STATE OF FLORIDA
DEPARTMENT OF
CHILDREN AND FAMILIES
TALLAHASSEE, May 6, 2005

CF OPERATING PROCEDURE
NO. 80-2

Property Management

PROPERTY MANAGEMENT

This operating procedure sets forth guidelines and procedures for the management of state-owned tangible personal property.

BY DIRECTION OF THE SECRETARY:

(Signed original copy on file)

ROBERT F. FAGIN
Assistant Secretary for
Administration

SUMMARY OF REVISED, ADDED, OR DELETED MATERIAL

Paragraph 3-3 has been changed to clarify how much of the cost of a surplus property vehicle that can be paid from the expense appropriation.

This operating procedure supersedes CFOP 80-2 dated November 8, 2004.
OPR: ASGO
DISTRIBUTION: B

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Chapter 1

GENERAL

1-1. Purpose. This operating procedure sets forth guidelines and procedures for the management of state-owned tangible personal property by the Department of Children and Families (DCF).

1-2. References.

a. Chapter 216, Florida Statutes (F.S.), Planning and Budgeting.

b. Chapter 217, F.S., Surplus Property.

c. Chapter 273, F.S., State-Owned Tangible Personal Property.

d. Rule 3A-21.002, Florida Administrative Code, Procedure for Adjustment of State-Owned Property Records.

e. Chapter 10.300, State-Owned Tangible Personal Property, Rules of the Auditor General.

f. CFOP 60-5, Chapter 3, Standards of Conduct and Standards for Disciplinary Action for All Employees in the State Personnel System.

g. CFOP 75-2, Contract Management System for Contractual Services.

h. CFOP 75-3, Insurance.

i. CFOP 80-3, Disposal of Client Unclaimed Tangible Personal Property.

j. CFP 15-7, Records Retention Schedules Used by the Department of Children and Families.

k. Accounting Procedures Manual (APM), Volume 8, Chapter 3, FLAIR Procedures, Standard Accounting Codes.

l. APM, Volume 9, Chapters 1-7.

m. Comptroller's Memorandum No. 1 (2001-02), Statewide Financial Statement Capital Asset Policy.

n. FLAIR Property Manual, State of Florida Department of Banking & Finance.

1-3. Definition of Terms.

a. ASGO. The office of General Operations within the central office of DCF General Services. This office is located in the Winewood Office Park, Tallahassee, Florida.

b. Capital Asset. Real or personal property that has a cost equal to or greater than an established capitalization threshold and has an estimated useful life extending beyond one year.

c. Capitalization. The recording of a capital asset into the general fixed asset or proprietary accounts for a property item with an estimated useful life of one year or more and an original acquisition cost or estimated fair market value of $1,000 or more. The only exceptions are hardback-covered bound books that are circulated to students or the general public, the original acquisition cost or estimated fair market value of which is $25 or more, hardback-covered bound books, the cost or value of which is $250 or more, and all computers.

d. Community-based Care Lead Agency. An agency with which the department contracts for the provision of child protective services in a community that is no smaller than a county.

e. Contract Manager. An individual designated by the department's contract signer to be responsible for overseeing the success of the contract.

f. Cost-Reimbursement Contract. A contract which provides for payment to the contractor for actual costs involved in provision of services according to a line-item budget. The line-item budget is negotiated prior to signing of a contract and is usually incorporated within the contract or becomes an attachment to the contract.

g. Custodian Identification Number (CID). The four-digit alphanumeric number that identifies a particular custodian.

h. Depreciation. An amount that represents a decrease in value due to wear, age and other causes over the service life of the item.

i. Disposition. Process of recording the disposal of a property item and marking the Property Master File record for deletion.

j. Estimated Fair Market Value. An estimated value of a property item, made by an employee, at the time the property item is acquired, when the original acquisition cost is not available.

k. Fixed Capital Outlay (FCO). Section 216.011, F.S., defines Fixed Capital Outlay as the appropriation category used to fund real property (land, buildings, including appurtenances, fixtures and fixed equipment, structures, etc.) including additions, replacements, major repairs, and renovations to real property which materially extend its useful life or materially improve or change its functional use and including furniture and equipment necessary to furnish and operate a new or improved facility.

l. Fixed-Price Contract. A contract which states that a specified number of units of service will be provided, at a specified cost per unit, so that a determination of the total contract price can be made.

m. Florida Accounting Information Resource (FLAIR) Property Subsystem, formerly State Automated Management Accounting System (SAMAS). An on-line system that contains the official records for all property items in inventory.

n. GASB 34. For fiscal year ending June 30, 2002, the State of Florida is required to implement Statement No. 34 of the Governmental Accounting Standards Board, Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments.

o. Grant. An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the federal government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as fellowship or other lump sum award, which the grantee is not required to account for.

p. Operating Capital Outlay (OCO). The appropriation category used to fund equipment, fixtures, and other tangible personal property of a non-consumable and non-expendable nature, according to the cost or value specified in s. 273.02, F.S.

q. Original Acquisition Cost. The invoice price, plus freight and/or installation charges, less discounts. Whenever a purchase involves the trade-in of an item, the trade-in allowance is added to the actual amount paid for the item to obtain the original acquisition cost.

r. Political Subdivision. Counties, cities, towns, villages, special tax supported schools, county school districts, universities, junior colleges, special road and bridge districts and all other districts in this state and any other institution or charitable organization that provides public services and is supported, funded (partly or in whole) and/or subcontracted by the state, county, or municipal tax base.

s. Private Non-profit Agency. A nonprofit charitable organization, no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual, which has been held to be tax exempt under the provisions of Section 501 of the Internal Revenue Code of 1954, and which has as its principal mission public health and welfare, education, environmental restoration and conservation, civil and human rights, or the relief of human suffering and poverty.

t. Property Consultant. Class title assigned to a position in most districts, region, institutions, and central office that supervises the tagging, controlling, transferring and disposing of tangible personal property. Some districts, region, and institutions have an employee performing this property function, but the employee has been assigned a class title different than “property consultant” (e.g., property analyst, property specialist, etc.). For purposes of this operating procedure, the term “property consultant” will be used throughout to refer to all DCF employees performing this function.

u. Property Custodian. Any elected or appointed state officer, board, commission, or authority, and any other person or agency entitled to lawful custody of property owned by the state. Within DCF, the district administrators, regional administrator, institutional superintendents, Chief Information Officer, and central office directors are considered property custodians.

v. Property Custodian Delegate. An individual under the supervision of the property custodian who may be delegated the use and immediate control of tangible personal property and from whom the property custodian may require custody receipts.

w. Property History File. A FLAIR file containing an 18-month history of property transactions, including both accounting and non-accounting information.

x. Property Master File. A FLAIR file containing a complete listing of all existing property records.

y. Service Center. A single repository for all information technology (hardware and software), unrelated to FLAIR, that is maintained by the central office of Information Systems.

z. Tangible Personal Property. Equipment, fixtures, and other property of a non-consumable and non-expendable nature, the original acquisition cost or estimated fair market value of which is $1,000 or more and the normal expected life of which is one year or more. This definition also includes hardback-covered bound books that are circulated to students or the general public, the original acquisition cost or estimated fair market value of which is $25 or more, hardback-covered bound books, the cost or value of which is $250 or more, and all computers.

1-4. Objectives. The primary objectives of property management are to:

a. Provide accountability for tangible personal property through specific assignment of property to custodians.

b. Conduct an annual physical inventory and reconciliation of tangible personal property.

c. Provide a historical record of all tangible personal property.

d. Provide more effective utilization of tangible personal property through prompt identification of excess property and redistribution to other departmental units.

e. Ensure compliance with state and federal requirements for tagging, controlling, transferring, and disposing of tangible personal property.

Chapter 2

PROPERTY CUSTODIANS AND ACCOUNTABILITY

2-1. General. This chapter establishes responsibilities, procedures, controls, and accountability for the management of state-owned property.

2-2. Assignment of Property Custodians. District Administrators, Regional Administrator, Institutional Superintendents, Chief Information Officer, and Central Office Directors are considered property custodians and are responsible for tracking, controlling, and accounting for all tangible personal property in his/her district, region, institution, or office. Although the district administrator, region administrator, institutional superintendent, Chief Information Officer, or central office director is permitted to delegate the property's use and immediate control to a property custodian delegate, he/she still has primary responsibility for its location, use, and condition.

2-3. Responsibilities.

a. General. Various staff throughout the department has different levels of responsibility in the effective management and control of property. This includes property custodians, property custodian delegates, property consultants, fiscal officers, and zone and institution information technology staff, and the offices of District Services and General Operations in central office.

b. Property Consultants. Since the primary job duties of a property consultant is to tag, inventory, and dispose of tangible personal property, this operating procedure focuses on the job duties and responsibilities of the district, region, institution, and central office property consultants. Their primary job duties and responsibilities include, but are not limited to:

(1) Monitoring the Property Pending File on a daily basis to resolve all pending items.

(2) Assigning property item numbers to all tangible personal property.

(3) Physically tagging new tangible personal property with a property decal and collecting non-accounting data for entry into the FLAIR Property Master file.

(4) Updating the FLAIR Property Master file with non-accounting data.

(5) Completing form CF 25, Certification of State Surplus Property, and forwarding to ASGO for approval and deletion from FLAIR.

(6) Coordinating all aspects of surplus property disposal. Refer to Chapter 8 of this operating procedure for a detailed explanation of these procedures.

(7) Completing form CF 1049R, Property Relocation, when relocating property within the same organization code and CID, and for updating the property record with the new location code.

(8) Completing form CF 1049T, Property Transfer, when transferring property involves organizational code changes only, and not Custodian Identification Number (CID) changes, and for providing local fiscal staff with correct program components (i.e., location and new organization code).

(9) Completing form CF 1049T, Property Transfer, when transferring property involves CID changes, and for forwarding to ASGO for transfer.

(10) Providing local fiscal staff with a coded Transaction (TR) 16 Form to record beginning property balances, donated property and adjustments/additions for items previously entered that do not require a disbursement.

(11) Notifying ASGO of property items that need to be deleted from or restored to the Master File. ASGO will make all status code changes to the FLAIR Property Master and History files.

(12) Conducting annual physical inventory and reconciliation.

c. Zone Information Technology (IT) Staff (formerly District Management Systems Directors). Zone IT staff or institutional management information systems staff are essential in assisting property consultants in tagging property, locating property during inventory, surplusing property, and ensuring that completed relocation and transfer forms are provided to property consultants in a timely manner.

d. Property Accountability Teams. Districts, region, institutions, and central office are encouraged to create a Property Accountability Team to discuss various property activities (e.g., new property items purchased, tagging issues, coordination issues, disposal issues, etc.). The team should consist of Zone IT staff or institution management information systems staff, general services manager or institution business manager, property consultant, and contract manager(s). The team should meet at a minimum quarterly, and provide a meeting summary to ASGO.

2-4. Property Decals. All tangible personal property must have a property decal affixed to the property item before it is distributed or put into use.

2-5. Annual Physical Inventory Control. Section 273.02, F.S., requires each property custodian to take an inventory of property in his or her custody or inventory on an annual basis, and whenever there is a change in a property custodian, as is practical. The last page of the inventory listing shall be signed by the individual conducting the inventory once the inventory has been completed and prior to forwarding to ASGO.

2-6. Property Assignment.

a. Laptop Computers. Employees assigned a laptop computer are responsible for the use and immediate control of the property. Districts, region, institutions, central office of Information Systems, and central offices shall require employees to sign form CF 1941, State-owned Property Assignment, acknowledging that the employee is in receipt of the laptop and agree to the conditions of the assignment. The completed form must be submitted to the property consultant within 10 days of assignment.

b. Other Tangible Personal Property. A district, region, institution, central office of Information Systems, and central offices, may require an employee to sign form CF 1941 for other state-owned property assigned to an employee, regardless of original acquisition cost or estimated fair market value of the property item.

2-7. Loaning Property. Loaning state-owned property, regardless of original acquisition cost or estimated fair market value, to providers or other persons by DCF is prohibited unless the property is used in a DCF-owned or leased facility and is used in the presence of DCF staff. When state-owned property is loaned under these circumstances, the district administrator, regional administrator, institutional superintendent, Chief Information Officer, or central office director remains accountable for the location, use, and condition of loaned property. <u>Loaning state-owned property is highly discouraged</u>.

2-8. <u>Transferring Ownership</u>. Transferring ownership or control of state-owned property, regardless of the original acquisition cost or estimated fair market value of the property item, from DCF to providers or other persons is prohibited unless statutory authority specifically authorizes such a transfer. An example is section 409.1671, F.S., which specifically authorizes the transfer of state-owned property to lead agencies as part of the implementation of community-based care.

2-9. <u>Cost-Reimbursement Contracts</u>.

a. <u>Community-based Care (CBC)</u>.

(1) Chapter 409, F.S., requires DCF to privatize foster care and protective supervision staff to CBC lead agencies. The law requires all DCF management, capital, and administrative funds to transfer to these lead agencies to enable them to provide the services. The need to use and maintain state-owned equipment shifts from DCF to the lead agencies.

(2) No sales tax needs to be collected on the transfer of state-owned equipment to or from a nonprofit organization because both entities are tax exempt and do not pay sales tax.

(3) The office of Community-based Care, in coordination with ASGO and the office of Contracted Client Services, has developed specific property language that shall be included in all CBC start-up and service contracts. For questions concerning these specific requirements, contact the offices of CBC, ASGO, or Contracted Client Services. At a minimum, a CBC start-up and services contract shall contain the following requirements:

(a) All property to be transferred shall be inventoried and the inventory shall be agreed upon and signed by both parties.

(b) On an annual basis, the provider shall submit to the department a complete inventory of all property transferred to or purchased by the provider.

(c) If the provider replaces or disposes of property transferred to or purchased by the provider pursuant to the contract, the provider is required to provide accurate and complete information pertaining to replacement or disposition of the property on the provider's annual inventory.

(d) Title (ownership) to all property transferred to or purchased by the provider pursuant to the contract shall be vested in the department upon completion or termination of the contract. Upon return to the department, all property must be in good working order.

(e) The provider hereby agrees to pay the cost of transferring title to any property for which ownership is evidenced by a certificate of title.

(f) The provider shall be responsible for repaying to the department the replacement cost of any property inventoried and not returned to the department upon completion or termination of the contract.

(g) The provider is responsible for insuring all property transferred to or purchased by the provider pursuant to the contract and for maintaining such property in good working order.

(4) It is essential that the contract manager, general services manager, and property consultant in each district and region work closely together in ensuring lead agencies comply with the contract provisions.

b. Other Cost-Reimbursement Contracts. The office of Contracted Client Services in central office has developed specific contract language for the treatment of nonexpendable property. These requirements were initially published as interim policy in CDA 03-09 for eventual inclusion in CFOP 75-2. This document explains the department's responsibility in awarding and managing contracts to provide essential services to clients. With regard to managing nonexpendable property, the contract manager is primarily responsible for ensuring that an annual inventory is conducted, approving any additional purchase of nonexpendable property on behalf of the state during the contract period, obtaining a final closeout inventory at the completion of the contract, and ensuring that any property purchased under the contract is returned to the department upon completion or termination of the contract.

2-10. Fixed-Price Contracts. The office of Contracted Client Services in central office has developed specific contract language for the treatment of nonexpendable property. These requirements were initially published as interim policy in CDA 03-09 for eventual inclusion in CFOP 75-2. This document explains the department's responsibility in awarding and managing contracts to provide essential services to clients. With regard to managing nonexpendable property, the contract manager is primarily responsible for ensuring that an annual inventory is conducted, approving any additional purchase of nonexpendable property on behalf of the state during the contract period, obtaining a final closeout inventory at the completion of the contract, and ensuring that any property purchased under the contract is returned to the department upon completion or termination of the contract.

2-11. Federal Grants or Contracts. When federal grants or contracts have property accountability requirements which are either different from or more stringent than those included in this operating procedure, it is the joint responsibility of the contract manager, the appropriate grants analyst or district / region grants manager, and property consultant to take additional safeguards to properly account for this property. For questions concerning property accountability requirements for federal grants or contracts, contact the office of Revenue Control in central office.

2-12. Federal Surplus Property Donation Program. Chapter 217, F.S., authorizes the Department of Management Services (DMS) as the designated state agency for the procurement and distribution of federal surplus personal property. For questions concerning federal surplus property, please contact the State of Florida Department of Management Services, Bureau of Federal Property Assistance, or ASGO. Each district, region, and institution is responsible for coordinating with DMS to request an Application for Eligibility to Receive Federal Surplus Property.

2-13. Insurance. Refer to CFOP 75-3, for a detailed explanation of the department's fire insurance and various other insurance programs.

2-14. Warranties. Many property items purchased by the department have some type of warranty covering defects in workmanship and materials for a specified period of time. Districts, region, or institutions may establish procedures to monitor all warranty terms and conditions. The office of Information Systems in central office maintains a database of warranty information for information technology (IT) equipment throughout the department by using Service Center. For questions concerning IT equipment warranties or Service Center, contact the central office of Information Systems.

2-15. Records and Documentation.

a. All districts, region, institutions, and central office are responsible for maintaining complete and accurate records and documentation on all transactions covered by this operating procedure.

Records and documentation must be retained on file as per the requirements of the applicable records retention schedules established by the Department of State. Refer to CFP 15-7, Records Retention Schedules Used by the Department of Children and Families, for a listing of applicable records retention schedules.

b. It is imperative that adequate and accurate records be maintained to:

(1) Specify custodial responsibilities.

(2) Enable property items to be easily tracked.

(3) Ensure against items being lost, misplaced, or stolen.

(4) Sustain an effective repair and preventive maintenance program.

(5) Report information necessary for financial statements in accordance with generally accepted accounting principles.

(6) Compile information for federal reporting purposes.

(7) Maintain an inventory list for insurance purposes.

(8) Calculate depreciation.

2-16. Client Personal Property. All institutions shall establish a method for identifying personal property of each client. A client's personal property is not considered state-owned tangible personal property. Control of client's personal property is considered a responsibility of the respective programs (e.g., Agency for Persons with Disabilities, Mental Health, etc.) and its inclusion in this operating procedure does not imply this is a function of the property consultants. Typically, this property is under the control of the treatment staff, house parents, social workers, shift supervisors, cottage charge person and/or cottage supervisor. Property donated for use by clients is considered to have been donated to the welfare trust fund.

2-17. Penalty. Chapter 273, F.S., establishes accountability and control of tangible personal property, and any violation of Chapter 273, F.S., is a second-degree misdemeanor. Any employee guilty of state-owned property violations or gross negligence may be subject to disciplinary action in accordance with CFOP 60-5, Chapter 3, Standards of Conduct and Standards for Disciplinary Action for All Employees in the State Personnel System.

Chapter 3

FLAIR PROPERTY SUBSYSTEM

3-1. General.

a. The FLAIR (formerly SAMAS) Property Subsystem is designed to establish and maintain a property file containing detail records for property items that are classified as Operating Capital Outlay and capitalized Fixed Capital Outlay projects which are under the management of a designated property custodian and to maintain the general ledger accounts necessary to control property activity on a fund basis. **Refer to the FLAIR Property Manual and the Accounting Procedures Manual, Volume 8, Chapter 3 and Volume 9, Chapters 1-8, for a more detailed explanation of the FLAIR Property Subsystem**.

b. Property items that cannot be realized within one year are the department's assets of a relatively permanent nature. Such assets are tangible, used in the agency operations, and not held for sale in the ordinary course of business. For purposes of this operating procedure, we've defined these assets as tangible personal property. Tangible personal property gradually wears out or otherwise loses its usefulness with the passage of time, with the exception of land, and these assets are said to depreciate.

3-2. Accounting and Custodial Functions. The philosophy behind the FLAIR Property Subsystem dictates that tangible personal property can be affected by two functions: the accounting function and the custodial function.

a. The accounting function or "FA Capability" is normally performed by fiscal office staff, and its activities include updating FLAIR in the following areas:

(1) TR 16 – property general accounting.

(2) Single item depreciation.

(3) Mass transfer request.

(4) Depreciation request.

(5) Property disposition / restoration or single item transfer.

b. The custodial function or "FC Capability" is performed by property consultants only and its activities include updating FLAIR in the following areas:

(1) Chained item inquiry.

(2) Custodian title information.

(3) Simulated depreciation request.

(4) Depreciation adjustments.

(5) Property non-accounting data entry.

(6) Property Master file inquiry / update.

(7) Property Pending file.

(8) Property History inquiry.

(9) Property Inventory.

c. These two functions may be tied together or made independent of one another through security access control. Districts, region, institutions, and central office may choose to separate this function for internal control purposes. However, only property consultants in districts, region, institutions, and central office should perform the custodial function. This requirement ensures that the property consultant is afforded the opportunity to properly tag, inventory, and dispose of the property.

3-3. Cost or Value of Tangible Personal Property.

a. All tangible personal property purchased, found, discovered, or acquired through surplus, donations, or similar acquisitions shall be recorded in the FLAIR property master file when the original acquisition cost or estimated fair market value at the time of the acquisition is $1,000 or more, or when the property item is a computer. Property items not considered tangible personal property shall not be recorded in FLAIR. The only exception to the $1,000 threshold are hardback-covered bound books as required by s. 273.02, F.S., and computers.

b. Those property items not recorded in the FLAIR property master file may be marked or tagged with an identification tag to show ownership by the department. Refer to Chapter 4 of this operating procedure for a detailed explanation of the tagging procedures. An annual physical inventory is not required on these items.

c. Tangible personal property acquired through surplus, donations or similar acquisitions must be recorded at the estimated fair market value at the time of acquiring the property item and not the original acquisition cost or the cost to the governmental unit.

d. For surplus vehicles with a purchase price over $1,000, only the amount associated with a transfer fee may be paid from the expense appropriation; the remaining cost must be paid from the appropriate OCO or Acquisition of Motor Vehicles appropriation. The amount of the transfer fee may be subject to review if the amount appears excessive in relation to the value of the vehicle. (See Department of Financial Services' Reference Guide for State Expenditures, page O-1.)

e. Tangible personal property found or discovered for which there is no prior record must be recorded at the estimated fair market value at the time the item was found or discovered.

3-4. Capitalization.

a. General. All property purchased, found, discovered, or acquired through surplus, donations, or similar acquisitions shall be recorded in the FLAIR property master file when the original acquisition cost or estimated fair market value at the time of the acquisition exceeds the capitalization threshold. Property items with an original acquisition cost or estimated fair market value less than the capitalization threshold shall not be recorded in FLAIR.

b. Threshold. A capitalization threshold has been established for each capital asset category as follows:

Capital Asset Category	Capitalization Thresholds
Land and Land Improvements	Capitalize All
Buildings and Building Improvements	$100,000
Infrastructure and Infrastructure Improvements	$100,000
Leasehold Improvements	$100,000
Property Under Capital Lease	Depending on the asset, use appropriate category
Construction Work In Progress – when completed	$100,000 for all accumulated costs
Furniture and Equipment	$1,000, except for books (see paragraph 3-3)
Works of Art and Historical Treasures	Capitalize All
Library Resources	$25
Other Fixed Assets	$1,000
Computers (includes desktop and laptops)	Capitalize All

c. Computer Software.

(1) Software that is either purchased or internally developed is required to be capitalized as other fixed assets if the cost of the computer software exceeds the threshold. Capitalization of computer software includes software license fees if the total dollar amount of the fee divided by the number of units served exceeds the threshold.

(2) For internally developed software, only costs associated with the application development phase should be capitalized. Costs associated with the preliminary project and the post-implementation / operating phases should be expensed as incurred. Costs to develop or obtain software that allows for access or conversion of old data by new information systems should also be capitalized. General and administrative costs and overhead expenditures associated with software development should not be capitalized.

d. "Trade-In." Existing property may be used as a trade-in on new items provided that written approval is obtained from the purchaser prior to the trade taking place. Capitalization of new property involving the trade-in of an old item is accomplished as with new property. However, if the old item is given to the vendor, its trade-in value is deducted from the purchase price on the purchase order. When the new tangible personal property is added to the Property Master file, the trade-in value is added to the original acquisition cost of the item.

e. Lease-to-Own or Installment Property. Tangible personal property purchased through lease-to-own or installment contracts are capitalized at the full purchase price, less interest. These property items are considered to be owned by the department upon receipt, and the title should pass to the department.

f. Donated Property.

(1) Donated property for department staff must be capitalized if the property meets the capitalization threshold. Such property should be considered donated to the program's general revenue fund.

(2) Donated property for department staff should be received by the applicable volunteer services section in the district, regions, institution, or central office. The volunteer services section has the responsibility for sending an acknowledgment letter to the donor which will serve as a receipt for non-cash donations. At a minimum, acknowledgment letters must include:

(a) The date an item was received.

(b) A description that includes a brief narrative identifying the donated item and any identifying codes such as serial number, if applicable.

(c) Estimated fair market value of the donation.

(3) Donated property for clients is considered to have been donated to the welfare trust fund, and is not considered tangible personal property. Instead, such property is considered personal property and must not be capitalized.

g. GASB 34 requires all major general infrastructure assets acquired or that received major renovations, restorations, or improvements after June 30, 1980, must be recorded in FLAIR by June 30, 2006.

h. References. Capitalization procedures for recording items purchased from OCO appropriations or expense are contained in Accounting Procedures Manual, Volume 9, Chapters 1-6.

The procedures for capitalizing FCO are contained in DCF Accounting Procedures Manual, Volume 9, Chapter 5, Property Accounting, Fixed Capital Outlay. Refer to Comptroller's Memorandum No. 1 (2001-02) for a more detailed explanation of capital assets.

i. Identifying Expenditures. The fiscal offices will identify expenditures that meet the capitalization criteria while preparing invoices containing OCO items for vouchering. The expenditure will be recorded in FLAIR when the invoices are processed for payment.

3-5. Accounting Codes. FLAIR property records include certain codes that identify and/or account for each specific property item. The most commonly used accounting codes are discussed below. Refer to Accounting Procedures Manual, Volume 8, Chapter 3, for a more detailed explanation of the codes.

a. General Ledger Codes. The General Ledger code is a 5-digit, numeric code that is used to classify and summarize accounting transactions for financial reporting purposes. It reflects the original acquisition cost for items that are purchased and the estimated fair market value for items that are donated. General ledger account codes are as follows:

Plant, Property, and Equipment	**General Ledger Code**
Land and Land Improvements	27100
Buildings and Building Improvements	27200
Infrastructure – Non Depreciable	26300
Infrastructure and Infrastructure Improvements	27400
Furniture and Equipment	27600
Construction Work-In-Progress	27800
Library or Reference Resources	28200
Property Under Capital Lease	28400
Leasehold Improvements	26700
Other Fixed Assets	26400, 26600, 28200, 28400, 28800

b. Object Codes. This code is a 6-digit numeric code that is used to classify revenue, expenditure, and budgetary balances by type. Property object codes identify the categories of tangible personal or real property purchased or donated. For tracking and accountability purposes, it is essential that the appropriate object code is used to classify each property item. A complete listing of all departmental unique property object codes can be found in the FLAIR Title File. The statewide standards that are established by the State Comptroller for property are listed below:

Tangible Personal Property	**Object Codes**
Books and Other Library Resources	511000
Books and Other Library Resources – Training	511800
Furniture and Equipment	512000
Cellular Telephone	512100
Furniture and Equipment – Training	512800
Educational	513000
Educational – Training	513800
Medical	514000
Medical – Training	514800
Agricultural	515000
Agricultural – Training	515800
Information Technology	516000
Information Technology – Training	516800
Motor Vehicles – Passenger	517000
Motor Vehicles – Other	518000
Other	519000
Other – Training	519800
Modular Building Structures	520000
Real Property – Permanently Affixed	**Object Codes**
Building and Fixed Equipment	561000
Building and Fixed Equipment – Training	561800
Land	562000
Other Structure and Improvements	563000
Other	569000

c. Class Codes. These codes indicate the type or kind of property items that are being accounted for on property records, and are used for grouping like items of property together for management of maintenance contracts, vehicle reports and other reporting purposes required by management.

3-6. Creating a Property Record.

a. Generating a Transaction. FLAIR expenditure transactions for tangible personal property update both accounting and property records. Fiscal staff is responsible for providing the appropriate accounting data into the FLAIR Property Subsystem to generate a transaction. Once the transaction is generated, the subsystem edits the record for accounting data and the property item number. The edit will not pass and will not be added to the Property Master File since the property item number has yet to be added (the property consultant is responsible for adding the property item number). The system will reject the entry and put it into the Property Pending File until the invalid data is corrected or the missing data is added to the property record by the property consultant.

b. Property Pending File. The Property Pending File is designed for the temporary storage of property related accounting data until inconsistencies can be resolved. The property consultant is responsible for the maintenance of this file.

(1) Adding a Transaction. Once the record is put into the Property Pending File:

(a) The property consultant shall add a valid property item number, and this includes adding a valid property number for duplicate item numbers. The item description field should also be updated or changed if necessary.

(b) The property consultant shall change the status of the transaction to "a" which will indicate that this transaction is ready to update the Property Master and History files.

(2) Deleting a Transaction. If a property item has been put into the Property Pending file by fiscal staff, but the property item does not meet the definition of tangible personal property, the property consultant shall delete the transaction. However, no property items shall be deleted until the accounting data is correct.

(3) Inaccurate Accounting Data. If the property consultant finds inaccurate or incomplete accounting data in the Property Pending File, he/she should contact the local fiscal office for correction. For other Property Pending file questions, the property consultant should contact ASGO staff.

c. Completing the Record.

(1) After the Property Master and History Files are updated, it is the property consultant's responsibility to update the property record with the following items, and the property record is not considered complete until the property consultant has added this information:

(a) Location Code – Major and minor codes.

(b) Class Code.

(c) Serial Number – For all computers, laptops, printers, and electronic and communication equipment that contain a serial number.

(d) Depreciation Code – The depreciation code is "1Y1." FLAIR will automatically calculate depreciation once this code is provided.

(e) Employee Position Number – This number should be added to the property unique field in all cases where tangible personal property has been assigned to an employee (e.g., laptop computers).

(2) During nightly processing, the Custodian Identification Number is generated automatically and entered on the property record. The CID establishes responsibility for the property information, as well as documentation of who last updated the property record.

d. Fixed Capital Outlay.

(1) Expenditures from FCO appropriations for FCO projects being built or renovated are made by fiscal office staff. The office of Design and Construction in central office will identify those amounts representing labor, materials, fixed equipment, architectural and engineering fees, which are categorized as construction-work-in-progress. These amounts will not be capitalized until one structure or a group of structures assume an asset identity as a result of their completion.

(2) After completion of the project, form CF 1286, Schedule of Reclassification of Construction in Progress, is completed by the Financial Administration section in the central office of General Services and forwarded to ASGO for capitalization of the project and to add the property record to the property master file. Once capitalized, ASGO will transfer ownership and control of the property item from central office to the district, region, or institution where the asset resides. The property record will be kept in a non-taggable file by the property consultant.

3-7. Deleting a Property Record.

a. Process. Deletions of property records are normally the result of terminating the accountability of tangible personal property. Property consultants are responsible for initiating the deletion of a property record from the Property Master File by obtaining the information necessary from individual property custodians or property custodian delegates to support a deletion. The deletion request must be provided to ASGO, who will delete the property record.

b. Status Codes. The status code indicates the action taken when disposing of an item from or restoring an item to the property master file. The disposition authority code indicates who authorized the disposal of the item. Valid status and disposition authority codes are listed below:

Status Codes	
Active	Blank
Sold	1
Traded	2
Junked / Cannibalized	3
Lost or Stolen	4
Deleted	5
Transferred	6
Casualty Loss	7
Lost or Stolen Pending Banking and Finance Approval	8
Disposition Authority Codes	
District Manager for Administrative Services	AS
Department of Banking and Finance	BF
Business Manager	BM
District Administrator/Region Administrator	DA
General Services Manager	GS
ASGO	HQ
Legislature	LE
Bureau of Motor Vehicles and Watercraft, DMS	MV
Property Consultant	PA

3-8. Depreciation. The original acquisition cost and expected life units of a property item are the essential factors influencing depreciation expense and replacement. Tangible personal property is recorded at cost and depreciated on a straight-line basis over the estimated useful life of the asset from the date of original receipt. FLAIR automatically updates the depreciation once the property consultant enters the date the item was received and enters the straight-line depreciation method of “1Y1” into FLAIR. Refer to the FLAIR Property Manual and Accounting Procedures Manual, Volume 9, Chapter 2, for a more detailed explanation of depreciation.

3-9. Reports. The FLAIR Property Subsystem will provide daily, monthly, quarterly and annual reports for property management and control. Refer to the FLAIR Property Manual and Accounting Procedures Manual, Volume 9, Chapter 6, for a complete listing of reports and the procedures to follow in ordering such reports.

Chapter 4

IDENTIFICATION OF PROPERTY

4-1. General.

a. All tangible personal property items shall be marked with a permanent identifying number, specifically assigned to each property item.

b. All districts, region, institutions, and central office shall use an ASGO-approved adhesive-type bar code decal. Districts, region, institutions, and central office may produce their own decals with the appropriate label printers and/or software or may order ASGO-approved adhesive-type bar code decals from vendors on state contract.

c. Even though decals must be affixed to all tangible personal property, permanent felt pens may be used to write property numbers in inconspicuous places in certain circumstances.

d. A metal engraving tool may be used to inscribe the identification number in areas where property decals are likely to be removed.

4-2. Non-taggable File. Property consultants shall maintain a “non-taggable” file for each property item that can not be tagged, marked or engraved (e.g., some modular furniture, medical instruments, etc.). The file shall contain, at a minimum, the following:

a. Property decal.

b. Copy of the purchase order or a copy of the purchase requisition if purchased by a purchasing card.

c. Serial number, if applicable, and the specific location.

4-3. Issuance of Property Decals. All state-owned tangible personal property items shall have a property decal issued to it. The decal shall be issued to the property item in the following manner:

a. ASGO shall be responsible for issuing a property decal when a property item is purchased by a central office entity for use by a central office entity.

b. ASGO shall be responsible for issuing a property decal when a property item is purchased by a central office entity for use by a district, region, or institution entity. The decal shall be sent to the appropriate district, region, or institution property consultant for placement of the decal on the property item. The appropriate transfer forms must be competed as discussed in Chapter 7 of this operating procedure.

c. The property consultant in the district, region, or institution shall be responsible for issuing a property decal when a property item is purchased by a district, region, or institution entity for use by the district, region, or institution.

4-4. Location of Property Decals. Property decals should be uniformly located on similar types of property. Decals need to be placed in such a manner as to be readily accessible for viewing during inventory. The method of uniformly marking of property is prescribed below:

a. Desks and Tables. Front of left leg just below the top.

b. Files, Cabinets, Lockers, Racks, Etc. Front top left corner.

c. Modular Furniture. As appropriate to provide ready identification.

d. Motor Vehicles. Affix where easily visible and yet not subject to obliteration.

e. Books. Inside front cover and annotate inside back cover.

f. Information Technology Equipment. Affix on front of computers, printers, and servers. Caution should be exercised in the tagging of such property in order that the tag is not lost when components are replaced. In the case of replacement, only the serial number would need to be changed on the property master file record.

g. Other. Within certain clinical and client settings in the department, the visual appearance of property decals on the property detracts from the normal living conditions being maintained for clients. In these situations, property decals can be maintained in any reasonable manner, as long as the property can be readily identified for inventory purposes. This is a program by program decision and the responsibility of the property consultant.

Chapter 5

INVENTORY AND RECONCILIATION

5-1. General. Section 273.02, F.S., requires an annual physical inventory and reconciliation of all tangible personal property. Once each year, on July 1 or as soon thereafter as is practicable, each property custodian shall take an inventory of property in his or her custody. The inventory shall be compared with the property record, and all discrepancies shall be traced and reconciled.

5-2. Authorization to Conduct an Inventory. The individual taking the inventory may not be the property custodian or property custodian delegate accountable for the items to be inventoried. The property consultant has primary responsibility for conducting the annual physical inventory and reconciliation.

5-3. Inventory Frequency. A request to perform an annual physical inventory on an incremental basis throughout the year may be submitted to ASGO for approval. If approved, the schedule must be arranged so that all tangible personal property will be inventoried at least once during each fiscal year.

5-4. Custodian Change. A complete physical inventory must also be conducted whenever there is a change in the property custodian, as is practical.

5-5. Inventory Procedures.

a. At the beginning of each inventory cycle, ASGO shall distribute Property Inventory and Reconciliation Instructions. Each district, region, institution, and central office is responsible for following the instructions and submitting the required certification letter and accompanying documents to the Assistant Secretary for Administration by the established due dates.

b. The Assistant Secretary for Administration will review the documents and forward to ASGO for handling. ASGO will review each certification and accompanying documents to ensure completeness and accuracy, and will perform a statewide reconciliation of all missing or lost property items.

c. ASGO will not accept incomplete or inaccurate documents, and will return the documents to the appropriate district, region, and institution for correction.

5-6. Staff Housing, Furniture and Equipment. When an employee receives housing as a perquisite, the furniture and equipment must be inventoried at least annually, and on the first and last day of occupancy of any new assignment to staff housing.

Chapter 6

LOST, STOLEN, OR UNACCOUNTED FOR

6-1. General. This chapter establishes procedures for reporting and recording tangible personal property as lost, stolen, or unaccounted for, including requesting write-off approval from the Department of Banking and Finance. This chapter only applies to state-owned property that meets the definition of tangible personal property.

6-2. Reporting Property Lost, Stolen, or Unaccounted For.

a. Chapter 10.300, Rules of the Auditor General, requires tangible personal property not located during the inventory process to be promptly reported to the property custodian or property custodian delegate. Stolen property items can be reported at any time during the fiscal year.

b. Once tangible personal property is determined to be lost, stolen, or unaccounted for at the end of each annual physical inventory, the property custodian or property custodian delegate shall ensure that a thorough investigation is made immediately.

c. If the property item is not located as a result of the investigation, the property custodian or property custodian delegate shall file a report with the property consultant describing the missing item and the circumstances surrounding its disappearance. If the tangible personal property was stolen, a police report must accompany the documentation filed with the property consultant.

6-3. Recording Property Lost, Stolen or Unaccounted For.

a. For tangible personal property determined to be lost or unaccounted for, for the first time, the property consultant shall notify ASGO of each missing property item and the circumstances surrounding its disappearance. ASGO shall update the property record with a status code of "8" (lost or stolen items pending Department of Banking and Finance approval), and notify the originating district, region, or institution of the property record update. The Property Inventory and Reconciliation Instructions, as discussed in Chapter 5, will contain specific instructions on reporting missing property items to ASGO.

b. For tangible personal property determined to be lost or unaccounted for, for two consecutive annual physical inventories, the property consultant shall complete form CF 1163, Request to Charge Off Property Lost, Stolen, or Unaccounted For. A separate form must be completed for each property item lost, stolen, or unaccounted for, unless prior approval is obtained by ASGO to list all property items on one spreadsheet. The completed form shall be forwarded to ASGO for review and approval (A status code of "8" should already be included in the property record from the previous year). Once approved, ASGO will forward the write-off request to the Department of Banking and Finance for approval.

c. For tangible personal property determined to be stolen, the property consultant shall complete form CF 1163, Request to Charge Off Property Lost, Stolen, or Unaccounted For. A separate form must be completed for each property item stolen, and the completed form must be forwarded to

ASGO for review and approval. A police report must accompany the completed Form. ASGO shall update the property record with a status code of "8," and notify the originating district, region, or institution of the property record update. Once approved, ASGO shall forward the write-off request to the Department of Banking and Finance for approval. The property consultant shall write-off property as stolen as soon as the proper paperwork is collected – no need to wait for two consecutive annual physical inventories.

d. ASGO will not accept an incomplete or inaccurate form CF 1163, and will return the form to the appropriate district, region, and institution for correction.

6-4. Department of Banking and Finance Approval. After approval to write-off property lost, stolen, or unaccounted for has been granted by the Department of Banking and Finance, ASGO will update the property record with a status code of "4" (lost or stolen), and a disposition authority code of "BF" (Department of Banking and Finance). ASGO will notify the originating district, region, or institution of the write-off approval and status code update.

6-5. Property Lost, Stolen, or Unaccounted For Subsequently Found. Property written-off as lost, stolen, or unaccounted will not be included in the next annual physical inventory since the property was written-off from the department's property records. However, if the reported lost, stolen, or unaccounted for property item is subsequently found, the property consultant shall notify ASGO of the found items. ASGO will update the property record with a status code of "blank" (active), and notify the originating district, region, or institution of the status code update.

Chapter 7

TRANSFER OF PROPERTY

7-1. General. When tangible personal property is transferred from one location to another location, the Property Master file must be updated to contain the most current FLAIR data. This information is captured on either the department's Property Relocation or Property Transfer forms. Failure to report these changes in FLAIR will lead to the loss of control and the whereabouts of departmental assets.

7-2. Property Relocation Form.

a. The movement or change of location of property, when organizational code does NOT change, must be reported to the property consultant on form CF 1049R, Property Relocation. Property custodians or property custodian delegates are ultimately responsible for ensuring that the Property Relocation form is initiated and for notifying the property consultant of the relocation. Refer to the Property Relocation form for detailed instructions.

b. The property consultant is responsible for updating the property record with the new location codes, and maintaining documentation of the relocation on file as per the requirements of the applicable records retention schedules established by the Department of State.

7-3. Property Transfer Form.

a. The movement or change of location of property, when organizational code changes, must be reported to the property consultant on form CF 1049T, Property Transfer, to document the transfer and receipt of property. The transferring and receiving property consultants are ultimately responsible for ensuring that the Property Transfer form contains accurate information and is completed in full. Refer to the Property Transfer form for detailed instructions.

b. If the movement or change of location of property involves organizational code changes only, and not Custodian Identification Number (CID) changes, the property consultant is responsible for completing the form, and either making the changes in FLAIR or providing the form to local fiscal staff for their input into FLAIR. The form will contain the new program components (i.e., new location and organization codes), and the property consultant shall maintain documentation of the transfer on file as per the requirements of the applicable records retention schedules established by the Department of State.

c. If the movement or change of location of property involves CID changes, the property consultant is responsible for providing the completed form to ASGO. The form will contain the new program components (i.e., new location, new organization code, current use fund, new budget entity, and new CID). The property consultant shall maintain documentation of the transfer on file as per the requirements of the applicable records retention schedules established by the Department of State. ASGO staff is responsible for making the changes in FLAIR.

Chapter 8

DISPOSAL OF PROPERTY

8-1. General. This chapter covers various aspects of the disposition of state-owned property except state-owned motor vehicles. Vehicles can only be disposed of with the prior written approval of the Department of Management Services, and the process to obtain this approval and to dispose of vehicles is explained in CFOP 40-2.

8-2. Responsibilities. Each district, region, institution, and central office should make every effort to better utilize state-owned property available to them prior to requesting surplus certification authorization. All surplus property should be reported to the property consultant within the district, region, or institution.

8-3. Reporting Requirement for Surplus Property. All tangible personal property and all other state-owned property, regardless of original acquisition cost or estimated fair market value, that is obsolete, the continued use of which is uneconomical or inefficient, or which serves no useful function, shall be certified as surplus property on form CF 25, Certification of State Surplus Property, by the applicable general services manager or institution business manager. The property consultant will prepare and forward the completed form CF 25 to ASGO.

8-4. Certifying Property as Surplus.

a. Prior to the disposal of an IT device (computer, server, storage, or client network components, operating system or application software, and storage), or “reuse” of an IT device by another agency, the information owner shall remove all sensitive data in accordance with paragraph 5a(4) of CFOP 50-2

b. All requests to certify property as surplus shall be prepared on form CF 25, and the completed form shall be sent to ASGO for review and approval. If the Form is not properly completed, ASGO shall return the Form to the originating district, region, or institution for further completion or correction.

c. ASGO will review each request on a case-by-case basis, and forward to the Director of General Services in central office to certify the property item as surplus. ASGO shall remove the property item from FLAIR, keep a copy of the certification on file, and forward the final certified letter to the originating district, region, or institution.

d. Form CF 25, Certification of State Surplus Property, shall conform to the following requirements:

(1) All certifications must be typed and sent to ASGO and contain the following information about each property item: item number, description, location, original cost, age, estimated value, condition and reason for disposal.

(2) All certifications must have the complete address of the property location included on the certification form under the location of property, contact person and phone number.

(3) All certifications must be coded with a consecutive number in the “Cert. No.” field. The number will show the fiscal year and then the number of the particular certification. Example: The first certification of any district for the present fiscal year would be 02/03-1 and the second would be 02/03-2, etc.

(4) All certifications must have every column completed for each line item. In the event that information is not known for a particular column, the abbreviation “UNK” will be used.

(5) All certifications must include the original acquisition cost, or estimated current fair market value of worth at the time of certification, if the original acquisition cost is not available. The estimated fair market value and condition of the property item shall be listed as accurately as possible.

(6) All certifications must include codes to identify the condition of the property (a value must be listed when the property is in Excellent, Good, Fair or Poor condition):

(a) Excellent Condition (E). Property is in excellent, serviceable condition and is no longer required or is excess.

(b) Good Condition (G). Property is in average reusable, serviceable condition and is no longer required or is excess.

(c) Fair Condition (F). Property is worn but is in reusable condition and can be cleaned, polished and placed back in use with minimum repair.

(d) Poor Condition (P). Property is very worn, old, or obsolete and would require a major repair effort or is of no use to the department. This type of property might have usable parts and must be certified indicating minimum value.

(e) Scrap Condition (S). Property is not usable by the state, or is obsolete, not repairable, broken, not serviceable, or possibly a health or safety hazard. The value of this property must be listed as zero.

(7) All certifications must include the property consultant signature.

8-5. Storage of Surplus Property.

a. Serviceable surplus property items must be stored in such a manner as to eliminate damage or deterioration.

b. Unserviceable property items may be stored outdoors until authorized disposal instructions are received. During the storage period, the property must be identified by certification number and secured from unauthorized cannibalization.

8-6. Procedures for Disposal of Surplus Property. All districts, region, institutions, and central office shall dispose of surplus property locally by using various disposal methods. However, property consultants must attempt intra-department transfers before any other options are considered (Property decals must be removed from the surplus property prior to disposal):

a. Intra-Department Transfers. Serviceable property that is surplus to a district, region, institution, or central office shall be reported to all offices within that location by the property consultant. If the surplus items are not needed in that location, then the property consultant should report the list of surplus property to other districts, region, and institutions within the department. If the surplus items are still available, the property consultant must move forward to one of the other disposal options.

b. Other Disposal Methods.

(1) Inter-Department Transfers. Authorize transfer of property to counties, cities and other eligible governmental agencies and organizations.

(2) Transfer to Other Political Subdivision. Authorize transfer of property to a political subdivision as long as written documentation of eligibility is provided.

(3) Donation. Donate to private non-profit organizations as long as written documentation and proof of non-profit status is provided.

(4) Private Vendor. Contract with a private vendor to remove and dispose of surplus property. The vendor's cost of service may be covered by revenue from the sale of property.

(5) Public Sale. Sell surplus items to the highest responsible bidder through sealed bids solicited from not less than three potential bidders or advertised in a newspaper having general circulation in the county where property is to be sold for not less than 2 weeks nor more than 3 weeks prior to the sale. Items may also be sold at public auctions held after being advertised in newspapers in the same manner. Sales to department employees is not permitted. All proceeds from these sales will be collected and deposited in accordance with Accounting Procedures Manual Volume 9, Chapter 7, Sales of Surplus Property.

(6) Trade-in or Exchange. Use surplus property as a trade-in or in exchange for like or new equipment.

(7) Cannibalization or Scrapping. Dispose of property items considered to be in poor or scrap condition by recycling, disposing in landfills or other appropriate sites, or through cannibalization for usable parts.

c. Transferring Surplus Property Documentation. Each property consultant shall obtain the appropriate documentation when transferring surplus property to other state agencies, political subdivisions, and private non-profit agencies. At a minimum, this includes written documentation of the specific property items transferred, appropriate signatures from the individuals transferring and receiving the property, and receipts showing the date, time, etc., of the transfer.

8-7. Scrap Disposals and Abandonment. Districts, region, and institutions should consider recycling scrap property before abandoning property at landfills. If recycling is not a feasible option, districts, region, and institutions shall develop procedures for cannibalizing and abandoning scrap property at landfills when appropriate and necessary. The property consultant shall maintain a receipt from the landfill of the property times scrapped, and this must include the appropriate signatures of those witnessing the disposal.

8-8. Disposal of Buildings. Buildings, mobile homes, mobile offices, structures and other items of a semi-permanent nature shall be considered tangible personal property if and when they are transferred or removed for disposal from the real property upon which they are situated. The disposal request must be reported on a surplus certification form, but separate from any other surplus property items. The request must include the following:

a. A completed Surplus Certification Form forwarded to ASGO under a cover memorandum signed by the appropriate custodian.

b. The memorandum must thoroughly explain the reasons for the disposal and clearly describe the location, size and type of construction of the building for which surplus certification authorization is being requested.

c. The surplus certification form must include all items that make up the building, and each item must be listed separately or itemized on the form.

d. ASGO will review each request on a case-by-case basis, and forward to the office of Design and Construction in central office for final approval. Once approved, the Director of General Services in central office will certify the property item as surplus, and forward to ASGO for removal from FLAIR. ASGO will keep a copy on file, and forward the final certified letter to the originating district, region, or institution.

8-9. Revenue from the Sale of Surplus Property. Revenue derived from the sale of tangible personal property must be received by the fiscal office from the property consultant immediately after the completion of the sale. The revenue will be accounted for in accordance with the Accounting Procedures Manual, Volume 9, Chapter 7, Sale of Surplus Property.

8-10. Record Keeping. Property consultants are responsible for maintaining records on all surplus certifications relating to property in their district, region, or institution. At a minimum, the following items or documentation must be kept and made accessible to document all transfers, sales, donations, cannibalizing and scrap disposals:

a. Documentation of the property custodians or property custodian delegates' request for disposal of property items.

b. Documentation showing that the listing of serviceable surplus property items was circulated within the district, region, or institution prior to requesting authorization for surplus certification. Property consultants are responsible for circulating the listings.

c. Files containing completed Certifications of State Surplus Property forms in sequential order by fiscal year, along with other correspondence from ASGO granting approval to cannibalize, abandon, trade-in, transfer or sell the property items.

8-11. Disposal of Unclaimed Client Property. Personal property belonging to the clients of our facilities may be abandoned by clients or their next of kin. The procedures for disposing of these items are explained in CFOP 80-3, Disposal of Client Unclaimed Tangible Personal Property.