
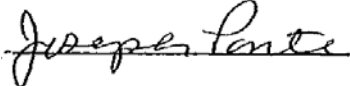


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POLICY NUMBER: 2.6		
CHAPTER 2: FISCAL MANAGEMENT		
	STATE of MAINE DEPARTMENT OF CORRECTIONS	PROFESSIONAL STANDARDS: See Section VII
	Approved by Commissioner: 	
EFFECTIVE DATE: July 15, 2003	LATEST REVISION: November 28, 2011	CHECK ONLY IF APA []

I. AUTHORITY

The Commissioner of Corrections adopts this policy pursuant to the authority contained in 34-A M.R.S.A. Section 1403.

II. APPLICABILITY

Entire Maine Department of Corrections

III. POLICY

It is the policy of the Department of Corrections to govern the inventory control of property, supplies, and other assets. The Department shall establish uniform criteria and procedures to be observed in the recording, reporting, and controlling of assets. Complete physical inventories shall be conducted annually, as outlined in the following procedures. Agencies with distributed assets (assets located in many locations throughout the State) may conduct their inventory over a two (2) year period, as outlined in procedures.

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V. ATTACHMENTS

None

VI. PROCEDURES

Procedure A: Responsibilities for Maintaining Inventory

1. The Chief Administrative Officers, Deputy Chief Administrative Officers, Regional Correctional Administrators, Industries Managers and the Director of Correctional Industries shall:
 - a. designate individuals as Property Officer and/or Capital Equipment Clerk to control the use and care of all Department owned equipment assigned to their respective institution or office.
 - b. The Property Officer shall designate an individual as Area Equipment Coordinator who shall:
 1. Verify and maintain control of equipment assigned to that location.
 2. Notify the Capital Equipment Clerk of any new, added, lost, or stolen capital equipment.
 3. The Capital Equipment Clerk shall tag all identified capital equipment by affixing capital equipment tags provided by the Area Equipment Coordinator. If the tag cannot be affixed to the equipment or the equipment is in a location where offenders could manipulate the tag, the tag may be stored in a secure location/log book.
2. The designated Capital Equipment Clerk shall be responsible for:
 - a. Maintaining the inventory records for their equipment
 - b. Making appropriate entries to update the central accounting system
 - c. Reconciling the central accounting system to the capital equipment inventory
 - d. Verifying the accuracy of capital equipment inventories
 - e. Assigning capital equipment tags
 - f. Overseeing the Capital Equipment Inventory System operation

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3. The designated Property Officer shall be responsible for all records on capital equipment and shall schedule physical inventories of all capital equipment and provide the appropriate materials for such inventories.
4. All Department employees shall ensure that capital equipment tags are not removed from equipment and shall report loose or lost tags to their Area Equipment Coordinator.

Procedure B: General Requirements for Conducting a Physical Inventory

1. Physical inventories shall be conducted annually. Agencies with distributed assets, that is, assets located in many locations throughout the State, may conduct their inventory over a two (2) year period. Agencies may conduct their fixed assets inventory on a revolving basis if the following conditions are met:
 - a. Every item is subject to a physical count or verification every year (two years for agencies with distributed assets).
 - b. The inventory program is documented and the plan has been pre-approved by the Bureau of Accounts and Control.
2. After the physical count is completed, the reconciliation process is to be performed by the Area Equipment Coordinator. Reconciling the inventory is the process of comparing physical records to general ledger balances. When all differences have been identified, explained, and corrected, the inventory is properly accounted for.
3. Once the inventory is reconciled, the Area Equipment Coordinator shall certify the reconciliation with a signed statement that it is correct, in a report to the supervisor. If the certification cannot be made, the Area Equipment Coordinator shall disclose that fact and the supervisor shall determine the appropriate course of action. The certification, together with the reconciliation and the inventory listing, serves as the basis for accounting adjustments and shall be retained by the agency for at least three (3) years from the close of the current year audit or according to the specific agency's record retention policy, if in excess of three (3) years.

Procedure C: Requirements for a Physical Capital and Non-Capital Equipment Inventory

1. A complete physical inventory of the Department's property, supplies, and other assets shall be conducted annually in accordance with the schedule of the Department's representative that is responsible for the inventory system pertaining to capital equipment, equipment and furniture, buildings, land, and land improvements.

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2. Designated Area Equipment Coordinators (those responsible for inventory and control of capital and non-capital equipment) shall be provided with the following materials:
 - a. A fixed asset list by organization code of current equipment inventory.
 - b. A current copy of this policy and related instructions.
 - c. A memorandum stating the required inventory completion date.
 - d. Equipment Transfer/Deletion Forms

3. In order to ensure objective reporting of inventory items, designated Area Equipment Coordinators should, in consultation with appropriate managers, enlist the support and assistance of personnel having no direct responsibility for assets subject to the inventory count, in completing the physical inventory by the required completion date.

4. Written physical inventory instructions shall be developed, distributed and explained to each person participating in the inventory process. They shall include directions as to how and where each item counted is to be recorded, what information is to be recorded, where to direct any questions, and procedures to be followed when equipment is located but is not listed, or listed but not located. Provision shall be included in the instructions for the inventory count to find and record those assets not being used or in an obviously unserviceable condition. Such information shall be used to schedule repair or disposition of such assets.

5. All capital and controlled (non-capital) equipment within an Area Equipment Coordinator's area shall be inventoried, even if it is not on that area's equipment listing.

6. Capital equipment and controlled equipment shall be inventoried and verified by the Area Equipment Coordinator. The description of the equipment on the fixed asset system printout should accurately describe the piece of equipment. If these requirements are satisfied, the Area Equipment Coordinator shall initial the printout.

7. When capital equipment and controlled equipment is found, but a discrepancy is noted, the fixed asset system shall be updated with explanations and necessary changes.

8. The Property Officer, Department's representative, or designee, may monitor the physical inventory process during the inventory and spot check the accuracy of area inventories after the inventory is updated. This spot check shall include, but need not be limited to, locating selected pieces of equipment, reviewing selected pieces of equipment, and reviewing selected deletions of equipment from inventory.

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9. After the Physical Equipment Inventory is completed, the Department's Service Center shall update the Capital Equipment by location listing within thirty (30) days after the completed inventory forms have been returned.

Procedure D: Requirements for the Acquisition and Deletion of Capital and Non-Capital Equipment.

1. Requirements for the acquisition and deletion of Capital and Non-Capital equipment are outlined in the State of Maine, Bureau of Accounts and Control's Fixed Asset Policy and Procedure Manual.
2. At the time of acquisition, a two-part Asset Register Adjustment Form must be completed. The white (original) shall be attached to a copy of the Receiving Report and sent to the Area Equipment Coordinator for system input. The yellow (carbon) copy shall be retained at the facility.
3. After system additions, the Capital Equipment Clerk shall provide the Area Equipment Coordinator with a Detail Data Print of the assets attributes for verification of accuracy. If changes are necessary, they shall be noted and the Data Print returned to the Area Equipment Coordinator.
4. To dispose of equipment due to sale, scrap or trade-in, the Area Equipment Coordinator must complete a three-part Equipment Transfer or Deletion Form. The pink copy shall be retained at the facility. The white copy shall be sent to the Capital Equipment Clerk. Surplus Property shall be contacted. The yellow copy shall be forwarded to Surplus Property with the asset. If there is no auction value, the Area Equipment Coordinator may dispose of the asset.

Procedure E: Requirements for the Transfer of Capital and Non-Capital Equipment.

1. Requirements for the transfer of Capital and Non-Capital Equipment are outlined in the State of Maine, Bureau of Accounts and Control's Fixed Asset Policy and Procedure Manual.
2. To transfer equipment within the Department, the three-part Equipment Transfer or Deletion Form must be completed by the transferring department at the originating facility. The pink copy shall be retained by the Area Equipment Coordinator. The white and yellow copies shall be sent with the asset to the receiving facility. The receiving department shall complete the transfer form and then send the copies to the Area Equipment Coordinator, to be forwarded to the Capital Equipment Clerk, retaining the yellow copy at the receiving facility.

VII. PROFESSIONAL STANDARDS:

ACA:

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- ACI - 4-4037** Written policy and procedure govern inventory control of property, supplies, and other assets. Inventories are conducted at time periods stipulated by applicable statutes but at least every two years.
- 4-ACRS-7D-25** Procedures provide for purchasing and requisitioning supplies and equipment and for property inventory and control.
- 4-JCF-6B-09** Procedures govern requisition, purchase, and inventory control of property, supplies, and other assets. Inventories are conducted at time periods stipulated by applicable statutes, but at least every two years.

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