



**Division of Correction**

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Title: Property Accountability	Directive Number: DOC.075.0001
Related MD Statute/Regulations:	Supersedes: DOC.075.0001 dated October 3, 2005
Related ACA Standards: 4-4037	Authorized By: Patricia Moore, Assistant Commissioner of Administrative Services
Related MCCS Standards: .04I	Issue Date: December 31, 2010
Related DOC Directives: DOC.075.0002; DOC.075.0005; DPSCS Financial Operations Manual; DPSCS Fixed Asset Management Manual; DPSCS Materials and Supplies Manual and DGS Inventory Control Manual	Effective Date: December 31, 2010
Related DOC Code of Maryland Regulations:	Number of Pages: 7

**Division of Correction Directive**

**.01 Purpose.**

This directive establishes procedures for accountability of State fixed assets and supplies.

**.02 Scope.**

This directive applies to staff of DOC Headquarters and staff of DOC facilities, and staff of Maryland Correctional Enterprises.

**.03 Policy.**

The policy of the Division of Correction is to comply with the policy and procedures set forth in the *Inventory Control Manual* published by the Department of General Services.

**.04 Definitions.**

A. In this directive, the following terms have the meanings indicated.

B. Terms Defined.

- (1) "Accountable officer" means an individual designated by an Agency Head to assume custody and to direct the care and utilization of Department property under the Agency's jurisdiction.

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- (2) "Property officer" means an individual designated by an Agency Head to manage an Agency's physical inventory according to established procedure and to direct the care and utilization of Department property under the Agency's jurisdiction.
- (3) "Buildings" means are structures for housing humans, marine, plant or animal life, materials, supplies, equipment and mechanical apparatus.
- (4) "Capital equipment" or non-expendable item means an item or furnishing to have a probable useful life in excess of one year and a procurement cost of \$500 or more. It also includes sensitive items having a procurement cost of \$250 or more and a useful life of one year or more.
- (5) "Fixed asset" means State property that includes land, land improvements, buildings, and building and leasehold improvements, and capital equipment, but excludes materials, supplies, and non-capital items.
- (6) "FMIS" means Financial Management Information System.
- (7) "Land" means any land the State of Maryland is titled to or designated to in any matter confirming ownership.
- (8) "Land improvement" means betterments, other than buildings that ready land for its intended use.
- (9) "Materials and supplies" or commodity means any item that is consumed, expended or changed in form by use, such as food, office supplies, raw materials, building and maintenance supplies, repair parts items purchased for resale, storeroom supplies and other similar items needed to support routine operations.
- (10) "Motor vehicles" means automobiles, vans, light and heavy-duty trucks, graders, tractors, motorcycles and other such equipment contrived and conveyed passengers or objects, as well as other highway and off-road motorized wheeled equipment such as marine vessels and aircraft.
- (11) "Non-capital equipment" means miscellaneous equipment, furniture, desktop articles and similar articles having an acquisition cost less than \$500, sensitive items with an acquisition cost less than \$250, or items with a useful life of less than one year.
- (12) "R\*STARS" means Relational Standard Accounting and Reporting System, which is the State's primary accounting system and the accounting system utilized by the Department.
- (13) "Sensitive items" means capital or non-capital equipment items prone to theft or has a history of loss, or theft within a particular agency. DGS has designated all computers, equipment, recording devices, portable tools, hand radios, camera, firearms, and other sensitive type weapons of law enforcement.

**.05 Responsibility.**

**A. Land, Land Improvements, and Buildings**

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(1) Record-keeping Requirements

Each specific item shall have an item identification, construction cost code and contractor, acquisition cost and date, physical location, source of funds and the amount, and any justification for transfer or disposal.

(2) Reconciliation of Inventory Records

(a) A property officer shall maintain a control account for land, land improvements, and buildings.

(b) A designee shall reconcile inventory records at least once a year with the control account and balance per R\*STARS.

(i) If the total dollar value of inventory records covered by a control account equals the account balances, no action is necessary; and

(ii) If there is a difference, analyze transactions during the reconciliation period, and make the necessary adjustments to the inventory records, control account, and R\*STARS.

(3) Physical Inventory is inapplicable.

(4) Reporting Requirements

A designee shall enter inventory value of fixed assets into FMIS annually in accordance with instructions from the Department of Budget and Management.

**B. Capital Equipment**

(1) Record-keeping Requirements

A property officer shall maintain the following information on all capital equipment:

(a) Item identification;

(b) Name of supplier and purchase order number;

(c) Acquisitions cost and date;

(d) Physical location;

(e) Serial number, if any;

(f) Source of funds;

(g) Justification of transfer or disposal; and

(h) Detailed records by category such as equipment, motor vehicles, and location.

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(2) Equipment Identification

An accountable officer shall mark all items with a property identification number and the words "State of Maryland Property" on receipt of the item.

(3) Physical Inventories

(a) An accountable officer shall inventory non-sensitive items at least once every three years.

(b) A managing official or designee shall schedule each department or unit to conduct the 100 percent physical inventory.

(c) Once reconciliation is complete, a property officer shall complete a 10 percent spot check of the inventory.

(4) Reconciliation of Inventory Records

(a) A property officer shall check the physical inventory with the inventory records to verify that records exist for all items.

(b) A property officer shall complete a *Report of Missing or Stolen State Property* form DGS 950-8 if items are missing.

(c) A designee promptly shall notify the local police department when property is stolen.

(d) The total dollar value of inventory records covered by reconciliation is to equal the account balance. If there is a difference, analyze the transactions recorded during the reconciliation period and make the necessary adjustments to the inventory records.

(e) The managing official or designee shall approve adjustments to the inventory records.

(5) Reporting Requirements

A designee shall enter the inventory value of capital equipment into FMIS in accordance with instructions from the Department of Budget and Management.

C. Non-Capital Equipment

(1) Record-keeping

(a) A designee shall record equipment serial numbers as required when reporting stolen or missing property.

(b) This is the only record-keeping requirement.

(2) Equipment Identification

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The accountable officer shall mark all items with "State of Maryland Property."

(3) Physical Inventory is inapplicable.

(4) Reporting Requirements

A designee may not report inventory values to the Department of General Services or Comptroller of the Treasury.

**D. Materials and Supplies**

(1) Record-keeping Requirements

(a) A designee shall maintain perpetual inventory records when a reporting entity meets or exceeds threshold requirements prescribed in the DGS Inventory Control Manual for controlling materials and supplies.

(b) A designee shall ensure records contain the following:

(1) Item identification;

(2) Quantity received and purchase order number;

(3) Quantity withdrawn and withdrawal ticket number;

(4) Balance of inventory on hand;

(5) Adjustment to the balance on hand;

(6) Unit of issue;

(7) Unit of issue cost;

(8) Supplier's name, purchase order number, unit cost, and order quantity; and

(9) Order quantity.

(2) Reconciliation of Inventory Records

If the record balance differs from the physical count, a designee shall investigate the variance and adjust the record balance. A managing official or designee shall approve the adjustment of the record balance.

(3) Physical Inventory

(a) A designee shall do a physical inventory of commissary and dietary supplies monthly, at the end of the monthly cycle, and complete physical inventory within three working days; and

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(b) A designee shall do a physical inventory of all other inventoried materials and supplies not later than once, the last 90 days of each fiscal year.

(4) Reporting Requirements

(a) A designee shall prepare the following list of all materials and supplies by:

- (i) Item description;
- (ii) Unit of issue;
- (iii) Last unit of issue cost; and
- (iv) Balance on hand.

(b) The designee shall:

- (i) Report the grand total in dollars on Form DGS 950-1; and
- (ii) Submit report not later than August 15 to the Department of General Services.

E. Transfer of Equipment

- (1) The accountable officer shall notify the property officer when an equipment item is to be transferred to another department or location at the facility.
- (2) The property officer shall complete sections A. and B. of the Property Transfer Request form (Appendix 2), sign the form, and submit the form to the managing official or designee for review and signature.
- (3) After approval of the transfer, the property officer shall:
  - (a) Record the transfer on the Computerized Inventory System; and
  - (b) Retain the form for the property records file.

F. Repair of Equipment

- (1) When an equipment item needs service and sent for repair, the property officer shall prepare a Property Repair Request (Appendix 3) and contact the appropriate vendor for pickup or delivery of the item.
- (2) The vendor shall sign a copy of the *Property Repair Request* when the item is picked up or delivered for service and provide an estimated date of return of the equipment item.
- (3) When the equipment item is returned, the staff member receiving the item shall sign section III of the *Property Repair Request* and give the property officer a copy of the form to retain for the property records file.

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**G. Disposal of Equipment**

The property officer shall complete the *Excess Property Declaration* form in accordance with the *Inventory Control Manual* and DOC.075.0002.

H. Each managing official or designee is responsible for designating the property officer and as many accountable officers as reasonably required.

I. A managing official or designee shall establish the proper management and internal controls so that property is prudently safeguarded.

J. A managing official or designee shall issue a facility directive to implement and comply with the Division directive, which shall contain, for a minimum:

- (1) Property officer and accountable officer procedures and responsibilities;
- (2) Inventory procedures and frequency;
- (3) Inventory reconciliation procedures;
- (4) Excess reporting and disposition procedures;
- (5) Missing and stolen reporting procedures;
- (6) Identification marking procedures; and
- (7) Internal transfer procedures; and
- (8) Temporary loan procedures.

**.06 Attachment(s).**

- A. Appendix 1: Materials and Supplies Requisition
- B. Appendix 2: Property Transfer Request, DOC Form 75-1aR
- C. Appendix 3: Property Repair Request, DPSCS/DOC Form 75-1bR

**.07 History.**

Revision: This directive revises DOC.075.0001 dated December 7, 2001.

**.08 Distribution.**

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