDC)
- g. Attachment G, DAS Vehicle Incident/Accident Report

21. Exceptions. Any exceptions to the procedures in this Administrative Directive shall require prior written approval from the Commissioner.