



POLICY & PROCEDURES

SUBJECT: Property Accountability
NUMBER: MGT-08-09
APPLICABLE TO: All DJS Employees
EFFECTIVE DATE: 7/8/2010

/s/ signature on original copy
Donald W. DeVore, Secretary

1. POLICY

All Department of Juvenile Services (DJS) staff will comply with the policy and procedures set forth in the Inventory Control Manual published by the Department of General Services. In addition, DJS staff shall comply with applicable management standards, policies, and procedures established by the Department of Budget and Management, State Treasurer's Office, and Comptroller's Office according to statutory and regulatory requirements. DJS shall safeguard its property against misappropriation by following published procedures for the control and management of DJS property.

2. AUTHORITY

- a) DGS Inventory Control Manual www.dgs.maryland.gov/overview/ISSSD
- b) State of Maryland, Department of Information Technology, DoIT Policy www.doit.maryland.gov/support/Documents/security

3. DEFINITIONS

- a. DJS Property means real or personal property as defined in the Department of General Services' Inventory Control Manual. DJS Property includes:
 - (i) Materials and supplies;
 - (ii) Capital equipment items;
 - (iii) Non-capital equipment items;
 - (iv) Land, including the buildings and improvements on it and its natural assets; and
 - (v) Vehicles.
- b. Capital equipment (Non-expendable item) any equipment or furnishing having a probate useful life in excess of one (1) year and a procurement cost of \$100 or more per unit, such as, furniture, machinery, instruments and other apparatus. The term includes motor vehicles if the procurement cost is \$100 or more. It also includes sensitive items having a procurement cost of \$50 or more and a useful life of one (1) year or more.

- c. Excess Property Depot: A secure area on State or facility property designated by the Superintendent for the temporary storage of property which has been declared as excess and is awaiting authorization for disposal.
- d. Facility/Field Property Supervisor: A supervisory position designated by the Regional Property Officer, with sufficient authority to direct the care and utilization of State Property assigned to a facility. The Facility/Field Property Supervisor is responsible to direct the issuance and control of property within designated areas of a facility and/or office; and to supervise the activities of Facility/Field Accountable Officers. Except in unusual circumstances, employees below the level of supervisor should not be designed as Facility/Field Property Supervisor.
- e. Facility/Field Accountable Officer: A position, appointed by the Regional Director/Superintendent, with sufficient authority to direct the care and utilization of State property assigned to an area within a facility. Except in unusual circumstances, employees below the level of supervisor should not be designated as Facility/Field Accountable Officer.
- f. Fixed asset- Includes land, land improvements, buildings and capital equipment. The term does not include materials, supplies, and non-capital equipment.
- g. FMIS – Financial Management Information System.
- h. Land means any land that is titled to or designated in any matter confirming ownership by the State of Maryland.
- i. Land improvement includes any improvement such as electrical, plumbing and heating systems, traffic signal devices, signs, storage tanks above or below ground level, filtration systems, drainage components, sidewalks, bridges, fences and grounds beautification, including all landscaping.
- j. Materials and supplies means any item that is consumed, expended, or changed in form by use, such as clothing, food, office supplies, raw materials, building and maintenance supplies, repair parts, items purchased for resale, storeroom supplies, and other similar items needed to support normal operations.
- k. Non-capital equipment (expendable items) means miscellaneous equipment, furniture, desktop articles that have an acquisition cost of less than \$100, sensitive items with an acquisition cost of less than \$50, or items with a useful life of less than one (1) year.
- l. Office of Property Management (OPM) Property Officer A position delegated by the Executive Director of Resource Management to ensure the effective management of State property within DJS. The principal responsibility of the

Property Officer is to ensure DJS's compliance with the policies and procedures set forth in the Inventory Control Manual published by the Department of General Services.

- m. Physical Inventory Team: Team consisting of at least two (2) employees designated by the Regional Property Manager to count and record materials and supplies. One position actually counts items in storage, and the recorder documents the quantity of each item reported by the counter. The recorder is responsible for the submission of the written inventory signed by both team members.
- n. R*STARS – Relational Standard Accounting and Reporting System
- o. Records Keeper: A position designated as the Records Keeper for materials and supplies who is the person responsible for maintaining accurate and up-to-date records to control storeroom inventories. The duties and activities of the Records Keeper will be segregated from those of store keeping and inventory taking. The Records Keeper is the facility Accountable Property Officer's primary contact at the facility concerning materials and supplies.
- p. Regional Property Manager A position appointed by the Regional Director ensure the effective management of State property within DJS. The principal responsibility of the Regional Property Manager is to ensure that the facilities and/or offices within each respective region is in compliance with the policies and procedures set forth in the DGS Property Policy and the Inventory Control Manual published by the Department of General Services, Secretary's Directive 09-91.
- q. Sensitive Items are capital or non-capital equipment items such as all computer equipment, including but not limited to laptops, notebook computers, palm pilots, recording devices, portable tools, hand radios, camera and the like that are prone to theft and concealable in a handbag or briefcase. Equipment items that are too large for concealment such as typewriters, projectors, chain saws and the like, shall be considered sensitive items if there is a history of loss or theft within a particular agency.
- r. Serviceable Item: An item that is functional or operates satisfactorily "as is" without repairs or refurbishing. Obsolescence or age should not be factors in determining whether an item is functional or operates satisfactorily. Serviceable items can be obsolete or very old.
- s. Storeroom Keeper: A position designated by the Regional Property Manager as responsible for the control and issuance of specified materials and supplies.

4. RESPONSIBILITY

- a. Office of Property Management (OPM)
- i. The Property Officer and/or a designee, shall:
- 1) Coordinate with the Department of General Services to develop and implement automated systems related to DJS property;
 - 2) Develop policies, procedures, and internal controls pertaining to managing DJS property and safeguarding against the misappropriation and mismanagement of DJS property;
 - 3) Develop and maintain accurate, useful, and timely information regarding the cost, use, location, and allocation of DJS property;
 - 4) Develop reports and make recommendations to Executive Staff for the improvement of the property management and accountability systems of DJS and its units;
 - 5) Provide technical assistance and advice to the DJS on matters related to complying with property management standards, policies and procedures;
 - 6) Assist DJS and its units in developing responses and corrective action plans to recommendations of legislative auditors on matters related to property management;
 - 7) Coordinate and ensure that DJS and its units comply with the annual property reconciliation and reporting process by:
 - (a) Monitoring and verifying DJS records;
 - (b) Monitoring and verifying that required fixed assets are posted to the Financial Management Information System (FMIS) and updated as required; and
 - (c) Coordinating the annual report submission to General Services;
 - 8) Review and approve excess property declaration for DJS property;
 - 9) Develop and maintain forms to be used by DJS and its units in matters related to the acquisition and transfer of DJS property.
 - 10) Supervise and coordinate DJS' fleet management; and
 - 11) In the following areas, OPM may provide technical assistance, but the Regional Director shall maintain operational responsibility of Facility commissary operations, collection, storage, and disposal of hazardous and explosive materials and controlled dangerous substances.
- b. Duties of Regional Property Manager may be shared among staff within the Region but one staff must serve as point of contact to the OPM. The Regional Property Manger duties include but are not limited to:
- i. designating Facility/Field Property Supervisors, Facility/Field Accountable Officers, and areas of responsibilities for these positions;
 - ii. overall accountability for all capital and sensitive property items assigned to their respective region;

- iii. compliance with all referenced polices and procedures;
 - iv. responsibility to maintain accurate inventory records according to the filing and retention schedule;
 - v. thorough investigation of damaged, missing, or stolen State property and making every effort to affix liability for related employee negligence or misconduct;
 - vi. an excess Property Depot is designated for the temporary secure storage of items until authorization is received to dispose of them;
 - vii. providing the Facility/Field Property Supervisor and Facility/Field Accountable Officer with an inventory of all accountable items within their respective areas of responsibility;
 - viii. an adequate number of reference materials are maintained at the facility; and
 - ix. a plan of corrective action is submitted pertaining to deficiencies detected during audits or spot checks.
- c. Duties of the Facility/Field Property Supervisors include but are not limited to:
- i. supervising inventory activities of Facility/Field Accountable Officers assigned to them;
 - ii. coordinating the issuance of property to Facility/Field Accountable Officers within zones (specified areas of an office or facility);
 - iii. initiating investigations of loss, theft, or abuse of property by completing DGS Form 950-8, *Report of Missing or Stolen State Property (See appendix 3)*;
 - iv. immediately contacting appropriate law enforcement agency and forwarding a copy of DGS Form 950-8, *Report of Missing or Stolen State Property* along with police report to Regional Property Manager;
 - v. ensuring overall compliance with related directives within assigned property zones;
 - vi. issuing to Facility/Field Accountable Officers monthly lists of items to be inventoried;
 - vii. approving transfer of items within their areas of responsibility;
 - viii. ensuring the departing accountable officer and his/her replacement conducts an inventory of capital and sensitive items, sign the inventory, and hold departing Facility/Field Accountable Officer responsible for any deficiencies detected; and
 - ix. maintaining a current set of property accountability directives to include all regulations and memoranda referenced in this order.
- d. Duties of Facility/Field Accountable Officer(s) include but are not limited to:
- i. reporting to the Regional Property Manager on property control issues;
 - ii. assuming control and knowing the whereabouts of all State property within an assigned area;

- iii. conducting and certifying in writing monthly physical inventories of capital and sensitive equipment within an assigned area;
 - iv. ensuring that all property is tagged and identified, and if not, immediately notifying the Regional Property Manager;
 - v. deterring abuse and damage to equipment by instructing staff as to the proper use and care of all State property under their control;
 - vi. reporting excess property to the Regional Property Manager via a *Form DGS 950-9 Excess Property Declaration* (See appendix 4) immediately when the property is no longer serviceable or needed; and
 - vii. reporting abuse, loss or theft of property in writing to the Regional Property Manager.
- e. Duties of Supply Officer, Dietary, Residential and Maintenance Staff include but are not limited to:
- i. completion of all receiving reports and their timely submission to the Regional Property Manager;
 - ii. accountability for all items in the Excess Property Depot;
 - iii. coordinating the submission of *Form DGS 950-9 Excess Property Declaration (see appendix 4)*;
 - iv. marking for identification all capital and sensitive items; marking all other State property as required;
 - v. coordinating the transfer of all equipment out of the facility (submit the completed transfer form);
 - vi. submitting requisitions for replacement equipment; and
 - vii. maintaining a current set of property accountability directives to include all regulations and memoranda referenced in this order.
- f. Assignment of Responsibility for Particular Types of DJS Property.
- i. DJS Information Technology Unit has exclusive responsibility for acquisition, maintenance and recordkeeping related to:
 - a) Computer equipment
 - b) Network equipment
 - c) Video conferencing equipment
 - d) Cell phones
 - e) Other information technology-related equipment.
 - f) Radios
 - g) Cameras, including photo identification cameras;
 - h) Surveillance systems
 - i) Audio-visual equipment
 - j) Accessories, including accessories for computer equipment
 - k) Televisions
 - l) GPS hardware
 - ii. Acquisition of Medical/Dietary equipment for facility share be

coordinated through the Office of Somatic Health Services. The Regional Property Manager is responsible for maintaining records relating to the receipt and accountability of the medical/dietary equipment.

- g. Regional Director shall:
- a) Exercise responsibility and accountability for all DJS property in his/her area.
 - b) Ensure that DJS property in the region is properly safeguarded, managed, inventoried and disposed of in compliance with State and DJS standards and policies by:
 - (i) Following internal controls and procedures, as required;
 - (ii) Designating an individual to be the Region's Property Manager who shall have management oversight for DJS property in the custody of the region and shall direct the care and use of the property;
 - (iii) Designating individuals to be Facility/Field Accountable Officers who shall have direct control over DJS property in the facility and shall direct the care and use of the property;
 - (iv) Ensuring timely and accurate reporting to OPM of information related to the acquisition or disposal of DJS property and the completion of required periodic and annual financial management reporting regarding DJS property in the custody of the DJS; and
 - (v) Ensuring the timely completion of all corrective action plans related to property and storeroom audit reports and forward the results to the OPM.
- h. The Executive Director of Resource Management shall ensure that the Capital Planning Unit provides to OPM the expenditures of funds related to all capital projects, including maintenance projects that are classified as capital improvement, by the end of each fiscal year.

5. PROCEDURES

- a. Land, Land Improvement and Buildings
- i. Record-keeping Requirements
Each specific item shall have land or building identification, construction cost code and contractor, acquisition cost and date, physical location of the land or building, the source and amount of funding, payments to contractors, sub contractors' name, vendors, and justification and authorization reference for disposal or transfer.
 - 1) The Regional Property Manager shall maintain a control account for land, land improvement, and buildings.
 - 2) Inventory records shall be reconciled at least once a year, with the

control account and the balance per R*STARS, all of which will be reported to OPM by June 1st.

- a) If the total dollar value of inventory records covered by a control account equals the account balance, no action is necessary.
 - b) If there is a difference, the transactions during the reconciliation period shall be analyzed, and the necessary adjustments made to the inventory records, control account, and/or R*STARS.
- ii. Reporting Requirements – By June 1, of each year, the *Annual Report of Fixed Assets* (see appendix 6) will be prepared and forwarded to OPM.

b. Capital Equipment

i. Record-keeping Requirements

The following information shall be maintained on all capital equipment:

- 1) Building
- 2) Room number
- 3) Item Description
- 4) Vendor
- 5) Manufacturer
- 6) Serial number
- 7) Purchase price
- 8) Purchase date
- 9) Purchase order number or credit card number (last 4 digits)
- 10) Source of funds
- 11) Most recent inventory date
- 12) Justification and authorization reference for transfer and/or disposal
- 13) Sensitive item designation
- 14) Accountable Officer designation

- ii. Equipment Identification – all items shall be marked with a property identification number and the words “State of Maryland Property” upon the receipt of the item by the Facility/Field Accountable Officer of the facility.

iii. Physical Inventories

- 1) Capital equipment shall be inventoried by the Facility/Field Accountable Officer
 - a) Capital items – A complete physical inventory shall be taken at least once every 3 years.
 - b) Sensitive items – a complete physical inventory at least once each year.
 - c) The Regional Director shall schedule each unit to conduct the 100% physical inventory; however the 1/12th inventory

system can be used to complete the yearly inventory (*DGS Inventory Control Manual – see appendix 8*). Once reconciliation is completed, the OPM shall complete a 10% spot check of the inventory annually.

- 2) The Regional Property Manager shall forward the inventory results to OPM.
- 3) Inventory requirements may be met by periodic checks throughout the inventory cycle. However, by the end of each cycle all items shall have been physically checked.

iv. Reconciliation of Inventory Records

- 1) The Regional Property Manager shall compare the physical inventory to the inventory records to verify that records exist for all items.
- 2) The total dollar value of inventory records covered by reconciliation is to equal the account balance. If there is a difference, the transactions recorded during the reconciliation period shall be analyzed and the necessary adjustments made to the inventory records and approved by the Regional Director/designee.

c. Missing or Stolen State Property

- i. If items are discovered missing and investigations determines that the items were stolen, the Facility/Field Accountable Officer shall complete DGS Form 950-8 Form DGS 950-8, *Report of Missing or Stolen State Property (see appendix 3)* and police report (only required for stolen property), and immediately forward both to the Regional Property Manager.
- ii. At the time of inventory or when property is discovered missing or stolen, the Facility/Field Property Supervisor shall:
 - 1) immediately notify the Regional Property Manager and OPM;
 - 2) if it is believed to be a theft of property, OPM shall forward the report - Form DGS 950-8, *Report of Missing or Stolen State Property (see appendix 3)* to the DJS Inspector General's Office;
 - 3) report the alleged theft to the appropriate law enforcement agency so that serialized property can be entered into the stolen property files (MILES), and provide any requested documentation; and
 - 4) make every effort to affix liability for negligence or misconduct in connection with the missing or stolen property.
- iii. Items reported missing or stolen will be noted as such on the Capital Equipment Inventory. The items will not be removed from inventory until authorized by OPM.

iv. Facility/Field Accountable Officers shall submit to their Regional Property

Managers and/or designees requests for replacement of equipment reported damaged, missing or stolen. If the Regional Property Manager or designee concurs with the request, the Facility/Field Accountable Office will enter the requisition for the replacement.

- v. Reporting requirements – the inventory value of capital equipment shall be entered into FMIS in accordance with instructions from the Department of Budget and Management.

d. Non-Capital Equipment

- i. Record-keeping - Staff will record equipment serial numbers in the Electronic Inventory File System.
- ii. Equipment Identification – the accountable officer shall mark all items with “State of Maryland Property”.
- iii. Reporting Requirements – inventory values need not be reported to the Department of General Services or Comptroller of the Treasury.

e. Materials and Supplies

i. Record-keeping Requirements

- 1) Perpetual inventory records shall be maintained at each unit for all items purchased as materials and supplies if;
 - a) The grand total of the last three inventory values, reported on Electronic Inventory File System for a region or sub unit thereof is at least \$25,000.00; or
 - b) The averages for at least three years of annual expenditures for a region or sub unit thereof, exceeds \$250,000.00

ii. The records shall contain the following:

- a) Item identification;
- b) Quantity received and purchase order number;
- c) Quantity withdrawn and withdrawal ticket number;
- d) Balance of inventory on hand;
- e) Adjustment to the balance on hand and adjustment voucher number;
- f) Unit of issue;
- g) Unit of issue cost;
- h) Supplier’s name, purchase order number, unit cost and order quantities;
- i) Economic reorder quantity (EOQ);
- j) Vendors lead time;
- k) Economic reorder point (EOP).

- iii. The records shall be maintained on the Electronic Inventory File System by the Facility/Field Accountable Officer.

- iv. The Records Keeper is responsible for maintaining the following Inventory Control Records:
 - 1) Materials Requisition; Open, Closed and Requisition Logs; and
 - 2) Materials and Supplies Physical Inventory.

- v. Reconciliation of Inventory Records
 - 1) The Records Keeper shall compare the Electronic Inventory File System balance to the physical count.
 - 2) If the electronic record balance differs from the physical count, the variance shall be investigated by the Facility/Field Accountable Officer and the electronic record balance shall be adjusted to the physical inventory. It shall be recorded as an adjustment and be approved by the Regional Director. The adjustment shall be recorded on a voucher listing the date, item description, commodity code, unit of issue, unit cost, amount of variance in dollars and reason for the adjustment and signature of the appointing authority.
 - 3) Physical Inventory – a physical inventory of commissary and dietary supplies will be taken monthly. A physical inventory of all other inventoried materials and supplies must be taken at least once during the last 90 days of each fiscal year.
 - 4) Reporting Requirements - a list of all materials and supplies shall be prepared by item description, unit of issue, last unit of issue cost, and balance on hand. The grand total in dollars shall be reported on Form *DGS 950-1, Annual Report of State Property-Materials and Supplies (see appendix 1)* by September 15 of each year to the Department of General Services through OPM.

- f. Transfer of Equipment
 - i. The Facility/Field Accountable Officer shall notify the Regional Property Manager when an equipment item is to be transferred to another unit or location at the facility.
 - ii. The Regional Property Manager shall complete *Form DGS 950-9 Excess Property Declaration (see appendix 4)*, sign the form and submit it to the Executive Director for Resource Management for review and signature.
 - iii. After approval of the transfer, the Regional Property Manager shall:
 - 1) Record the transfer on the Electronic Inventory File System, and
 - 2) Retain the form for the property records file

- g. Disposal of Equipment
 - i. The Regional Property Manager shall complete the *Form DGS 950-9 Excess Property Declaration* for (see appendix) in accordance with the *DGS Inventory Control Manual and/or the Do IT Disposal Policy (see appendices 7 & 8)* and forward to OPM.

h. Inventory Procedures

- i. Accountability of capital equipment and sensitive items is a perpetual process which should be made a part of daily inspections and formal periodic inventories. Documented inventories of capital equipment and sensitive items shall be conducted once annually.

- ii. The Regional Property Manager shall make a minimum of one unannounced spot check of property accountability of each facility annually.
 - 1) The employee designated by the Regional Director to act in that capacity is responsible to direct this audit and report the results in writing to the Regional Director and OPM.
 - 2) OPM shall submit to the Deputy Secretary a plan of corrective action pertaining to deficiencies within ten (10) days following receipt of the findings during the exit interview. The Regional Director may direct a follow-up audit if this is deemed necessary.

- iii. OPM shall reconcile the annual inventories and issue to the Regional Property Manager an official equipment inventory to facilitate local monthly inventories. This official inventory shall be forwarded to the Regional Property Manager at the beginning of each fiscal year.

i. Facility Inventory Procedures

- i. All DJS employees share responsibility to care, maintain and prudently use State property and supplies placed in service for their use. All DJS Employees are responsible to know:
 - 1) what equipment has been assigned to specific areas within their facility for accountability purposes;
 - 2) that employees shall not move capital or sensitive items from their assigned locations without authorization from an Accountable Officer; and
 - 3) that the Facility/Field Accountable Officer may temporarily move equipment, but is responsible to return it to the item's assigned area. If permanent relocation of an item within the facility is considered necessary, the Facility/Field Accountable Officer must obtain approval.

- ii. To begin the facility annual inventory cycle, OPM will provide the Regional Property Manager with the following inventory reports:
 - 1) a master inventory listing all items assigned to the facility with items listed in alphabetical order;
 - 2) separate Facility/Field Accountable Officer's Master Inventory

Report for each area within the facility. The reports will list all items for which each Facility/Field Accountable Officer is responsible with items listed in alphabetical order; and

- iii. The Regional Property Manager will develop an annual inventory plan. This plan shall provide for the monthly inventory of approximately 1/12 of the total items assigned to each Facility/Field Accountable Officer.
- iv. Once each month, the Regional Property Manager shall photocopy a portion of the Facility/Field Accountable Officer's Master Inventory Report indicating the items to be inventoried during the month. When the photocopy of the inventory report is given to the Facility/Field Accountable Officer, the list shall be devoid of the property I.D. numbers. This photocopy is the Facility/Field Accountable Officer's working monthly inventory report.
- v. Upon receipt of the monthly inventory report from the Regional Property Manager, the Facility/Field Accountable Officer will conduct the physical inventory to include the verification of property identification numbers, property tags, serial numbers, model numbers, description, location, etc. The Facility/Field Accountable Officer shall make appropriate notations and initial each item on the inventory lists.
- vi. If the Facility/Field Accountable Officer locates an item, which is not in its assigned location, he/she will have it returned.
- vii. Upon completion of the monthly inventory, the Facility/Field Accountable Officer will note on the completed inventory list the following notation "I certify that I have inventoried the equipment specified and the status of each item is correctly noted on the report"; sign and date.
- viii. The Facility/Field Accountable Officer will then post the information from the working monthly inventory report to the Facility/Field Accountable Officer's Master Inventory Report.
- ix. The Facility/Field Accountable Officer's Master Inventory Report and the working Monthly Inventory Report will be submitted to the Regional Property Manager by the last day of the inventory month.
- x. The Facility/Field Accountable Officer will submit a separate memorandum listing any items which are not properly identified, whose property tags are missing, or which are damaged and in need of repair or replacement. The memorandum will be submitted to the Regional Property Manager with the monthly inventory report.
- xi. Upon receipt of the facility Facility/Field Accountable Officer's completed monthly inventory report(s), the Regional Property Manager shall ensure the report(s) are complete, accurate, and have been properly certified. If property has been found to be missing or stolen, the Regional Property Manager shall promptly investigate and submit a report to OPM with appropriate recommendations. The Regional Property Manager shall make every effort to affix liability for negligence or any misconduct.
- xii. The Facility/Field Accountable Officer will forward the inventory to the Regional Property Manager for final approval.

- xiii. Upon completion of the one twelfth monthly inventory, and after posting final information to the Facility/Field Accountable Officer's Master Inventory Report, the Facility/Field Accountable Officer will place the following notation on the bottom of the last page "I certify that I have inventoried the equipment specified and the status of each item is correctly noted on the report", sign and date.
 - xiv. The Regional Property Manager shall ensure that the inventory of capital and sensitive items is completed annually according to the schedule issued by OPM. Upon completion of the inventory the Regional Property Manager shall report all missing items to the Office of Property Management.
 - xv. The Regional Property Manager will maintain the monthly inventory reports until completion of the twelfth monthly inventory. The Facility/Field Property Supervisor will submit the Facility Annual Inventory, consisting of each Facility/Field Accountable Officer's Master Inventory Report, to the Regional Property Manager. The Facility/Field Property Supervisor will ensure that each report has been certified and signed by the Facility/Field Accountable Officer prior to submission. Copies will be retained in the local file support by the Monthly working Inventory Reports.
 - xvi. The Facility Annual Inventory Report will be due to the Regional Property Manager by the last working day of the month.
 - xvii. The Regional Property Manager will make no permanent changes to the facility inventory records until authorization is received from OPM.
- j. Change of Accountable Officers
- i. Whenever there is to be a change in Facility/Field Accountable Officers, the Regional Property Manager and/or Facility/Field Property Supervisor will ensure that both the old and new Facility/Field Accountable Officers inventory all capital and sensitive items assigned to the affected property area. Both will sign the certification statement on the inventory report. A copy of the inventory will be forwarded to the property officer and a copy retained in the local file.
 - ii. The Facility/Field Accountable Officer being relived is responsible to explain all variances in the inventory prior to reassignment.
- k. Transfer of Property to another Facility
- i. If an item is serviceable but no longer needed within its assigned area, the Facility/Field Accountable Officer will complete a *Property Transfer Request Form (Excess Property Declaration Form, see appendix 4x)*, and submit it to the Facility/Field Property Supervisor.
 - ii. The Facility/Field Property Supervisor will review the report with other Facility/Field Property Supervisors, facility heads, and the Regional Property Manager. If the item is no longer needed within the facility, the transfer form will be forwarded to OPM.

- iii. The Regional Property Manager and/or OPM will prepare an email for distribution describing the item and announcing its availability.
 - 1) If the item is requested by another facility, the property supervisor will complete the transfer form, submit the form to the property officer for approval, and upon approval coordinate the transfer of the item with the receiving unit, and distribute copies of the form;
 - 2) If there is no interest in the item within ten regular work days, the property officer will complete Form DGS 950-9, *Excess Property Declaration Form* (see appendix 4).

- I. Transfer of Property within the Facility
 - i. A memorandum must be submitted to the Regional Property Manager whenever inventory items are transferred to a different location within the same facility.
 - ii. Any employee who discovers any equipment item that is damaged, unserviceable or no longer needed shall submit a memorandum to the Facility/Field Accountable Officer for the area in which the item is located. The memorandum should contain the following information:
 - 1) property number (if capital or sensitive equipment items);
 - 2) serial number, if any;
 - 3) extent of damage, if any; or
 - 4) that the item is serviceable, but longer needed by the facility.
 - iii. The Facility/Field Accountable Officer shall forward the memorandum to the Regional Property Manager who will complete *Form DGS 950-9 Excess Property Declaration* (see appendix 4). If the item is not needed, the Regional Property Manager shall sign and date the form and forward it to OPM. If the item is damaged, the Regional Property Manager shall sign and date the form and forward it to the facility maintenance officer, who shall determine if the item should be repaired or replaced. If appropriate, the maintenance officer shall arrange for repair of the item. If repair is not recommended, the maintenance officer shall complete Section II of the request, sign and date the request, and forward it to the Regional Property Manager.
 - iv. The Regional Property Manager shall review the request indicating concurrence or non-concurrence with the recommended disposition of the item. If disposal of the items is recommended, the Regional Property Manager shall sign, date and forward the request to OPM and secure the item in the excess property depot.
 - v. Upon receipt of the *Form DGS 950-9, Excess Property Declaration* (see appendix 4), the OPM shall notify the Regional Property Manager of the disposal authorization and specific instructions.
 - vi. The Regional Property Manager shall:
 - 1) notify the maintenance department or another designated employee that approval has been received and the items can be disposed of.
 - 2) ensure that disposal instructions are followed and that necessary

- forms have been signed and dated; and
- 3) return the signed and dated form to OPM.
- m. Additional Responsibilities
 - i. Additional Responsibilities of the Regional Property Manager or designee include:
 - 1) disposal of items once a *Form DGS 950-11, Excess Property Disposal Order* (see appendix 5) is received. The Regional Property Manager will assign the disposal to the maintenance supervisor or other employee and ensure the required notation is made on the *Form 950-9, Excess Property Declaration* (see appendix 4) signed by the Regional Property Manager.
 - 2) responsibility for maintaining a list of unserviceable items in the excess property depot and those that have been disposed of
 - 3) responsibility for the removal of items from the facility equipment inventory records.
 - 4) Ensuring that the duties of inventory record keeper, inventory storeroom keeper and physical inventory team shall be segregated.
 - n. Donations
 - i. Donated equipment becomes the property of the State and shall be recorded immediately upon acquisition. The value of donated items shall be established at the time of acceptance. All donations, except those purchased by organizations such as hospital auxiliaries organized expressly for the purpose of donating items, must be approved by the Department of Budget and Management prior to acceptance.
 - ii. Excess Property
 - 1) Donations can be made to non-profit organizations and local jurisdictions only.
 - 2) The Regional Property Manager must certify in writing to the OPM that the item in question is excess and is not being replaced.
 - 3) The Regional Property Manager shall submit a copy of this letter along with a *Form DGS 950-9, Excess Property Declaration* (see appendix 4) to OPM for approval to donate.
 - 4) OPM will notify the Regional Property Manager when approval has been received and will remove these items from equipment records upon completion of the donation.
 - o. Storeroom Duties
 - i. Duties of the facility records keeper include but are not limited to:
 - 1) maintaining an electronic Perpetual Inventory File System of all storerooms;
 - 2) submitting Inventory Adjustment Reports through the Regional Property Manager and when approved, adjust the Perpetual Inventory File System;

- 3) submitting a completed physical inventory report to the property manager. If irregularities are discovered during the inventory, the Records Keeper will immediately notify the Regional Property Manager, initiate an investigation and submit a report with findings and recommendations to the Regional Property Manager;
 - 4) using Receiving Reports, post items to the Perpetual Inventory File System;
 - 5) using Stores Requisitions, remove issued items from the Perpetual Inventory File System;
 - 6) ensuring storekeeping and inventory teams are properly trained in storeroom techniques and that the principal of separation of duties is complied with the fullest extend feasible; and
 - 7) conducting spot checks on supplies and material in all locations. These spot checks shall include a sample of at least ten (10) per cent of the items stored in a specific area, selected in such a way that over a span of a year, all items will have been checked at least once. The spot check shall not be conducted solely by the storekeeper for the respective area. Variances between physical count and recorded count are to be submitted to the CFO.
- ii. Dietary Storeroom Keeper – The dietary supervisor is designated Storeroom Keeper for dietary supplies and equipment. Duties and responsibilities for this employee include but are not limited to:
- 1) storing and issuing only dietary supplies and materials; (due to the requirement for segregation of functions, another employee shall be the receiving officer for all dietary supplies);
 - 2) restricting access to the dietary storeroom;
 - 3) submitting timely and accurate Stores Requisitions;
 - 4) assisting the inventory team in the preparation and identification of items; but may not act as a counter or recorder of dietary materials and supplies; and
 - 5) designating an employee to act as dietary storeroom keeper in the supervisor’s absence.
- iii. Janitorial, Housekeeping and Clothing Storeroom(s) – The residential employee designated “Property Storeroom Keeper” by the Regional Property Manager serves as Storeroom Keeper for the janitorial, housekeeping and clothing storerooms. This employee’s duties include but are not limited to:
- 1) receiving, storing and issuing the supplies and materials categorized as janitorial and housekeeping, inmate clothing, officer clothing, linen, bedding and laundry supplies; (due to the requirement for segregation of functions, another employee shall be the receiving officer for all the above categorized supplies);
 - 2) restricting access to the assigned storeroom(s);

- 3) submitting timely and accurate Stores Requisitions;
- 4) assisting the inventory team in the preparation and identification of items; but may not act as a counter or recorder of materials and supplies of the afore listed categories; and
- 5) time permitting, helping the records keeper maintain their Perpetual Inventory Cards for those categories of materials and supplies stored in the commissary and maintenance storerooms.

iv. Commissary Storeroom

The Supply Officer or another employee selected by the Regional Property Manager shall be designated Storeroom Keeper for the commissary storeroom. The employee's duties include but are not limited to:

- 1) receiving, storing and issuing the supplies and materials in the commissary storeroom;
- 2) restricting access to the assigned storeroom(s);
- 3) submitting timely and accurate Stores Requisitions;
- 4) assisting the inventory team in the preparation and identification of items; but may not act as a counter or recorder of materials and supplies for other storerooms;
- 5) helping the records keeper maintain the Perpetual Inventory Cards for those categories of materials and supplies stored in the maintenance, janitorial, housekeeping and clothing storerooms; and
- 6) a complete inventory of all commissary items shall be conducted every month and the date included in the Statement of Detail of Commissary Inventory Available. The inventory shall not be conducted solely by the commissary officer. Variances between physical count and records shall be submitted to the regional finance office on the commissary report.

v. Maintenance Storeroom

The maintenance officer or other employee designated by Chief of Maintenance shall be designated storeroom keeper for the maintenance storeroom. This employee's duties include but are not limited to:

- 1) receiving, storing and issues the supplies and materials in the maintenance storeroom;
- 2) restricting access to the assigned storeroom(s);
- 3) submitting timely and accurate Stores Requisitions; and
- 4) assisting the inventory team in the preparation and identification of items; but may not act as a counter or recorder of materials.

p. Reconciliation of Perpetual Inventory Records

- i. If the Storekeeper or a member of the inventory team finds items not on the inventory, the count will be verified and the Storekeeper will update

- the Perpetual Inventory Card; or create a Perpetual Inventory Card if there is none.
- ii. If items are found to be improperly labeled or out of place, the storekeeper will return the item to the bin for storage with similar items and ensure the bin, shelf, or storage area is properly labeled.
- q. Monthly Inventory Procedures for Materials and Supplies
- i. Each month approximately one twelfth of the total materials and supplies in each approved storeroom shall be inventoried. The records keeper shall forward a list of the items to be inventoried to a member of the regional team, or another person approved by the Regional Property Manager, shall personally count the items. An employee may not count or record items for which he/she is the Storeroom Keeper. A person conducting the inventory shall report the counts to the records keeper using a Form DGS 950-6 Materials and Supplies Physical Inventory (see appendix 2).
 - ii. The Records Keeper shall report the results of the monthly inventories to the Facility/Field Property Supervisor and/or Regional Property Manager using the *Form DGS 950-6 Materials and Supplies Physical Inventory* (see appendix 2). If items are all accounted for, the report shall be noted “no adjustment needed”. If adjustments are needed, the reason shall be noted for each such item. No adjustment shall be made until authorization is received in writing from the property office.
 - iii. A Storekeeper may not inventory his assigned storeroom(s) and the Records Keeper is not authorized access to any of the storerooms.
 - iv. Annual Inventory of Materials and Supplies
 - 1) The Regional Property Manager shall forward to the Facility/Field Property Supervisor an annual inventory package with instructions for completion of the inventory. The Facility/Field Property Supervisor will coordinate completion of the inventory with the Physical Inventory Team, Storeroom Keepers and the Records keeper.
 - 2) The annual inventory shall be completed in a timely fashion and returned to the OPM for approval no later than the end of the fifth regular workday of the new fiscal year.
- r. Change of Storekeepers
- i. Whenever there is a change of designated Storekeepers, the outgoing Storekeeper and his replacement shall conduct a complete inventory of all materials and supplies in the storeroom(s). The inventory shall be reported to the Regional Property Manager using the *Form DGS 950-6 Materials and Supplies Physical Inventory* (see appendix 2) as outlined above.
- s. The Regional Inventory Team
- i. The Regional Property Manager shall designate Physical Inventory

- Teams. Each team shall consist of two employees; a counter and record.
- ii. The Records Keeper shall ensure that all members of the Physical Inventory Team have received hands-on training in counting and checking. Team members shall participate in practice counts to ensure familiarity with approved procedure.
 - iii. Each team shall be provided with lists of item categories to be inventoried in each storeroom. The Regional Property Manager in advance of the inventory will provide these lists. The team shall count and record the count on the Physical Inventory provided them
 - iv. The Physical Inventory Teams shall then participate in a re-count of all items in the inventory. Teams shall recount the inventory conducted by another team. The recount may consist of a sampling consisting of no less than 20% of the total items in the storeroom.
 - v. The teams shall return the physical inventories to the Records Keeper who shall prepare an Inventory Adjustment Report as prescribed above. The Facility/Field Property Supervisor with appropriate endorsement, shall forward the inventory and adjustment reports to the Regional Property Manager.

6. DIRECTIVES/POLICIES REFERENCED

None

7. DIRECTIVES/POLICIES RESCINDED

None

8. FAILURE TO COMPLY

Failure to comply with this policy and standard operating procedures issued with this document shall be grounds for disciplinary action up to and including termination of employment.

APPENDICES

1. Annual Report of State Property (Materials and Supplies), DGS 950-1
2. Materials and Supplies Physical Inventory, DGS 950-6
3. Report of Missing or Stolen State Property, DGS 950-8
4. Excess Property Declaration, DGS 950-9
5. Excess Property Disposal Order, DGS 950-11
6. Annual Report of Fixed Assets
7. Do IT Disposal Policy
8. DGS Inventory Control Manual
(www.dgs.maryland.gov/ISSSD/2003-InventoryControlManual)

REPORT OF MISSING OR STOLEN PERSONAL STATE PROPERTY

STATE OF MARYLAND
DEPARTMENT OF GENERAL SERVICES
301 W. Preston Street, Suite 1009A
Baltimore, Maryland 21201
(410)767-0587

INSTRUCTIONS:

1. Forward in triplicate to: (DO NOT FAX)
Department of General Services
Inventory Standards & Support Services Division
301 W. Preston Street, Suite 1009A
Baltimore, MD 21201
2. Attach Police Report for Stolen Property
3. Refer to Reporting Procedure for Stolen/Missing property in the DGS Inventory Control Manual.

DGS Control No. _____

Agency: _____
Sub-Unit: _____
Address: _____
Address 2: _____
City: _____ State: _____ Zip Code: _____
Accountable Officer: _____
Telephone: (____) _____ Date: _____

Property Officer

Signature _____ Date _____

Agency Head or Designee

Signature _____ Date _____

Item No.	Select		Description	Property Tag No.	Purchase Date	Purchase Price
	Stolen	Missing				
	<input type="checkbox"/>	<input type="checkbox"/>				
	<input type="checkbox"/>	<input type="checkbox"/>				
	<input type="checkbox"/>	<input type="checkbox"/>				
	<input type="checkbox"/>	<input type="checkbox"/>				
	<input type="checkbox"/>	<input type="checkbox"/>				
	<input type="checkbox"/>	<input type="checkbox"/>				
TOTAL						\$0.00

1. FOR BOTH STOLEN AND MISSING STATE PROPERTY:

- a. Item(s) identified as State property with permanent type labeling or engraving? Yes No
- b. Describe other security measures: _____

2. FOR MISSING PROPERTY ONLY:

- a. Date loss was discovered _____
- b. Date of physical inventory _____
- c. Explain how the loss might have occurred _____

Describe Measures Taken To Prevent Future Occurrence

FOR DGS ONLY

INSTRUCTIONS FOR COMPLETING FORM - DGS-950-9

1. **Item Number** - Number items on each declaration consecutively starting from 1.
2. **Quantity** - List the number of items under a single description (i.e. classroom chairs...) that do not have individual equipment I.D. #'s.
3. **Property Tag Number** - List the property identification number that identifies that particular piece of property.
4. **Description** - Provide as much descriptive information for each item as necessary for positive identification, such as color, size, type of material, unit of measure if other than each, etc. For equipment, also include the year, make, model and serial number.
5. **Acquisition Cost and Date** - List the total purchase cost of all units and month and year acquired.
6. **Condition** - Check the column marked "Good", "Fair", or "Poor" to indicate that an item can be used "as is" without repairs or refurbishing, even though it may be old, worn or obsolete. "Good" means an item is serviceable and both appearance and operation are completely satisfactory. "Fair" means an item is serviceable and the appearance or operation does not show signs of abuse or hard wear. "Poor" means an item is serviceable but abuse or hard wear is obvious in the appearance or operation. Check the column marked "Unserviceable" to indicate that an item is inoperable, will not operate in a satisfactory manner or is not functional without repairs or refurbishing.
7. **Do Not** list serviceable and unserviceable items on the same declaration. Use a separate declaration for each type.
8. **Description of needed repairs** - If the unserviceable column is checked, describe repairs necessary to restore to "Good" condition.
9. **Trade-In Items** - Refer to the Excess Property Disposal procedures in the DGS Inventory Control Manual.
10. **Motor Vehicles** - Refer to the Appendix 1 - State Motor Vehicle Disposition in the DGS Inventory Control Manual.

**EXCESS PROPERTY
DISPOSAL ORDER**

STATE OF MARYLAND
DEPARTMENT OF GENERAL SERVICES
INVENTORY STANDARDS AND SUPPORT SERVICES DIVISION
301 W. PRESTON STREET-ROOM 1009A
BALTIMORE, MARYLAND 21201
(410) 767-0587

DGS CONTROL NO. _____

INSTRUCTIONS:

SECTION A. Completed by Custodial Agency and returned to Inventory Standards and Support Services Division.

SECTION B. Completed by DGS and returned to Agency for record retention.

Department or Agency: _____
Sub-Unit: _____
Property Officer: _____

The following instructions pertain to your Excess Property Declaration dated: _____

Per _____ Date _____

SECTION A: Custodial Agency shall complete this section and return two (2) copies of this disposal order to the Inventory Standards and Support Services Division after all items have been disposed of.

I certify that the disposal action indicated above has been completed.

Signature of the Property Officer Date _____

SECTION B: Removal of the above referenced items from your inventory records is hereby authorized.

Inventory Standards and Support Services Division Date _____

Department of General Services
 Inventory Standards and Support Services Division
 301 W. Preston Street, Room 1009A
 Baltimore, Maryland 21201
 (410) 767-0587 Telephone Number
 (410) 333-7836 Fax Number

Exhibit 2

Agency Code No. _____
 Telephone No. _____

ANNUAL REPORT OF FIXED ASSETS

The following amounts should be recorded for the various fixed assets of this agency for the fiscal year ended June 30, 2003.

Agency Name	Authorized Signature	Submission Date
ANNUAL SUMMARY INFORMATION		
Balances, July 1, 2002		

NOTE: Use (-) Minus Sign/Negative Numbers When Subtracting - Ex: -5.00

	Additions (a)	Transfers from Construction in Progress (a)	Transfers from other State Agencies (a), (b)	Transfers to other State Agencies (a), (b)	Disposals (a)	Land and Improvements	Buildings and Improvements	Equipment	Construction in Progress	Art & Historical Treasures	Infrastructures	Totals
Balances, June 30, 2003	+	+	+	-	-							

(a) The amounts shown in the columns of this section must represent actual cost as recorded on the agency's records.
 (b) List the amounts for each agency reflected in these amounts on the reverse side of this form.

Equipment has been checked in accordance with instructions in the Inventory Control Manual issued by the Department of General Services? Yes No

Date of last physical inventory for sensitive items: _____, non-sensitive items: _____

PREPARE IN DUPLICATE AND FORWARD BEFORE JULY 15

Original: Department of General Services - Inventory Standards and Support Services Division
 Duplicate: Retain in Agency File



S T A T E O F M A R Y L A N D
DEPARTMENT OF INFORMATION TECHNOLOGY

**Policy for the Disposal, Servicing, and
Transfer of Information Technology (IT) Equipment**

1.0 Scope

Throughout the lifecycle of IT equipment, there are times when an agency will be required to relinquish custody of the asset. The transfer of custody may be temporary, such as when equipment is serviced or loaned, or the transfer may be permanent; examples being a donation, trade-in, lease termination or disposal through the Department of General Services. Any transfer of custody of equipment poses a significant risk that sensitive information, licensed software and intellectual property stored on that equipment may also be transferred. Despite the application of media clearing processes, in many cases, information that appears to have been removed may be easily recoverable.

This policy applies to all electronic storage media equipment that is owned or leased by DoIT. The purpose of this policy is to ensure secure handling of electronic storage media containing State data, licensed software, and intellectual property at the time of disposal, servicing or transfer of State agency information technology (IT) equipment.

2.0 Definitions

Term	Definition
Media clearing	Media clearing is the removal of sensitive data from storage devices in such a way that there is assurance, proportional to the sensitivity of the data, that the data may not be reconstructed using normal system functions. The data may still be recoverable, but not without unusual effort.

3.0 Policy

To eliminate the possibility of inadvertently releasing residual representation of State data, State agencies will physically remove all hard drives when permanently relinquishing custody of IT equipment. The removed hard drives may either be re-used within an agency or must be physically destroyed such that they are permanently rendered functionally useless. Agency CIOs will be responsible for the hard drive removal, recycling, destruction and/or disposal process.

For situations in which the IT equipment leaves the custody of the agency temporarily, such as servicing of equipment or a temporary loan of equipment outside of an agency, the agency shall conduct an assessment of the information stored on the equipment and appropriately secure the information such that the unauthorized disclosure or use of the information is prevented. If the equipment contains confidential or high-risk information, the agency shall remove the hard drive. If removal of the hard drive is not feasible,

the agency shall sanitize the equipment or encrypt the information commensurate with the assessment of the information contained on the hard disk.

4.0 Policy Violations

As a consequence of noncompliance, State agency CIOs may be wholly or partially held responsible for the release of State sensitive data. Depending upon the severity of the instance, additional disciplinary action, including termination, may be warranted.