It shall be the policy of the State to hold in State ownership no more real property than is necessary to conduct official business, with allowance for reasonably foreseeable demands of the future. The acquisition, sale, exchange, lease, retention, and management of State-owned real property shall be subject to a statewide plan. The plan will encourage the transfer through sale or lease of property already in State ownership to private ownership and use. The plan’s objective will be to minimize State investment in such land and place such land on the tax rolls.

The State recognizes that providing and operating State government facilities is a significant capital investment. Accordingly, it is the policy of the State to plan, finance, acquire, construct, manage, and maintain its facilities in a manner that maximizes and protects this investment.

Agency management is responsible to ensure that internal controls are sufficient to provide reasonable assurance that State assets are not lost or stolen.

The administrative head of each agency has a responsibility to maintain a system (manual or automated) which will assure that the State’s property (capital and non-capital) is accounted for and classified properly, accurately, and systematically. The agency administrator will appoint an individual to maintain this system. Refer to the OAM 15.60.00 Chapters for guidance on accounting for capital assets or OAM 15.55.00 for non-capital assets.

Functional responsibilities for capital assets that agencies should delegate to separate departments or management levels are:

- Planning and approval of capital expenditures.
- Authority to idle, sell, or otherwise take assets out of production.
- Data processing of capital asset acquisition and payment transactions.
- Physical custody and operating responsibility for use of assets.
- Reconciliation of the inspection (inventory) of capital assets to the subsidiary records.
Insurance

.106 The State pays, through the Insurance Fund, its cost of restoring most State property that may be lost, damaged or destroyed. The purpose of self-insuring is to restore property needed for the operations of the State. The Insurance Fund is meant to reimburse for accidental loss, not to substitute for the duty of each agency to prevent and reduce loss or to maintain good repair.

.107 For officer, employee, and agent dishonesty losses covered by Risk Management Policy, the State is self-insured. One deductible applies to each loss as follows:

a. Five thousand dollar ($5,000) deductible for employee dishonesty. If an agency had a loss control or fiscal management program in place prior to the loss which, if followed, would have minimized the loss, Risk Management will reduce the deductible to $500.

b. Two hundred fifty thousand dollar ($250,000) deductible for unfaithful performance (employee’s failure to perform certain duties prescribed by law). This may change without notice.