



**DEPARTMENT OF LABOR AND
EMPLOYMENT SECURITY**

SURPLUS INSTRUCTION

**STATE OF FLORIDA
DEPARTMENT OF LABOR AND EMPLOYMENT SECURITY
INSTRUCTION**

**1307.2A
December 15, 1998
BAS**

To: Individuals Listed In Distribution Schedule C

Subject: Surplus Property Disposal Instructions

I. Purpose

This instruction establishes departmental policy and a uniform procedure for disposing of all surplus or excess state owned tangible personal property by various offices and entities of the agency in accordance with Section 273.05, Florida Statutes.

II. Scope

This instruction is applicable to all surplus, tangible personal property owned or controlled by the Department of Labor and Employment Security (DLES) and to all personnel responsible for the acquisition, accountability, control, and the safeguarding of said surplus property.

III. Authority

The basic authority for this instruction is contained in Section 20.05 (1)(a), Florida Statutes, which states that it is the duty of the head of the department to plan, direct, coordinate and execute the powers, duties and functions vested in the department and Chapter 10.300, Rules of the Auditor General, State Owned Tangible Personal Property.

IV. Definitions

- a. Property Custodian - any elected or appointed state board, commission or authority and any other person or agency entitled to lawful custody of property owned by the agency or state.
- b. Property Custodian Delegate - a person under the supervision of a custodian to whom the custody of the property has been delegated by the custodian and from whom the custodian may require custody receipts.
- c. Property Administrator - the position in the Bureau of Administrative Support, charged with the responsibility of coordinating policies, procedures and instructions for the disposition of excess/surplus property within DLES. The person who has sole authority to oversee the authorization of the disposal of all surplus property for the Department. This person shall be responsible for all aspects of disposing of and accountability of all surplus property for the department.

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- d. Surplus - Any property that is no longer needed or required by a commission, division, bureau, board, authority, office etc.. Any property that is obsolete or the continued use of which is not economical or efficient or which serves no function for any activity or is in excess of need at a location. This includes desks, chairs, tables, filing cabinets, computers, printers, copiers, and any other items considered as office furniture. Surplus property is not trash, old forms, miscellaneous parts, and pieces of old office supplies like broken staplers, hole punches, notebooks or old folders.
- e. LES Property Number - an identification number assigned by the Bureau of Financial Management (BFM), Property Unit, to all property that is considered under the "property" definition category (OCO). You may request property number tags from BFM for other items.
- f. Department Identification "Green" Decals - decals denoting departmental ownership placed on all tangible property of a non-consumable and non-expendable nature that are considered to have a value of less than \$500 and hard back books with a value of less than \$100.
- g. Departmental Surplus "White" Decals - decals assigned to surplus property items that are received at the DLES Warehouse for inventory control until the items are transferred or disposed of by warehouse associates.
- h. Interdepartmental Surplus Property Circular - memorandum distributed to all agency offices informing the offices of the availability of surplus property.
- i. Certification of Surplus Property - the custodian's written statement classifying as surplus, property in his or her custody that is obsolete, or the continued use of which is uneconomical or inefficient, or which serves no useful function as to any activity or location under his or her supervision.
- j. Report of Surplus Property Form (BAS-7001/7002) - form which DLES custodian delegates use to report any surplus property to the Property Administrator.
- k. Property Transfer Form (BFM 50) - a Bureau of Financial Management form used by DLES custodian delegates to transfer property from one cost center to another. This form is also used by the Property Administrator to advise BFM to remove property from a cost center's inventory.

1. Property Condition Codes

1. Excellent (E) Item is in excellent serviceable condition.
2. Good (G) Item is in reusable and serviceable condition.
3. Fair (F) Item is worn but is in reusable condition and can be cleaned, polished and placed back in use with minimum repair/maintenance.
4. Poor (P) Item is very worn, old or obsolete and will require major repairs to be of use. This type of property may have parts which will be of use.
5. Scrap (S) Item is totally unusable by the agency. It is obsolete/non-repairable, unserviceable and may present a health or safety hazard.

V. Procedures

Surplus Property Review Board

The Operations and Management Consultant Manager (OMCM) shall establish a Surplus Property Review Board. In addition to the OMC Manager, the Surplus Property Review Board will consist of the General Services Specialist, the OOM II, and the Chief, Bureau of Administrative Support (BAS). The Review Board will review all surplus property requests to determine disposition method.

The DLES Property Administrator shall have all rights to all Department-owned tangible personal property certified and transferred as surplus. This person has the right to spot check request for disposal to ensure condition codes. The person in this position shall be responsible for all aspects of disposing of surplus property for the Department. The following instructions are separated into two areas: those offices located outside of Tallahassee and those located in Tallahassee.

- a. **Office(s) Outside of Tallahassee** - DLES offices should report to the Property Administrator any property that is surplus to an office's needs. The custodian delegate shall use the Report of Surplus Property Form (BAS-7001/7002) for this purpose.

The custodian delegate is responsible for preparing the entries on the BAS-7001/7002 which should include the following information:

- contact person, telephone and fax number
- cost center number
- organization code
- location

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- tag number (if no tag number, use the abbreviation NICN, no inventory control number)
- description/model/manufacture
- condition
- serial number
- advise if item is operational and describe on the reverse side of the form any additional comments.

Offices are requested to list scrap and poor condition items on separate reports forms from items that are in excellent, good and/or fair condition. The form must be signed by the custodian delegate and forwarded to the Property Administrator for disposition instructions.

The Property Administrator or designee will review the report form upon receipt to ensure that all required entries on the form have been completed. The property administrator may make on site inspections of surplus property. An Interdepartmental Circular Number will be assigned to the certification. The Interdepartmental Surplus Property Circular will then be distributed to all agency offices, advertising the availability of surplus property. Only property in **excellent, good, and fair** condition will be advertised on a circular. Scrap and poor condition property will not be advertised on the circular.

Authorization may be granted by the Property Administrator to dispose of scrap and poor condition property in an accountable manner. The Property Administrator will forward the appropriate authorization documents which consist of a certification number and disposal instructions to the custodian delegate.

The Interdepartmental Surplus Property Circular will run for a period of fifteen (15) working days from the date that is printed on the circular. If anyone is interested in the property listed on the circular, he/she should call the contact person listed on the circular.

After the expiration of the circular, the Property Administrator will contact the custodian delegate to ascertain if any property is still available. If surplus property remains at the location, the Property Administrator will provide details by memorandum, Disposal of Certification of Surplus Property, as to how the surplus property can be disposed. Disposal options may include those outlined below.

- Transfer property to another governmental entity (public schools, state agencies, local governments, etc.)
- Transfer property to a non-profit organization/association (Goodwill, Salvation Army, etc.)
- Dispose of property in another accountable manner as directed by the Property Administrator which may include taking the property to the landfill, etc.

No property may be donated to any church, sect, or religious organization or denomination, or in the aid of any sectarian institution.

The Custodian Delegate will also be responsible for removing all property tags from each items prior to the disposition of the property.

If surplus property is authorized to be disposed of in a landfill, dump, sold as scrap, or donated, an affidavit which is notarized or witnessed and signed by two associates, (see attachment) is required. The following will be noted on the affidavit:

- county
- date of disposal
- location of disposal
- method of disposal/transfer
- notary seal
- signature of associate disposing of property
- certification number - assigned by the Property Administrator

For items that have not been transferred to another governmental entity, a copy of the Report of Surplus Property Form and the Notarized Affidavit are required to be returned to the Property Administrator after the property has been disposed of.

For items that have been transferred to another government entity, the Report of Surplus Property Form will be utilized. The form should be completed with the required information and the following items should be annotated on the form:

- name of organization receiving property
- location (physical address)
- contact person
- telephone number
- signature of person receiving property
- date

This signed and completed form is required to be returned to the Property Administrator. The Property Administrator will forward copies of the Report of Surplus Property form to BFM.

- b. **Tallahassee office(s)** - Property that is surplus to cost centers in Tallahassee should be reported to the Property Administrator on the Report of Surplus Property form (BAS 7001/7002) or BFM-50. The report needs to be signed by the custodian delegate prior to forwarding to Property Administrator. The Property Administrator will contact the cost center and advise when pick up can be arranged. Any items to be picked up by the Warehouse section that requires special handling or of great size or weight must be reported to the Property Administrator prior to the item being picked up in order to coordinate any additional manpower or equipment.

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No property will be picked up without the properly completed BAS-7001 report or BFM-50 form. At the time property is picked up, DLES surplus property associate(s) will sign the Report of Surplus Property form and they will advise the custodian delegate of any changes in the items noted on the certification. Changes require the custodian delegate and the surplus property associate to annotate on the report. The BAS 7001/7002 is a three (3) part carbonless form. The surplus property associates will retain the original; copy number two (2) will be retained by the custodian delegate and copy number three (3) will be forwarded to BFM by the Property Administrator.

Cost centers in Tallahassee that have other governmental entities interested in property scheduled for the pick up should advise the Property Administrator at the time the certification is submitted.

- c. **Disposition of Computer Equipment** - Custodian delegates should discuss their intent to surplus all computer equipment with their respective MIS Units before designating these items as surplus.

d. **Warehouse Procedures**

1) Receiving Property - During the pick up of surplus property, surplus property associates returning property to the warehouse should ensure that the Report of Surplus Property form has all entries completed. Property transferred to the DLES Warehouse that does not have a DLES property tag affixed will be assigned a Departmental Surplus "White" Decal by the surplus property staff at the time of pick up. Surplus property associates under no circumstances will place surplus property in the warehouse without completing all the required information on the report.

The Report of Surplus Property form will be entered into the Warehouse Property Storage Automated System by surplus property associate(s) immediately after equipment has been properly located in the Warehouse. After inputting the transaction(s) into the automated system, surplus property staff will provide the Property Administrator with the official document annotated with the location of the property and note that input has been made. The appropriate items will be placed on the Interdepartmental Surplus Property Circular within 10 days of receipt of the property.

2) Availability of Surplus Property - Agency personnel may visit the LES Warehouse by appointment to review available surplus property items. Agency staff can also call the Property Administrator to inquire as to what property items are available or request that certain items that are listed on a circular be labeled/tagged for a particular office. If no agency office(s) have a need for the property items listed on the circular, then the surplus property will be made available to other governmental entities. Property that is not transferred to other agencies will be made available to non-profit organizations or disposed of as outlined earlier in this instruction.

3) Transferring Property Out of the Warehouse - When transferring property out of the warehouse, surplus property associates will utilize the automated BFM-50 that is generated by the computer system. Surplus property associate(s) will input the property number, description of the item, organization code and location code. The computer system will generate the balance of the information on the form. After the property has been delivered to the new custodian delegate and signature(s) have been obtained, surplus property staff will input the information into the computer system and deliver transfer documents to the Property Administrator. The Property Administrator will verify that the input has been completed and forward a copy to BFM.

e. **Poor/Scrap Surplus Property**

1) Any property that has been determined to be poor/scrap, the Property Administrator will prepare the Report of LES Surplus Property form and will provide a copy to the surplus property staff to dispose of these items. The report will have the signature of the Review Board associates authorizing the disposal. The surplus property associate(s) will dispose of the items in an accountable manner. Associates will return all documents supporting the disposal action to the Property Administrator. The Property Administrator will provide copies of the transaction to BFM within five (5) working days.

2) Disposal of Surplus Property - Any surplus property disposed of at a landfill/dump requires an affidavit be completed as well as the Report of Surplus Property. Any surplus property associate that is involved in delivering items to sell as scrap or to the landfill/dump must provide the required receipts and documentation (affidavit) to the Property Administrator the same day the items are disposed of. The Property Administrator must process this information within five (5) working days. Under no circumstances shall any DLES associate take any surplus property for their use or for the use of others. Any such unauthorized taking of surplus property shall constitute stealing of state property and the associate shall be disciplined in accordance with LES Personnel Manual Standards for Disciplinary Action 1101.1.3.2.19.hh.

f. **Surplus Property Sale**

Surplus property sales may be held at such times and locations as determined by the Property Administrator. Surplus property sales will be by sealed competitive bids. Sales will be advertised in the local newspaper and local DLES offices will be notified of the sale. The sales will be advertised for a minimum of ten (10) working days and all sale items will be available for viewing before the opening of the bids. All property is offered on an "as is, where is basis", without recourse against the department. Blank bid sheets will be available on site at the location of the sale. All bid forms will be turned in at the location of the sale. The agency will maintain a mailing list of possible bidders, private as well as governmental. The bidders listed will be notified of any surplus sales approximately two (2) weeks prior to the sale. Individuals will be added or deleted from this list as requested.

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The Department reserves the right to require minimum bids for each items. Bids will be awarded to the highest bidder.

Bids will be opened at a site determined by the Property Administrator. The Property Administrator or designee will be responsible for opening and tabulating the bids. Bid results will be evaluated by the Property Administrator and a member of the Surplus Property Review Board prior to bid awards. After the evaluation and confirmation that all information is in order, the successful bidders will be advised of the decision. The department reserves the right to reject any and all bids that are not in the best interest of the agency or the state. DLES associates may offer competitive sealed bids as long as they are not involved in the bid award process. All surplus property items will be sold as is and the high bidder is responsible for removal. Whenever identical (tie) bids are received, award shall be determined by the date stamp (date/time) of the bid. Bidders that renege on their bid will not be allowed to bid in the future. This will include the individual as well as the business for which the bid was submitted. If there is a case where a high bidder reneges, award shall be granted to second highest bidder. All sales are final.

Successful bidders must return to the location of the advertised property to make payment. Full payment is required by money order or a bank cashiers check payable to the Department of Labor and Employment Security within 7 days of notification as the successful bidder. The successful bidders will receive a receipt of payment and copy of the invoice listing the items of which they were the high bidder. The successful bidder will have three (3) working days after payment has been received to remove the property.

All funds received as a result of these sales will be deposited in accordance with Chapter 215.32, Florida Statutes. All documents related to the sale of property will be processed to BFM by the Property Administrator within three (3) working days of payment. The original documents relating to the sale of surplus property shall be maintained in the Property Office.

VI. Security

Warehouse areas will be secured at all times. No agency associates or non-agency personnel will be allowed to browse the warehouse unescorted or allowed entrance into any area without an escort. A log shall be kept of all individuals that are in the warehouse area with the exception of surplus property staff.

Security cages in the warehouse will be locked at all times. An inventory listing will be maintained at the entrance to each security cage, identifying items that are stored in the cages. All security violations should be reported immediately to the Property Administrator or any other supervisor that is available. Any DLES associate who notices anything unusual at the Warehouse must report this immediately to his/her supervisor.

VII. Inventories

A spot inventory of surplus property will be conducted quarterly by the Operations and Management Consultant Manager or his designee. These inventories should consist of a minimum of 15 items and completely follow the items through the surplus process from initial certification to the Property Office through the final disposition. This inventory should also include the time involved for each step of the process.

Annually a complete inventory of surplus property will be conducted and the inventory information reported to the Bureau Chief. All items will be accounted for and the inventory reconciled.

VIII. Forms

Forms for the disposition of surplus property can be obtained from the agency's stockroom.

Altha F. Manning, Director of Administrative Services

CERTIFICATION OF LES SURPLUS PROPERTY

TO: _____

FROM: _____

PAGE: _____

DATE: _____

LINE #	INVENTORY CONTROL #	DESCRIPTION OF PROPERTY	CONDITION	SERIAL NUMBER	LES WAREHOUSE #
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

CONDITION OF PROPERTY: E-EXCELLENT; G-GOOD; F-FAIR; P-POOR; S-SCRAP

I HEREBY CERTIFY THIS PROPERTY AS SURPLUS

SUBMITTING CUSTODIAN SIGNATURE: _____

RECEIVING CUSTODIAN SIGNATURE: _____

CERTIFICATION REVIEWED AND APPROVED: _____

(PA II, GSS OR OMCM)

ORGANIZATION CODE: _____

54 - _____

PHYSICAL LOCATION: _____

CUSTODIAN DELEGATE: _____

TELEPHONE NUMBER: _____

SUNCOM NUMBER: _____

FAX NUMBER: _____

BAS USE ONLY

DATE: _____

DISPOSAL REVIEW BOARD APPROVAL: _____

**RULES OF THE
AUDITOR GENERAL**



CHAPTER 10.300

**STATE-OWNED
TANGIBLE PERSONAL PROPERTY**

EFFECTIVE 07-01-96

RULES
OF THE
AUDITOR GENERAL

CHAPTER 10.300
STATE-OWNED
TANGIBLE PERSONAL PROPERTY
EFFECTIVE 07-01-96

RULES OF THE AUDITOR GENERAL
CHAPTER 10.300

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10.310 PURPOSE

- (1) The purpose of these rules is to implement:
 - (a) Section 273.02, Florida Statutes, which provides that "Each item of property which it is practicable to identify by marking shall be marked in the manner required by the Auditor General. Each custodian shall maintain an adequate record of property in his or her custody, which record shall contain such information as shall be required by the Auditor General."
 - (b) Section 273.05(5), Florida Statutes, which provides that "Agency records for property certified as surplus shall comply with rules issued by the Auditor General."
 - (c) Section 273.055(2), Florida Statutes, which provides that "Custodians shall maintain records to identify each property item as to disposition. Such records shall comply with rules issued by the Auditor General."
- (2) These rules prescribe the records and procedures considered appropriate by the Auditor General for marking, recording, and accounting for State-owned property as defined in Section 273.02, Florida Statutes, and the information to be recorded in each custodian's public records in regard to such property, including property certified as surplus and/or disposed of by the custodian.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: Reissued 07-01-90
Amended 07-01-96

10.320 RULES OF CONSTRUCTION

- (1) Applicable provisions of Florida law and expressed provisions of these rules shall prevail over conflicting provisions of material incorporated by reference.
- (2) These rules shall apply to property as defined in Section 273.02, Florida Statutes, acquired by State agencies. State agencies must comply with these rules and applicable Federal guidelines with respect to property purchased partially or wholly from Federal funding sources.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: Reissued 07-01-90
Amended 07-01-96

10.330 PUBLICATIONS INCORPORATED BY REFERENCE

- (1) For purposes of these rules, the United States Office of Management and Budget "Common Rule" is incorporated by reference and shall be followed when applicable.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: Reissued 07-01-90
Amended 07-01-96

10.340 DEFINITIONS

- (1) The application of these rules is limited to property as defined in Section 273.02, Florida Statutes. As used in these rules, the term:
 - (a) "Certification of surplus property" means the custodian's written statement classifying as surplus property in his or her custody that is obsolete, or the continued use of which is uneconomical or inefficient, or which serves no useful function as to any activity or location under his or her supervision.
 - (b) "Class code" means a classification number used to commonly identify similar items of property. Examples of classes might include, but not be limited to, office furniture, automotive equipment, and data processing equipment. It is not the intent of these rules to establish uniform classifications of equipment. Such determinations are left to the discretion of the custodians.
 - (c) "Control accounts" mean those summary accounts designed to control accountability for the individual property records. Unlike the individual property records which establish accountability for particular items of property, control accounts accumulate the total investment in property and, through entries to the control accounts documenting acquisitions, transfers, and dispositions, provide evidence of the change in that investment over periods of time as well as the total investment at any point in time.

Control totals may not be established by periodically summarizing the values recorded on the individual property records. Rather, entries to the control accounts should be derived from documents evidencing transactions affecting the acquisition, transfer, or disposition of property items and should be posted contemporaneously with entries to the individual property records.
 - (d) "Cost" means acquisition or procurement cost, i.e., invoice price plus freight and installation charges less discounts. In determining cost, the value of property exchanged by an agency in satisfaction of a portion of the purchase price of new property shall not be deducted from the price which would have been paid had the previously owned property not been "traded in" on the new property.

- (e) "Custodian" means 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.
- (f) "Custodian's delegate" means a person under the supervision of the custodian to whom the custody of property has been delegated by the custodian and from whom the custodian may require custody receipts.
- (g) "Data Processing Software" has the meaning set forth in Section 282.303(8), Florida Statutes. Data processing software is not considered to be property within the meaning of these rules.
- (h) "Depreciated cost" means cost less accumulated depreciation as of any appraisal or evaluation date.
- (i) "Fiscal year" means the State's fiscal year established by Section 215.01, Florida Statutes, to begin on the first day of July and to end on the following thirtieth day of June, both dates inclusive, in each and every year; or the fiscal year established by other law applicable to a particular custodian.
- (j) "Identification number" means the unique number assigned and affixed to each item of property to identify it as property of the State agency and to differentiate one item of property from another.
- (k) "Property" has the meaning set forth for "property" in Section 273.02, Florida Statutes.
- (l) "Review board" means a board appointed by a custodian pursuant to Section 273.05, Florida Statutes, to examine and make recommendations on approval or disapproval of classification of property as surplus.
- (m) "Unaccounted for property" means property of a State agency subject to the accountability provisions of Section 273.02, Florida Statutes, which cannot be physically located by the custodian or custodian's delegate and which has not been otherwise lawfully disposed of.

- (n) "Value" means the worth or marketable delivered price (fair market value) at the date of acquisition or any subsequent evaluation or appraisal date.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: Reissued 07-01-90
Amended 07-01-96

10.350 PROPERTY RECORDS REQUIRED

(1) Maintenance of Property Records. --

Custodians shall maintain adequate records of property in their custody. The records shall contain the information required by these rules.

(2) Individual Records Required For Each Property Item. --

Each item of property shall be accounted for in a separate property record; however, related individual items which, taken as a whole, constitute a single functioning system may be accounted for in one record if the component items are separately identified within the record. Examples of property subject to group accountability include, but are not limited to, such items as modular furniture, computer components, and book sets.

(3) Content of Individual Property Records. --

Each property record shall, as applicable, include the following information:

- (a) Identification number.
- (b) Description of the item or items.
- (c) Physical location (the city, county, address or building name, and room number therein).
- (d) Name of the custodian or the custodian's delegate with assigned responsibility for the item.
- (e) Class code.
- (f) If group accountability is established, the number and description of the component items comprising the group.
- (g) Name, make, or manufacturer.
- (h) Year and/or model(s).
- (i) Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN) and title certificate number.
- (j) Date acquired.

- (k) Cost or value at date of acquisition for the item or the identified component parts thereof. When the historical cost of the item is not practicably determinable, the estimated historical cost of the item shall be determined by appropriate methods and recorded. Estimated historical costs should be so identified in the record and the basis of determination established in the custodian's public records. The basis of valuation for property items constructed by agency personnel should be the costs of material, direct labor, and overhead costs identifiable to the project. Donated items, including Federal surplus tangible personal property, should be valued at fair market value at the date of acquisition.
 - (l) Method of acquisition and, for purchased items, the voucher number.
 - (m) Date the item was last physically inventoried and the condition of the item at that date.
 - (n) If certified as surplus, the date of the certification, the reason for such certification, and reference to documentation evidencing compliance with those rules and guidelines promulgated by the custodian regarding the certification of surplus property (see Rule No. 10.365).
 - (o) At disposition, the full circumstances of disposition of the item. For property certified as surplus, this should include reference to documentation evidencing that such property was disposed of in the manner prescribed by Section 273.055(3), Florida Statutes.
 - (p) Any other information the custodian may care to include.
- (4) Form of Individual Property Records. --

Required individual property records may consist of cards, ledgers, or other manually prepared records or they may be in the form of machine-readable records, either mechanically or electronically created. The records may be prepared in pen and ink, typewritten, or through the use of other business machines, whether mechanical or electronic.

Regardless of the methods chosen, the records must contain, at a minimum, the specific information prescribed above, be capable of being produced in visually readable form, and be reasonably protected from accidental destruction or loss.

The records of property may not be prepared in pencil or by other erasable marking.

(5) Filing of Property Records. --

Manually prepared property records (cards, ledgers, or similar records) shall be arranged in numeric sequence by identification number. For the convenience of the custodian, duplicate records may be filed by location, by custodian's delegate, and in such other arrangements as may be desirable. Records prepared in machine-readable form, whether by mechanical or electronic means, shall be capable of being sorted by identification number, location, custodian's delegate, class code, and such other classifications as the custodian deems necessary. Once sorted, the capability must exist to produce complete listings for each filing sequence chosen.

(6) Control Accounts. --

A custodian-wide control account showing the total investment in property shall be maintained. A custodian may keep additional control accounts for property to the extent deemed necessary.

(7) Depreciation. --

Depreciation should not be recorded on the individual property records or in the control accounts in such a manner as to reduce the recorded acquisition cost or value.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: Reissued 07-01-90
Amended 07-01-96

10.360 IDENTIFICATION

(1) Marking of Property. --

Each item of property shall be permanently marked, if practicable, to establish its identity and ownership by the agency holding title to the item.

(2) Required Information. --

Each item of property is to be marked, at a minimum, with a legend showing the item to be the property of (name of agency) and the identification number assigned to that item. The marking must visually display the required information identifying the item; however, the marking system may additionally utilize a standard bar code to facilitate electronic inventory procedures.

(3) Method of Marking. --

Examples of acceptable marking methods include, but are not limited to, the following:

- (a) Bar code labels.
- (b) Branding irons.
- (c) Electric pencils.
- (d) Indelible ink.
- (e) Metal tags.
- (f) Paint or stencils.
- (g) Permanent stamps.
- (h) Steel dies.

(4) Exemptions. --

Any item of property whose value or utility would be significantly impaired by the attachment or inscription of the required data is exempted from the requirement for physical marking. However, the agency's property records

must contain sufficient descriptive data to permit positive identification of such items.

(5) Location of Marking. --

Items of a similar class code should be consistently marked to facilitate ready identification of the items. Careful consideration should be given to the intended use of the item; the probability that the marking could be obliterated by wear, vandalism, or routine maintenance functions; and to the appropriateness of the marking method chosen. Additionally, the location of the marking and the marking method chosen should not mar the appearance of the item.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: Reissued 07-01-90
Amended 07-01-96

10.365 CERTIFICATION OF SURPLUS PROPERTY

(1) Methods of Certification. --

Property within the meaning of these rules may be lawfully certified as surplus as provided in Section 273.05, Florida Statutes.

(2) Required Information. --

The following information shall be recorded on the individual property record for each item lawfully certified as surplus property pursuant to Section 273.05, Florida Statutes:

- (a) Date of certification.
- (b) Reason for certification (obsolete, continued use uneconomical or inefficient, or serves no useful function).
- (c) Date of review board recommendation on certification and reference to location of documentation thereof.
- (d) Reference to location of documentation evidencing compliance with those rules and guidelines promulgated by the custodian of surplus property.

(3) Transfer of Property records. --

The individual property records for each item lawfully certified as surplus shall, upon the custodian's certification, be transferred to a certified surplus property file.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

History: New 07-01-96

10.370 DISPOSITION

(1) **Methods of Disposition. --**

Property within the meaning of these rules may be lawfully disposed of as provided in Sections 273.04, 273.05, and 273.055, Florida Statutes. Property assigned to a custodian or a custodian's delegate which is not accounted for during regular or special inventories shall not be subject to the procedures governing disposition (see Rule 10.380(7)).

(2) **Required Information. --**

The following information shall be recorded on the individual property record for each item lawfully disposed of pursuant to Sections 273.04, 273.05, or 273.055, Florida Statutes:

- (a) Date of disposition.
- (b) Authority for disposition (custodian certification as surplus property, agency resolution, etc., as appropriate).
- (c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).
- (d) Identity of the employee(s) witnessing the disposition, if cannibalized, scrapped, or destroyed.
- (e) The receipt number and dollar amount received, if by outright sale by the custodian.
- (f) For items disposed of as a result of casualty loss (destroyed, damaged beyond repair, etc.), the value of insurance proceeds and receipt number, together with a notation identifying the reason for disposition.

(3) **Transfer of Property Records. --**

The individual property record for each item lawfully disposed of as described in this rule shall, upon disposition of the item, be transferred to an inactive and disposed property file. Destruction of such records shall be governed by the provisions of Chapter 119, Florida Statutes.

(4) Control Account. --

The cost or value of items lawfully disposed of shall be removed from the control account at the time of disposition.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

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10.380 INVENTORY PROCEDURES

(1) Physical Inventory Required. --

Each custodian shall ensure that a complete physical inventory of all property is taken annually. Each custodian shall ensure that a complete physical inventory of all property under the control of the custodian's delegate is taken whenever there is a change of custodian's delegate.

(2) Inventory Forms. --

The form of the record used to record the physical inventory required by Section 273.02, Florida Statutes, shall be at the discretion of the custodian. However, the forms used to record the inventory shall display, at a minimum, the following information:

- (a) Identification number.
- (b) Description of the item or items.
- (c) Physical location (the city, county, address or building name, and room number therein).
- (d) The name of the custodian or the custodian's delegate with assigned responsibility for the item.
- (e) Class code.
- (f) If group accountability is established, the number and description of the component items comprising the group.
- (g) Name, make, or manufacturer.
- (h) Year and/or model(s).
- (i) Manufacturer's serial number(s), if any, and if an automobile, vehicle identification number (VIN) and title certificate number.
- (j) Date acquired.
- (k) Any other information the custodian may care to include.

The form shall indicate, for each item described, the existence and location of the item, or its absence, the date of the current inventory, and the present condition of the item. Additionally, the information recorded shall include the name and signature of the employee or other individual attesting to the existence of the item and the accuracy of the data recorded.

(3) Unrecorded Property. --

Any property item found during the conduct of an inventory which meets the requirements for accounting and control as defined in Section 273.02, Florida Statutes, and which item is not included on the inventory forms described above, shall be added to the forms when located. After appropriate investigation to establish the ownership of the item, it shall be added to the custodian's property records or, if ownership cannot be reasonably established, the item may be disposed of in the manner provided by law as applicable to abandoned property.

(4) Custodian May Not Inventory Certain Items. --

The custodian or the custodian's delegate may not personally inventory items for which they are responsible.

(5) Property Assigned to Other Custodians.--

In some instances, it may not be cost effective to make a physical inventory of property that has been temporarily assigned to another custodian at an off-site location. In such instances, the custodian may, in lieu of a physical inventory, obtain a certified statement from the other custodian attesting to the existence and condition of the property.

(6) Reconciliation of Inventory to Property Records. --

Upon completion of the physical inventory:

- (a) The data listed on the inventory forms shall be compared with the individual property records. Noted differences such as location, condition, and custodian's delegate shall be investigated and corrected as appropriate or, alternatively, the item shall be relocated to its assigned location and custodian or custodian's delegate.
- (b) Items not located during the inventory process shall be promptly reported to the custodian or the custodian's designee (who shall be an individual other than the custodian's delegate responsible for the

unaccounted for items) and the custodian shall cause a thorough investigation to be made. If an item is not located as a result of the investigation, the individual property record shall be so noted and a report filed with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

(7) Unaccounted for Property. --

Items identified as unaccounted for shall not be recorded as dispositions or otherwise removed from the property records except as provided in Section 17.04, Florida Statutes, and Department of Banking and Finance Rule 3A-21.002, Florida Administrative Code. Pending their location or approval of disposition, the value of such items may be omitted from the amounts invested in property required to be reported to the State Comptroller pursuant to the provisions of Section 216.102, Florida Statutes.

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TDD equipment via the Florida Relay Service at 711.

General Authority and Law Implemented - Section 11.45 and Chapter 273, Florida Statutes

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