

 <p style="text-align: center;"><b>KENTUCKY CORRECTIONS</b> Policies and Procedures</p>	Policy Number	Total Pages
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References/Authority	Subject	
KRS 196.190; KRS 45.313 ACA 4-4037, 2-CO-1B-08 and 2-CI-6E-3 P & P ACA 3D-12	<b>INVENTORY CONTROL OF NON-EXPENDABLE PERSONAL PROPERTY</b>	

## I. DEFINITIONS

“Acquisition Cost” means the total sales price paid, or to be paid, excluding shipping and carrying charges, to purchase any unit of non-expendable personal property.

“Budget Unit” means an organizational unit having a separate identifiable budget code.

“Inventory System” means an electronic system of tracking inventory items through the Management of Accounting Reporting System (eMARS).

“Non-Expendable Property” means property having an original cost or replacement value of \$500 or more with a useful life exceeding one year including all weapons and two-way radios regardless of cost.

“Personal Property” means all tangible property, other than real property, consisting of a separate, distinct and moveable item.

“Procard” means a credit card, issued pursuant to Finance and Administration Cabinet regulations, permitting agencies to charge the purchase of approved commodities and equipment.

“Property Monitor” means the person assigned responsibility in each sub-unit or within a unit to assist the property officer. This person is responsible for custody and safekeeping of all non-expendable property assigned within their sub-unit and for maintenance of inventory records within that specific area (location).

“Property Officer” means a personnel classification for the person assigned at each institution or office responsible for custody and safekeeping of all non-expendable property assigned to their maintenance of inventory records within the budget unit(s).

“Property Officer Supervisor” means a personnel classification for the person responsible for the custody and safekeeping of all non-expendable property and for the effective operation of the inventory control system within Corrections.

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“Real Property” means all tangible property, other than personal property, consisting of buildings and land.

“State Controlled Property” means property defined as follows:

1. Property clearly titled or owned by the Commonwealth.
2. Property that a contingent title of the Commonwealth may exist through:
  - a. Lease or purchase agreement
  - b. Installment purchases
3. Property purchased through federal, state, local grants and Procard funds.
4. Property donated by private organizations or individuals.
5. Property purchased with grant funds that has a life expectancy of one (1) year or more shall be tagged with the appropriate identification tag regardless of cost.

## II. POLICY and PROCEDURES

The Department of Corrections requires strict accountability for all non-expendable property. This shall be accomplished through compliance with inventory policy and procedures, an effective inventory system and periodic physical inventory of all non-expendable property.

The Property Officer Supervisor shall be responsible for the Department of Corrections inventory and oversee the institutional Property Officers. Each institution shall designate a Property Officer that is responsible for control and record keeping at that budget unit. The Deputy Commissioners, Directors or designee may assign a property monitor to assist within the budget unit.

### A. Duties and Responsibilities

1. Property Officer Supervisor:
  - a. Performs as the property officer for central office property.
  - b. Maintains communication between institutional property officers and other units.
  - c. Reviews with property officers their duties and responsibilities concerning inventory within the system.

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- d. Reviews and approves all non-expendable additions, transfers and disposals between budget units.
- e. Reviews and approves all changes on inventory policy and procedure with property officers.
- f. Assigns, records and issues property numbers tags to each budget unit.
- h. Assists the property officers in reconciliation of recorded and actual physical inventory.
- i. Make periodic reports to the Finance and Administration Cabinet, federal agencies and Corrections as required.

2. The Property Officer:

- a. Is responsible for the custody and safekeeping of all non-expendable property within assigned budget units.
- b. Reviews with Property Monitors the duties and responsibilities concerning inventory.
- c. Assists the Property Officer Supervisor with conducting the physical inventory.
- d. Affixes assigned property numbers, as issued by the Property Officer Supervisor, to property in their area of accountability. May also engrave the property number on the property.
- e. Is thoroughly knowledgeable of the property policy.

3. The Property Monitor:

- a. Is responsible for the custody and safekeeping of all non-expendable property listed in the assigned area including a listing of all non-expendable property issued to employees.
- b. Assists the Property Officer Supervisor with physical inventory.
- c. Assists in maintaining a record system to document receipt, transfer and disposal of non-expendable property.

B. System Description

Corrections inventory system is designed to accomplish the following objectives:

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1. Provide an established method of inventory procedures.
2. Provide an established method of custody and safekeeping for maintaining control of non-expendable equipment.
3. Provide inventory criteria to determine identification and classification of purchases.
4. Provide an established method of inventory control for individual locations, including assignment of clearly defined responsibility for all property inventory procedures.
5. Provide an established method and frequency for taking physical inventory of personal property.
6. Establish and maintain inventory information for management purposes.
7. Determine equipment value for insurance reporting purposes.
8. Provide documentation of equipment transactions.
9. Provide adequate records for audit purposes.

C. System Concepts and Establishing Control

1. Corrections inventory program is an on-line input automated system. All equipment transactions shall be entered into the automated system as received. The property officers on the statewide accounting system can view updated inventory listings daily.
2. Each division, institution, central office and district is divided into sub units. These units are the basic control units of the system and a designated individual is responsible for all non-expendable property within their area.
3. The Wardens, Deputy Commissioners or designee shall appoint a Property Officer from existing staff to manage non-expendable property under their authority. The specific organizational units requiring assignment of property monitors may be determined and designated by the wardens, Deputy Commissioners, Directors or designee
4. Each Property Monitor shall report all additions and changes in property status immediately to the appropriate property officer in writing. Upon notification the Property Officer shall update the inventory system.
5. The inventory system is designed to identify, record and report all non-expendable property. A number tag shall be applied for the identification

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of the equipment. If a tag can not be placed on the equipment, then the equipment shall be engraved with the assigned number on the left side of the equipment, as you face the equipment in a normal operating position.

6. The Property Officer Supervisor is responsible for the coordination of all information relating to additions, transfers, and disposals from the inventory system. This information is for editing the inventory printout and other related reports.
7. When the payment document is completed at the receiving location, a copy shall be sent to the Property Officer who shall fill in the assigned property number.
8. The Property Officer shall be notified of all deliveries of items, which require modification to the inventory system. Property numbers shall be affixed by the Property Officer notified prior to issuance of the item.

D. Non-expendable Property System Input

The Property Officer is responsible for the input of all non-expendable property additions, transfers and deletions. All movement of equipment affecting the accuracy of the inventory listing shall be reported to the Property Officer immediately. The Property Officer shall enter this data into the system.

E. Physical Inventory

The Property Officer shall ensure that the information produced and maintained by the system remains accurate and shall conduct a complete physical inventory at least annually. The inventory shall be conducted and hard copies sent to the Property Officer Supervisor on a designated date. The Property Monitor shall submit two list of non-expendable property to the property officer. One list shall contain non-expendable property valued from \$500.00 to \$4999.99. The second list shall contain non-expendable property valued at \$5000.00 or more.

F. Equipment Transfers and Assignment

Non-expendable property shall not be transferred from one budget unit to another without the approval of the Property Officer Supervisor. The appropriate forms to transfer non-expendable property shall be completed by the sending location Property Officer prior to the actual transfer of property. Upon approval, the Property Officer Supervisor shall return the signed form. The sending location may then forward the non-expendable property to the receiving location. The receiving location Property Officer shall make all necessary changes in the Inventory System.

G. Disposal of Inventory

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1. Non-expendable property shall not be destroyed without prior written authorization. The appropriate forms shall be completed by the Property Officer and forwarded for approval by the:
  - a. Central Office Property Officer Supervisor
  - b. Finance & Administration Cabinet Surplus Property
2. Under no circumstances shall action be taken to dispose, destroy or surplus any state property without formal approval by both the Finance & Administration Cabinet and Property Officer Supervisor
3. Any non-expendable property that is accidentally destroyed, damaged beyond repair, lost or stolen, shall be immediately reported to the Property Officer and Property Officer Supervisor in writing. An investigation may be conducted to determine whether the loss was due to theft, negligence or by a legitimate loss. The Property Officer Supervisor shall advise the Commissioner or designee who shall determine if an investigation is warranted. The Property Officer Supervisor shall notify the Finance & Administration Cabinet in that instance requiring advisement and ensure the inventory system is adjusted.
4. Any non-expendable property that alters its original identity for a different use shall be immediately reported to the Property Officer of that budget unit. The Property Officer shall make appropriate changes regarding alteration of the item in the inventory system. If the converted item meets the criteria for inventory purposes, a new property number shall be issued and entered into the system with new description given.
7. The property tag for any non-expendable property being traded in shall be listed on the appropriate form. The Property Officer Supervisor shall remove that item from the system.
8. In accordance with the procedures for the disposal of non-expendable property, any non-expendable property being donated to an approved non-profit organization shall have written approval of the property office supervisor on the appropriate form.

#### H. Vehicle Inventory

All Corrections owned vehicles shall be reported separately from all other non-expendable property with a report sent to the Property Officer Supervisor at the end of each fiscal year ending June 30<sup>th</sup>.

A request to dispose, destroy or surplus a motor vehicle shall be coordinated with the Property Officer Supervisor and the Finance and Administration Cabinet.