



**DEPARTMENT OF PUBLIC SAFETY
POLICIES & PROCEDURES**



POLICY NUMBER	
FIN:01	
EFFECTIVE DATE: 04/20/2009	ORIGINAL ISSUED ON: 08/07/04
REVISION NO: 2	

SUBJECT: COORDINATION OF FIXED ASSETS

1.0 PURPOSE

The purpose of this policy is to establish formal procedures for fixed assets in accordance with state statutes, state rules (GSD 88-101), and generally accepted governmental accounting principles.

2.0 POLICY

It is the policy of the Department of Public Safety to maintain effective management of all fixed assets acquired. To ensure that no tangible personal property be donated to an employee or relative of an employee of the department; provided that nothing in this subsection precludes an employee from participating and bidding for the public property at a public auction (NMSA 13-6-1). **(CALEA 17.5.1)**

3.0 APPLICABILITY

This policy is applicable to all employees of the Department of Public Safety (DPS) who are responsible for the purchasing, recording, transferring, and disposing of fixed assets.

4.0 REFERENCES

- A. Sections 12-6-10, 13-6-1, and 13-6-2, NMSA 1978**
- B. Procurement Code (Sections 13-1-28 through 13-1 -1 99 NMSA 1978)**
- C. Section 30-16-1 through 30-16-48 and 30-23-1 through 30-23-7 NMSA 1978.**
- D. Standard Fixed Asset Control and Accounting, 1 NMAC 1.2**
- E. Governmental Accounting Standards Board, Codification of Governmental Accounting and Financial Reporting Standards**
- F. CALEA Chapter 17 – Fiscal Management and Agency Owned Property**

5.0 DEFINITIONS

- A. Disposals** – Documentation to dispose of fixed assets because of loss, theft, inoperability, irreparability, auction, or sale.
- B. Estimated Use Life** – The useful life of fixed assets utilized by the DPS are Furniture & Fixtures 10 years, Equipment & Machinery 5 years, Automobiles 4 years, Aircraft 10 years, Building & Structures 20 years and Data Processing Equipment 3 years.
- C. Fixed Asset** – Tangible property that will last longer than a year, whose acquisition cost (net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired) is \$5,000.00 or greater, which is expected to be used beyond the fiscal year in which it was acquired and which is not consumed in its use.

- D. Fixed Assets Inventory** – An inventory determined by observation and evidenced by a listing of the actual count, model, and serial number.
- E. Fixed Assets Coordinator** – The employee in the Finance Bureau, designated by the Finance Bureau Chief, who is responsible to maintain the Fixed Assets Inventory.
- F. Fixed Assets Liaison** – The representative assigned to oversee fixed assets in a designated bureau\district\port of entry. The Fixed Assets Liaison ensures that fixed assets are appropriately tagged and physically counted.
- G. Infrastructure Assets** – Long-lived fixed assets, stationary in nature and normally can be preserved for a number of years, i.e., roads, bridges, drainage systems, dams, lighting systems; buildings should not be considered except ancillary parts of a network (i.e. road maintenance, sheds).
- H. Originator** – Lead purchaser of a fixed asset.
- I. Tag** – Any label or marking that is permanently affixed to a fixed asset, including indelible ink or dyes, numbers physically stamped into the fixed asset, adhesive labels or barcodes, and metal tags. Tag numbers are issued in numerical order and recorded in the fixed asset records.
- J. Tangible Personal Property** – Tangible property other than real property having physical existence, including but not limited to supplies, equipment, materials and printed materials or other articles of value that can be touched and moved; this includes machinery, equipment, furniture, fixtures, etc.
- K. Transfers** – Transferring of fixed assets to other employees, locations, districts, or divisions.
- L. Depreciation** – The method applied to allocating the cost of a fixed asset over the duration of its useful life. The Department uses the straight-line depreciation method.
- M. Betterment** – A replacement or major renovation of an existing asset or unit of an existing asset by an improved or superior asset or unit, the effect of which is to improve the efficiency of the primary asset or lengthen the remaining service life.

6.0 PROCEDURE

A. Receipt of Fixed Assets

1. Employees receiving fixed assets shall complete the “Fixed Assets Inventory Sheet,” (Attachment A) upon receipt of the asset (except for IT equipment noted below). If more than one asset is received, then an Inventory Sheet shall be completed for each respective asset.
2. For all IT equipment, the IT Division will tag all IT fixed assets with their own unique tag. The IT Division will complete an Inventory Sheet for all fixed assets that are IT equipment.
3. The receiving employee shall ensure that all fixed assets are tagged with a DPS property tag upon receipt. Tags will be available from the Fixed Asset Coordinator in the Finance Bureau.
4. For fixed assets purchased from grant funds, the fixed asset inventory shall indicate the project number of the grant.

5. Upon completion of the "Fixed Assets Inventory Sheet," the original shall be submitted to the Fixed Asset Coordinator and a copy shall be maintained by the division, bureau or district completing the form. The Fixed Asset Coordinator shall keep the Inventory Sheet with a copy of the payment voucher for the fixed asset.

B. Inventory of Fixed Assets

1. All DPS Divisions, Bureaus and Districts shall maintain an inventory list of their respective fixed assets, maintained by the designated Fixed Asset Liaison. The components of the inventory list will be determined by the Fixed Asset Coordinator.
 - a. Written Notice or e-mail from the Fixed Assets Liaison to the Fixed Asset Coordinator is required when transferring/moving a fixed asset, or in the case of theft or loss. In the case of theft, a copy of the police report or insurance report must be forwarded to the Fixed Asset Coordinator by the Fixed Asset Liaison. The reports shall be kept as part of the audit trail of the disposition.
 - b. When any fixed asset is found to be missing and cannot be accounted for, the cause shall be determined and documented in writing for reporting to the Office of the State Auditor.
2. The Fixed Asset Coordinator is responsible for maintaining and reconciling the overall DPS Fixed Asset Inventory. The inventory list will include, at a minimum, the following items: acquisition date; cost; tag number or other identifier; description; make and/or model; serial number; location; project code (for grant items); fund code; and asset class. Fixed assets shall be reported using the following asset classes:
 - a. Land
 - b. Furniture & Fixtures
 - c. Equipment & Machinery
 - d. Automobile
 - e. Aircraft
 - f. Building & Structures
 - g. Data Processing
 - h. Animals
3. On a monthly basis, the Fixed Asset Coordinator will reconcile the Fixed Asset Inventory List with the AP report in Share. The reconciliation shall include review of all payment vouchers over \$5,000 to determine if the items are eligible for placement onto the Fixed Asset Inventory. All maintenance expenditures will be reviewed to determine if the maintenance is considered betterment to the original asset.
4. The Fixed Asset Coordinator shall include the depreciation calculation on the Fixed Asset Inventory report.
5. The Fixed Asset Coordinator is responsible for compiling the supporting documentation and required reports for the external auditor's review. The Fixed Asset Coordinator shall coordinate with IT and the respective designated Fixed Assets Liaison's in order to obtain all required documentation and information needed for the external auditors.

C. Disposition of Obsolete, Worn-out or Unusable Tangible Personal Property

1. The DPS Cabinet Secretary shall designate a committee of at least three DPS officials to approve and oversee all dispositions, in accordance with Section 13-6-1-B. (1) NMSA 1978.
2. Written notice to the Fixed Asset Coordinator is required for disposing of any fixed asset. Approval of this action must be obtained by the disposition committee (see above), the appropriate Division Director, and State Auditor prior to disposing of a fixed asset. Sections 13-6-1 and 13-6-2 NMSA 1978, and the procurement code, govern the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies. At least thirty (30) days prior to any such disposition of property, written notification of the official finding and proposed disposition must be sent to the State Auditor by the Fixed Assets Coordinator.
3. In the event a computer is included in the planned disposition, the agency shall "sanitize" all licensed software and any electronic media pertaining to the agency. Hard drive erasure certification is still required even if the asset originally cost less than \$5,000 and was not included in the fixed asset inventory. The DPS Chief Information Officer will certify in writing the proper erasure of the hard drive and submit the certification, along with the notification of the proposed disposition, to the Fixed Asset Coordinator. The Fixed Asset Coordinator will include the erasure certification with the notice to the State Auditor as needed.

D. Annual Physical Inventory of Fixed Assets

1. A physical inventory shall be conducted by each designated Fixed Asset Liaison by June 30 of each year. The Fixed Asset Liaison shall verify the accuracy of data on the fixed asset inventory, the physical existence and location of all movable chattels and equipment.
2. Upon completion of the physical inventory, the Fixed Asset Liaison shall forward the inventory to the Fixed Asset Coordinator. The inventory report shall be certified as to correctness and signed by the Fixed Asset Liaison. The inventory shall be forwarded to the Fixed Asset Coordinator by July 15 of each year.
3. Reporting:
 - a. The Department shall record and account for all fixed assets under the guidelines of the Governmental Accounting Standards Board (GASB).
 - b. The Special Operations Bureau of the Law Enforcement Program coordinates the physical inventory of the Department's vehicles. The Special Operation Bureau also inventories the radars, radios, and laptops assigned to individual law enforcement officers.
 - c. The IT Division coordinates the physical inventory of the IT equipment.

7.0 ATTACHMENTS

A. Fixed Asset Inventory Form

8.0 APPROVAL

APPROVED BY: s/John Denko DATE: April 20, 2009
DPS Cabinet Secretary



**DEPARTMENT OF PUBLIC SAFETY
FIXED ASSETS INVENTORY FORM**



Acquisition Date: _____

Addition: Transfer: Disposal:

Physical Location Detail: _____

Description: *select from drop down list* _____ Other: _____

Brand: _____

Model: _____

Serial #: _____

Tag #: _____ Old Tag #: _____

Cost Center: _____ Line Item #: _____

Purchase Price: \$ _____

<p>DISPOSED FIXED ASSET TAG HERE</p>

Purchase Document #: _____ Payment Voucher #: _____

Received by: _____ Title: _____

Comments/ Distribution: _____

TRANSFERS/DISPOSALS ONLY

District Commander/Bureau Chief Approval

From: _____ To: _____

Approval: _____ Processed by: _____

FORWARD THIS FORM TO THE FIXED ASSETS COORDINATOR, FINANCE MANAGEMENT BUREAU