

STATE OF OHIO



DEPARTMENT OF REHABILITATION  
AND CORRECTION

SUBJECT: <b>Inventory Control of Property, Supplies and Other Assets</b>	PAGE <u>  1  </u> OF <u>  5  </u>  NUMBER: 22-BUS-08
RULE/CODE REFERENCE: 5120.01; 5120.22	SUPERSEDES: 22-BUS-08 dated 01/14/13
RELATED ACA STANDARDS: 4-4037; 2-CO-1B-08; 2-CI-2A-2; 2-CI-6E-3; 1-CTA-1B-08; 1-CTA-3B-02 4-APPFS-3H-01; 4-APPFS-3H-02	EFFECTIVE DATE: February 19,2014
	APPROVED:  

**I. AUTHORITY**

This policy is issued in compliance with Ohio Revised Code 5120.01 which delegates to the Director of the Department of Rehabilitation and Correction the authority to manage and direct the total operations of the Department and to establish such rules and regulations as the Director prescribes.

**II. PURPOSE**

The purpose of this policy is to establish responsibility, procedures, and documentation for the control of property, supplies, and other assets.

**III. APPLICABILITY**

This policy generally applies to all persons employed by or under personal service contract with the Department of Rehabilitation and Correction. It specifically applies to all employees of the Division of Business Administration and Business Offices throughout the Department.

**IV. DEFINITIONS**

**Building** - A permanent structure with a foundation, a roof, and is at least partially enclosed with walls. The building cost includes all permanently attached fixtures.

**Easement** - The use of land owned by an individual or organization external to the state where the state is the grantee.

**Fleet Ohio** - A software application that maintains detailed and categorized vehicle information, tracks vehicle activity, and reports comprehensive vehicle information. It is supported by the Department of Administrative Services and made accessible to state agencies to use to meet their vehicle statutory requirements.

**Improvement** - An addition made to or change made in an asset, other than maintenance, to prolong its life or to increase its efficiency or capacity.

**Infrastructure** - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets such as bridges, tunnels, etc.

**Intangible Personal Property** - Consisting of computer software, where it is integral to the functionality of a related system or network, the vendor separately itemizes the cost of the software from hardware, and its cost exceeds \$100,000 per license when purchased or its development costs exceed \$100,000 when internally produced.

**Land Improvement** - An improvement made to land, either above or below ground, such as parking lots, sidewalks, etc.

**Modular Furniture** - Movable assets, requiring assembly to each other, used as furniture and/or to create offices.

**OAKS Asset Management System** - A software application that maintains detailed and categorized asset information, tracks asset activity, calculates depreciation and reports comprehensive asset information. It is supported by the Department of Administrative Services and made accessible to state agencies to use to meet their statutory inventory requirements.

**Personal Property** - Machinery, equipment, non-licensed vehicles, furniture, fixtures, firearms, works of art and historical treasures. (Excludes modular furniture)

**Real Property** - Land, land improvement, buildings, and whatever is erected or affixed to land (above or below), excluding infrastructure.

**Renovation** - Construction performed on an already existing building, land improvement, or personal property such as equipment to enhance the usefulness.

**Sensitive Property** - Property that is popular and highly vulnerable to theft.

**Tangible Personal Property** - Consisting of furniture, fixtures, equipment, machinery, non-licensed vehicles, and individual works of art and historical treasures, including improvements and renovations thereon, with an actual or estimated acquisition cost of more than \$1,000 per item.

**Vehicle** - All state vehicles and trailers, including retrofitting, that are capable of being licensed through the Bureau of Motor Vehicles for intended over-the road transportation.

**Works of Art & Historical Treasures** - Assets that are maintained or preserved such as paintings, sculptures, etc.

## V. POLICY

It is the policy of the Ohio Department of Rehabilitation and Correction that physical assets of the Department are properly accounted for in accordance with generally accepted accounting practices, which are also in compliance with guidelines issued by the Ohio Department of Administrative Services.

**VI. PROCEDURES****A. Fleet Inventory**

1. The Deputy Director of the Office of Administration shall appoint a person as the agency Fleet Administrator. The Fleet Administrator shall serve as the liaison with the Department of Administrative Services, Office of Fleet Management, and is responsible for coordination of the agency fleet program and annual certification of the agency fleet.
2. Each institution shall appoint a person as Fleet Coordinator and provide that name to the agency Fleet Administrator. The Fleet Administrator will serve as the Fleet Coordinator for Operation Support Center and the Division of Parole and Community Services.
3. In accordance with the guidelines promulgated by the Department of Administrative Services, the Fleet Coordinator/Fleet Administrator shall maintain and update all vehicles capable of being licensed by the Bureau of Motor Vehicles, mileage, maintenance and repair information on Fleet Ohio in a timely manner, but at least monthly.
4. An annual safety inspection of all agency-owned or leased vehicles used in the field service operation of the agency shall be conducted in accordance with state laws by a qualified individual. This inspection shall be completed and documented on the DRC Motor Vehicle Safety Inspection Report (DRC1151) as part of the regular vehicle maintenance. A copy of the DRC Motor Vehicle Safety Inspection Report DRC1151 shall be provided to the institution's Fleet Coordinator or to the Operation Support Center/Parole and Community Services Fleet Administrator. Safety repairs to agency vehicles shall be completed immediately and vehicles shall not be used until repairs are made.

**B. OAKS Asset Management System Inventory**

1. The Deputy Director of the Office of Administration shall appoint a person as the agency Asset Management Administrator. The Asset Management Administrator shall serve as the liaison with the Department of Administrative Services, Office of Asset Management, and is responsible for coordination of the agency asset management program and annual certification of the agency assets.
2. Each institution or division shall appoint a person as Agency Asset Processor and provide that name to the Agency Asset Management Administrator.
3. In accordance with the guidelines promulgated by the Department of Administrative Services, the Agency Asset Processor shall maintain and update the inventory of all tangible and intangible personal property, all tangible real property, sensitive property, computing and information technology equipment and related activity on OAKS Asset Management System in a timely manner. All tangible personal property shall be affixed with at least one bar code inventory label or electronic medium device. All assets requiring to be tagged shall be affixed an asset identification tag within fifteen (15) calendar days from the date received by the agency.

4. All items must be entered into the OAKS Asset Management System within 30 calendar days of acquisition or construction. If the OAKS Asset Management System is not available due to the annual certification process or other system related issue, the items must be entered within 30 calendar days after the OAKS Asset Management System is operational.
5. Capital fixed assets shall be recorded in the OAKS asset management system as follows:
  - a. Capital Fixed Assets
    - i. Tangible Personal Property with Purchase Threshold Greater than \$15,000: Machinery, equipment, non-licensed vehicles, furniture, fixtures, firearms, works of art and historical treasures, as well as renovations/improvements thereon, land improvements including renovation/improvement thereon (excludes modular furniture).
    - ii. Tangible and Intangible Personal Property with Purchase Threshold Greater than \$100,000: Intangible personal property, software, building renovation/improvements.
    - iii. Tangible and Intangible Real Property with Purchase regardless of Cost: Land, buildings, infrastructure, and easements.
6. Stewardship non-fixed assets shall be recorded in the OAKS Asset Management System as follows:
  - a. Stewardship – Non-Fixed asset
    - i. Tangible Personal Property with Purchase Threshold Greater than \$1,000 but less than \$15,000: Machinery, Equipment, non-licensed vehicles, furniture, fixtures, works of art and historical treasures, modular furniture, information technology hardware, and components.
    - ii. Sensitive Tangible Personal Property with Purchase Threshold Greater than \$500 but less than \$1,000: Audio visual, audio, communication, surveillance equipment, antiques, moveable works of art, power tools.
    - iii. Tangible Personal Property Regardless of Cost: Firearms, revolvers, pistols, semi & auto, flare, gas, shotguns, rifles, computing and information technology equipment, desktop computers, laptops, notebooks, servers and personal digital assistants (PDAS), including but not limited to palm pilots, blackberries and smart phones.
7. The Agency Asset Processor in each institution or division shall be responsible for directing and conducting a physical inventory of all items recorded in the OAKS Asset Management System no less than once a biennium with the exception of items assigned to the Food Service department which shall be, at a minimum, inventoried annually and completed with the contractor.

**C. Other Assets**

1. Supplies maintained in a DRC institution storage area are to be placed in a secure storeroom under the control of a storekeeper.
2. Supplies maintained in any other DRC divisions are to be stored in a secure storage area under the control of a person designated by the Managing Officer.
3. A perpetual inventory record shall be maintained on all items stocked in the storeroom, warehouse, and other secured storage areas. A physical inventory of items located in this area shall be conducted in accordance with the policy governing that particular inventory.