

- Condition: unknown, scrap, salvage, poor, good, excellent, new
- Date of purchase (for newly procured property items)
- Value (for newly procured property items)

11. The Department Property Officer will retain the inventory change memorandums from Department Property Custodians and copies of all annotated inventory reports.

12. The Department Property Officer reviews the inventory change memorandum and checks to see if all property items on the inventory report have been annotated.

13. If there are any property items that are considered excess, Department Property Custodians must notify their Department Property Officer. The Department Property Officer determines whether or not the reported excess property can be used within the department to offset any known shortages. If shortages exist, the Department Property Officer will direct an intra-departmental transfer of the property items. If the excess is not suitable to fill existing departmental shortages, the Department Property Officer will notify the State Property Manager. The State Property Manager will instruct the Department Property Officer on the disposition method that will be used for the excess property.

14. If there are any property items that are damaged or missing, Department Property Custodians must notify their Department Property Officer. Department Property Custodians reporting damaged or missing property items will conduct an informal investigation regarding the damaged or missing property item(s). The basic who, what, when, where, and how, should be explained and reported to the Department Property Officer. If any damaged items are economically repairable, the Department Property Custodian will coordinate with the necessary department personnel to have the property repaired. Property Items that cannot be economically repaired are reported to the Department Property Officer. For property items that are not economically repairable or missing property item that cannot be located, the Department Property Officer will instruct the appropriate Department Property Custodian to create a fixed asset disposition document in IRIS, requesting approval to dispose of the unrepairable property item(s) and/or record the missing property item(s).

Note: Department Property Officers should contact the State Property Manager before seeking disposal of property that cannot be economically repaired. Often such property is appropriate for online auction services, allowing the state to recoup some of the value of the damaged and unrepairable property.

15. If there are any property items that need to be added to the inventory, because the property meets the definition of controlled property, Department Property Custodians must notify their Department Property Officer. The Department Property Officer will

instruct the appropriate Department Property Custodian to create a fixed asset acquisition document in IRIS, to record the addition of the property item(s).

16. If there are any property items that need to be deleted from the inventory, Department Property Custodians must notify their Department Property Officer. The Department Property Officer will instruct the appropriate Department Property Custodian to create a fixed asset disposition document in IRIS, to record the deletion of the property item(s).

17. If the phrase "Property Control Number Required" appears on the inventory report, the Department Property Officer determines if the property item(s) require property control number decals and responds accordingly. If a determination is made to assign a property control number to a property item because it meets the definition of controlled property, the Department Property Officer will instruct the appropriate Department Property Custodian to create a fixed asset acquisition document in IRIS, to record the addition of the property item(s).

18. The Department Property Officer will work with Department Property Custodians to ensure that all other changes to the department's property inventory are entered into IRIS.

19. If the inventory is completed and no changes are necessary (one-hundred percent accountability achieved), Department Property Custodians will forward a memorandum to the Department Property Officer with the following information:

- Date of inventory
- Type of inventory: cyclic
- Result: 100%
- Changes: none

20. The Department Property Officer will retain the memorandums from Department Property Custodians and copies of all annotated inventory reports.

21. After the Department Property Officer has collected all inventory memorandums from Department Property Custodians, the Department Property Officer will compile the data provided on all memorandums and inventory reports from the Department Property Custodians and create a final inventory memorandum. The final inventory memorandum will be sent (e-mail is preferred) to the State Property Manager for review.

If there is one-hundred percent accountability of all property items and no changes are required, the final inventory memorandum will contain the following information:

- Name of Department
- Name of Department Property Officer
- Date of inventory
- Type of inventory: cyclic
- Result: 100%
- Changes: none
- Whether the cyclic inventory is the final inventory required for one-hundred percent accountability of all department property

If there are changes to the inventory, the final inventory memorandum will contain the following:

- Name of Department
- Name of Department Property Officer
- Date of inventory
- Type of inventory: cyclic
- Result: 100%
- Changes: changes identified
- Whether the cyclic inventory is the final inventory required for one-hundred percent accountability of all department property

Each property item reported shall include the following information:

- Type change (excess, damaged, missing, addition, deletion, property requiring a property control number, etc.)
- Property item description (include make and model)

- Property control number (if none, state “none”)
- Serial number (if none, state “none”)
- Location
- Condition: unknown, scrap, salvage, poor, good, excellent, new
- Date of purchase (for newly procured property items)
- Value (for newly procured property items)

The Department Property Officer will also provide a copy of the final inventory memorandum to each respective Division Director within their department.

22. After the State Property Manager reviews the completed final inventory memorandum, the following information will be entered into the inventory control log:

- Name of Department
- Name of Department Property Officer
- Date of inventory
- Type of inventory: cyclic
- Changes: yes or no (based on final inventory memorandum)
- Next cyclic inventory date as scheduled by the department
- Whether cyclic inventory is the final inventory required for one-hundred percent accountability of all department property

The State Property Manager will contact the Department Property Officer regarding any questions, concerns, or required action based on the final inventory memorandum.

SECTION 8. ANNUAL INVENTORY PROCEDURES

All annual inventories must be scheduled. Annual inventory schedules must be sent to the State Property Manager so the inventory control log can be updated. If preferred, the Department Property Officer may schedule and conduct an annual inventory when it best suits that department’s workload, as long as the inventory is completed within one year from the date of the previous one-hundred percent accountability inventory.

Annual inventory procedures are as follows:

1. The Department Property Officer notifies Department Property Custodians of the date of the annual inventory and the procedures that will be used. Because the annual inventory is a comprehensive one-hundred percent inventory, it will require more coordination and time to accomplish. Department Property Officer's should schedule annual inventories accordingly.
2. The Department Property Officer will provide an inventory printout for the property items to be inventoried to each respective Department Property Custodian.
3. The Department Property Officer freezes property transactions department wide while the annual inventory is occurring. All pending property transactions are placed in a hold file and processed after the inventory is finished.

Note: An exception can be made for departments that would experience a hardship due to freezing property transactions. Department Property Officers are responsible for requesting an exception. Requests are made by sending a memo to the State Property Manager requesting that property transactions continue to be processed during the annual inventory process and details explaining why a hardship would occur if property transactions were froze during the annual inventory process.

4. The Department Property Custodians will make arrangements with their respective sections to ensure that all identified property items are available to be inventoried as scheduled.
5. The Department Property Custodians will check each property item against the inventory report provided by the Department Property Officer.
6. The Department Property Custodians will look for the property items property control number or manufacturer's serial number. The property control number and/or serial number of each property item will be compared against the inventory report. Property control numbers and serial numbers of property items must match the property control numbers and serial numbers listed on the inventory report. When a controlled property item does not have a property control number, often it will be listed by serial number. Changes to condition or serviceability (broken, missing parts, damaged, etc.) should be noted for property items inventoried.
7. If the property item is not identified on the inventory report, note what the property item is, its property control number, serial number, make, model, general condition, and location. Department Property Custodians will check to see if the property is a loaned or newly acquired item. It may also be a component of a set and the set was listed as a different property item.

8. Department Property Custodians may find a property item that does not have a property control number but he/she thinks that it should. The Department Property Custodian simply enters the property item on the inventory report with a complete description and annotates "Property Control Number Required." The Department Property Officer will determine whether or not the property item requires a property control number.

9. If the property item cannot be found, enter "Missing" beside the property item on the inventory report. Check with the responsible individual(s) to see if the property item was transferred or turned in. A search for the property item will need to be conducted.

10. Move to the next property item on the inventory report and repeat the process. Continue this procedure until all property items on the inventory report have been inventoried.

11. Once the cyclic inventory is completed, Department Property Custodians must report any changes (**see page 16 paragraph 20 if no changes to the inventory are required**). An inventory change memorandum is used to report any inventory changes to the Department Property Officer such as: excess, damaged, missing, addition, deletion, property requiring a property control number, etc.

An inventory change memorandum must include the following information:

- Name of Department Property Custodian
- Date of inventory
- Type of inventory: annual
- Copy of annotated inventory report

Each property item reported shall include the following information:

- Type change (excess, damaged, missing, addition, deletion, property requiring a property control number, etc.)
- Property item description (include make and model)
- Property control number (if none, state "none")
- Serial number (if none, state "none")
- Location
- Condition: unknown, scrap, salvage, poor, good, excellent, new

- Date of purchase (for newly procured property items)
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20. If the inventory is completed and no changes are necessary (one-hundred percent accountability achieved), Department Property Custodians will forward a memorandum to the Department Property Officer with the following information:

- Date of inventory
- Type of inventory: annual
- Result: 100%
- Changes: none

21. The Department Property Officer will retain the memorandums from Department Property Custodians and copies of all annotated inventory reports.

22. After the Department Property Officer has collected all inventory memorandums from Department Property Custodians, the Department Property Officer will compile the data provided on all memorandums and inventory reports from the Department Property Custodians and create a final inventory memorandum. The final inventory memorandum will be sent (e-mail is preferred) to the State Property Manager for review.

If there is one-hundred percent accountability of all property items and no changes are required, the final inventory memorandum will contain the following information:

- Name of Department
- Name of Department Property Officer
- Date of inventory
- Type of inventory: annual
- Result: 100%
- Changes: none

If there are changes to the inventory, the final inventory memorandum will contain the following:

- Name of Department
- Name of Department Property Officer
- Date of inventory
- Type of inventory: annual
- Result: 100%
- Changes: changes identified

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- Type change (excess, damaged, missing, addition, deletion, property requiring a property control number, etc.)
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23. After the State Property Manager reviews the completed final inventory memorandum, the following information will be entered into the inventory control log:

- Name of Department
- Name of Department Property Officer
- Date of inventory
- Type of inventory: annual
- Changes: yes or no (based on final inventory memorandum)
- Next annual inventory date as scheduled by the department

The State Property Manager will contact the Department Property Officer regarding any questions, concerns, or required action based on the final inventory memorandum.

SECTION 9. PHYSICAL SECURITY OF CONTROLLED PROPERTY

During the inventory, Department Property Custodians may note shortcomings in physical security procedures. Poor physical security may have contributed to loss, damage, or theft of property. Department Property Custodians should identify any physical security concerns to the responsible individual, the individual's immediate supervisor, and the Department Property Officer. The Department Property Officer is responsible for educating supervisors and Department Property Custodians on effective physical security practices.

END OF PHYSICAL INVENTORY PROCEDURES GUIDE