



**DEPARTMENT OF CORRECTIONS  
Chief Financial Office**



<b>Title:</b>	<b>Capital Assets</b>	<b>DOC Policy: 30.2.1</b>
<b>Effective:</b>	<b>3/13/26</b>	<b>Supersedes: 04/09/18</b>
<b>Applicability:</b>	<b>All DOC employees and contractors</b>	
<b>Directives Cross-Reference:</b>		
<b>OAM 10.50.00.PO and 10.50.00.PR Capital and Non-Capital Assets</b>		
<b>DAS Policy 107-004-010 Information Technology Asset Inventory &amp; Management</b>		
<b>DOC Policy 30.2.2 Warehouse Operations</b>		
<b>DOC Policy 30.1.7 Donations</b>		
<b>DOC Policy 60.3.1 Information Technology Asset Management</b>		
<b>Attachments:</b>		
<b>CD1468 - Capital Asset Disposition Request Form</b>		
<b>CD1810 - Property Disposition Request</b>		

**I. PURPOSE**

The purpose of this policy is to establish responsibility within the Department of Corrections (DOC) for the acquisition, accountability, control, maintenance, and disposition of assets in accordance with the Oregon Accounting Manual: Capital and Non-Capital Assets – 10.50.00.PO and 10.50.00.PR.

**II. DEFINITIONS**

- A. **Adult in Custody:** Any person under the supervision of the Department of Corrections who is not on parole, probation, or post-prison supervision status.
- B. **Asset:** Tangible and intangible resources of any dollar value or length of useful life belonging to the Department of Corrections. Examples of tangible assets include office supplies, equipment, land, and buildings. Examples of intangible assets include software licenses and patents.
- C. **Asset Security Officer:** A position within the Chief Financial Office assigned the responsibility of initiating and reconciling physical inventory results and processing all property transactions affecting the automated inventory control system including acquisition, disposal, and location changes of controlled property.
- D. **Authorized Receiving Points:** Distribution Services warehouses and other persons designated by Distribution Services to receive, store, and tag capital assets.

- E. Capital Asset: Items which are not consumed in the normal course of agency operations, can normally be used more than once, have a useful life of more than one year, and whose value is equal to or exceeds the state's capitalization threshold (OAM 10.50.00.PR), including additional charges such as shipping, installation costs, taxes, interest, and any other costs required to place the asset in its intended location and condition for use; also referred to as non-expendable property. Capital assets are stand-alone items, not to include replacement parts for assets already being tracked or replacement component parts for utility systems that were part of the original building design. Examples of capital assets include land, land improvements, buildings and building improvements, motor vehicles, equipment and machinery, and works of art and historical treasures.
- F. Capital Asset Accountant: The Department of Corrections employee that performs all financial transactions necessary to record and dispose of capital assets within the department's accounting system. This position works with the Asset Security Officer and all Department of Corrections divisions to ensure that all capital assets are recorded accurately and in a timely manner. The Capital Asset Accountant is the primary contact regarding coding and classification of capital assets purchased or manufactured for the Department of Corrections.
- G. Capital Asset Disposition Request: Department of Corrections form (CD1468) used by the cost center manager anytime they seek to dispose of or transfer property.
- H. Controlled Property: Property assigned a property control tag number and placed on an automated inventory tracking system.
- I. Cost Center Manager: Management service employee assigned by the functional unit manager to manage and monitor cost center(s) within a functional unit.
- J. Department's Accounting System: The software used to track the department's financial, accounting, manufacturing, and inventory activity.
- K. E-waste: Obsolete or non-working electronic items and associated electronics that potentially store sensitive or confidential data or are required to be environmentally disposed of timely and accurately.
- L. Expendable Property: Items that are not consumed in the normal course of agency operations that may be used more than once, have a useful life of one year or less, and cost less than the state's capitalization threshold (OAM 10.50.00.PR).
- M. Functional Unit: Any organizational component within the Department of Corrections responsible for the delivery of program services or coordination of program operations.
- N. Functional Unit Manager (FUM): Any person within the Department of Corrections who reports either to the Director, Deputy Director, an Assistant Director, or an administrator and has responsibility for delivery of program services or coordination of program operations.
- O. Information Technology (IT): Any equipment or interconnected system or subsystem of

equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For purposes of the preceding sentence, equipment is used by the department if the equipment is used by the department directly or is used by a contractor under a contract with the department which: (1) requires the use of such equipment; or (2) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. The term information technology includes computers, ancillary equipment, software, firmware, and similar services (including support services) and related resources.

- P. Information Technology Services (ITS): The Department of Corrections functional unit that is responsible for providing technical or operational technology services in support of the agency's mission.
- Q. Non-controlled Property: Property that is not assigned a property control tag number.
- R. Office of Asset Control: An office under the direction of the Financial Operations Administrator which provides procedures for managing capital assets in the Department of Corrections. The Office of Asset Control operates under the direction of the Chief Financial Office to ensure Department of Corrections' capital asset program follows the Oregon Accounting Manual.
- S. Oregon Corrections Enterprises: A semi-independent state agency that is a non-Department of Corrections agency or division, which is under the authority of the Director of the Department of Corrections.
- T. Oregon Forward Contractor (OFC): A non-profit rehabilitation organization employing individuals with disabilities that is designated by Department of Administrative Services as being eligible to receive state surplus property.
- U. Physical Inventory: The physical verification of all controlled property listed on inventory records.
- V. Property: Tangible assets of any value or useful life owned by Department of Corrections. Examples of tangible assets include office supplies, equipment, land, and buildings.
- W. Property Control Tag: A tag with a unique number affixed to controlled property used for identification and tracking.
- X. Property Disposition Request (PDR): Department of Corrections form (CD1810) required for the removal of controlled property from active inventory records prepared and issued by the Asset Security Officer. The Property Disposition Request is also required for disposal of non-controlled property.
- Y. Supplies: Items that are consumed in the normal course of agency operations such as food, clothing, office supplies, and other supplies which can normally be used only once or have a useful life of one year or less. These items are not tagged or tracked.

Z. Surplus Property: All Department of Corrections property that is turned over for sale at Department of Administrative Services surplus property sales or donated to an Oregon Forward contractor. Surplus property also includes any property with special disposition requirements such as recycling, Department of Environmental Quality (DEQ) requirements, or security disposal.

AA.Trackable Assets: A group or class of assets that are not defined as capital assets but are required to be managed for other purposes (for example, security, maintenance management, state policy (such as, IT Assets), or other business reason).

### **III. POLICY**

The Department of Corrections will purchase, account for, control, and utilize all property in compliance with statutes, rules, and policies of the Oregon Accounting Manual (OAM).

#### **A. Responsibilities:**

1. Chief Financial Officer (CFO):

- a. Determine and approve policies for capital asset management.
- b. Review findings and recommendations related to internal and external audits.
- c. Ensure any identified deficiencies or noncompliance with policies are addressed and corrected.

2. Asset Security Officer:

- a. Determine the final physical disposition of property within the Department of Corrections.
- b. Assign a tracking number within the department's accounting system for all controlled property.
- c. Except for land, buildings and improvements, and intangible assets, ensure that all controlled property is tagged at its authorized receiving point.
- d. Provide a list of controlled property by manager, location, or institution.

3. Functional Unit Manager:

Functional unit manager responsibilities include, but are not limited to, the following:

- a. Ensure proper inventory control is established and maintained within the functional

unit.

- b. Properly secure and safeguard agency property from theft or other loss at all times.
- c. Report theft or loss of property immediately to the Office of Asset Control.
- d. Report to the Office of Asset Control using a Capital Asset Disposition Request form (CD1468), any assets deemed to be surplus and not necessary by the department so that proper transfer or disposal can proceed.
- e. Document in writing using Capital Asset Disposition Request form (CD1468) any transfer of assets to another Department of Corrections department or disposal of assets by Department of Corrections management and submit to the Office of Asset Control.
- f. Allow employees from the Office of Asset Control access to all records and inventory necessary to aid in the determination of proper disclosure of capital assets for reporting purposes.
- g. Designate an employee(s) as the departmental property coordinator for the custody and control of departmental property. The name of this person shall be submitted to the Office of Asset Control for direct communication purposes.

#### 4. General Responsibility

- a. Each functional unit will conduct physical inventory of controlled property at least once every year, except for non-capital IT assets, which will be inventoried in accordance with Department of Administrative Services policy 107-004-010.
- b. Acquisition and Receipt of Capital Assets:
  - A. Acquisition: All capital asset purchases must originate with an order request to the department's Purchasing and Contracts unit to ensure compliance with state procurement statutes.
  - B. Receipt: All capital assets must be formally received at the designated Department of Corrections location and assigned a property control tag to establish accountability over the asset and initiate the internal payment process. See DOC Policy 30.2.2 Warehouse Operations.
  - C. IT asset acquisition and receipt must follow additional requirements provided in DOC Policy 60.3.1 and DAS Policy 107-004-010.

### **B. Assignment of Property Control Tags**

1. A property control tag will be assigned to all items meeting the definition of a capital asset or non-capital-controlled property at the authorized receiving point. Only the Chief Financial Office and Information Technology Services (ITS) can issue or authorize issuance of official property control tags. Both units ensure that each property number is unique. The property control tag coincides with the item master providing a physical identifier to match the digital record.
2. A property control tag shall be placed on each capital asset before it is released for use from an authorized receiving point (see DOC Policy 30.2.2 Warehouse Operations).
3. If it is impractical to place a tag on the item, the assigned property control tag number will be affixed on the property with an alternate method such as engraving, indelible ink marker, or serial number reference, except for land, buildings and improvements, and intangible assets.
4. Property control tags affixed to each piece of controlled property will be retained for the period of existence of the item, will not be removed or defaced, and will never be reassigned to another piece of property.
5. Property control tags and property numbers inscribed on property will be in a place that provides for easy identification for physical inventory and accountability purposes.
6. Any item that is manufactured internally by the Department of Corrections (for example, equipment and structures) which meets the minimum dollar value for a capitalized asset (OAM 10.50.00.PR) and has a useful life of greater than one year shall be tagged and recorded as an asset.
7. The functional unit in possession of the property will retain all warranties and guaranties.
8. All Oregon vehicle certificates of title will be maintained by the Asset Security Officer regardless of cost.

### **C. Physical Inventory - Controlled Property**

1. Each year, the Asset Security Officer will provide each Department of Corrections location with the annual physical inventory listings of all controlled items required to undergo the annual inventory process.
2. Functional unit managers and cost center managers will assign individuals at each location to work with the Asset Security Officer to conduct the physical inventory and will:
  - a. Identify and verify by physical sight the location of all controlled property on the list of property assigned to each cost center manager.
  - b. Identify each item as either "Asset Verified Onsite" or "Disposal Requested."

- c. Provide the Asset Security Officer with information on property found but not listed on the cost center manager's inventory sheets including description, property control tag number (if available), and location. This will allow the Asset Security Officer to investigate and correct any error in the record.
3. After providing a reasonable amount of time to perform physical inventories, the Asset Security Officer will provide the inventory results for each institution or location. A report of all assets not yet verified for the institution will be included in the report. Upon receiving the report, functional unit managers will ensure that:
  - a. A final attempt is made to locate any unverified assets by the date specified by the Asset Security Officer.
  - b. All lost or stolen property is reported via memorandum to the Asset Security Officer. The memo shall describe the property, the circumstances of the loss and be signed by the functional unit manager. In addition, the functional unit manager will attach any related paperwork, such as police report, unusual incident report, pictures, or any other relevant documentation to the memo and submit using DL DOC Capital Assets.
  - c. All lost or stolen property is documented on a Property Disposition Request form (CD1810) as "lost or stolen" by the Asset Security Officer and removed from active inventory records by the Capital Asset Accountant. The Asset Security Officer shall forward a copy of the Property Disposition Request form to the Director, Inspector General, Department of Corrections Internal Audit, functional unit manager, cost center manager, and to IT Security for instances involving IT assets.
  - d. A police report is obtained on all losses suspected to be the result of theft, at the direction of the Asset Control Officer or IT Security.
  - e. Items are returned to active inventory records if subsequently located.
4. If property is missing because of apparent fraudulent or dishonest acts by agency officers, employees, or other agents of the department, the Chief Financial Office must contact the Department of Administrative Services Risk Management Division and Department of Corrections Internal Audit. Disclosure of the loss must be made within 10 calendar days after discovery. Department of Corrections Internal Audit will report losses of public funds or property in accordance with ORS 297.120.
  - a. The Department of Corrections will furnish all evidence of loss, fraud, or dishonesty to Department of Administrative Services Risk Management Division and Department of Corrections Internal Audit upon request.
  - b. The Department of Corrections cannot forgive, release, or promise not to prosecute any employee alleged to have caused a loss (OAM 10.50.00.PR).

- c. ORS 297.120 does not differentiate a loss based on fraud or dishonesty. Any loss of \$100.00 or more of public funds or property involving a public official who is entrusted with the custody of the funds or property, or who is charged with the duty to account for the funds or property, shall report the loss in writing to the Secretary of State (through Department of Corrections Internal Audit) within 30 days.
5. Firearms: All armors must visually verify onsite their institution or operations inventory of firearms bi-annually and report results to the Asset Security Officer via the annual inventory system.
6. When there is a change in management for a functional unit or an appointment of a new executive-level position such as a superintendent, an additional inventory may be conducted for that unit, facility, or area of responsibility at the discretion of the Chief Financial Office.

#### **D. Removal or Transfer of Controlled Property from the Capital Asset Records or Inventory**

The cost center manager is responsible for proper care and utilization of controlled property officially released as follows:

1. Transfers: All transfers of assets between functional units must be made using a Capital Asset Disposition Request form (CD1468).
  - a. Only the Asset Security Officer or designee will have the ability to approve property transfers. The signatures of both the receiving and sending managers involved in the transfer must be obtained. The signed Capital Asset Disposition Request form (CD1468) will be sent to the Asset Security Officer for approval and final disposition using DL DOC Capital Assets.
  - b. Upon completion of transfer processing, Asset Control will return copies of the finished transfer documents to the affected managers.
  - c. In consultation with the Asset Security Officer, capital assets may be transferred to Oregon Corrections Enterprises in support of adult in custody programs. Assets transferred to Oregon Corrections Enterprises will remain on Department of Corrections inventory. Should Oregon Corrections Enterprises retire the transferred asset, the asset must undergo the regular surplus process. Department of Corrections may not gift assets to Oregon Corrections Enterprises.
2. Removal for repair or maintenance: The cost center manager is responsible for tracking property that has been sent in for repair or maintenance. The property control tag number and serial number should be referenced on any service request, request for purchase, or functional unit maintenance log.
3. All firearms transferred between institutions or other functional units must be made on a

Property Disposition Request form (CD1810) and submitted to the Asset Security Officer via DL DOC Capital Assets before the transfer is completed.

4. Controlled and Non-controlled Property Disposal: A Capital Asset Disposition Request form (CD1468) must be prepared for disposals of controlled or non-controlled property and submitted using DL DOC Capital Assets. Each request must have all fields completed except the property tag number for property without a tag and signed by the person listed with ownership in the department's accounting system. Property will not be disposed of prior to receiving an approval from the Asset Security Officer on a Property Disposition Request form (CD1810). The property will be disposed of by the Asset Security Officer using one of the appropriate methods listed below:
  - a. Disposal of e-waste assets must follow the process outlined in Department of Administrative Services Surplus Property guidelines, which can be found at [https://www.oregon.gov/das/Surplus/Documents/E-Waste/e-waste\\_guidelines.pdf](https://www.oregon.gov/das/Surplus/Documents/E-Waste/e-waste_guidelines.pdf)
  - b. For non-e-waste surplus items with a current value greater than \$250.00 or original purchase price greater than \$1,000.00, transfer to Department of Administrative Services Surplus Property Program. Department of Corrections collects a portion of the proceeds on most surplus sales. The program's rate structure can be found at <https://www.oregon.gov/das/Surplus/Documents/Rates.pdf>.
  - c. The cost center manager may recommend an option for disposal of a non-e-waste asset with an original purchase price less than \$1,000.00 and current value less than \$250.00 at the time of disposal, as designated on the Capital Asset Disposition Request form (CD1468):
    - A. Transfer to Department of Administrative Services Surplus Property Program for resale or distribution;
    - B. Trade-in on new purchase: Purchasing and the Asset Security Officer must be notified prior to transaction. Before a firearm is sent in for service, a Capital Asset Disposition Request form (CD1468) must be submitted to the Asset Security Officer. Any paperwork associated with the trade-in of a firearm from the manufacturer must be submitted to the Asset Security Officer;
    - C. Salvage or scrap: In rare instances, an asset may be disposed of through salvage or scrap with pre-approval from the Asset Security Officer and the Department of Administrative Services Surplus Property Program. After approval is received, Purchasing must be contacted in order to bid out scrap metal which has a market value prior to disposal, in compliance with state contracting rules;
    - D. Transfer or sale to another state or local government entity;
    - E. Donation, in accordance with the department's policy on Donations (DOC Policy 30.1.7), to an Oregon Forward contractor, local government entity, or other

qualified non-profit as defined in ORS 279A.250(2);

- F. Reuse it within Department of Corrections: Salvage or scrap and other property valued at less than \$250.00 can be used to create goods with adult in custody labor;
  - G. Recycle in accordance with state and local laws; or
  - H. Place in refuse stream in accordance with state and local laws.
- d. If an asset has been lost or stolen, it must be indicated as such on the Capital Asset Disposition Request form (CD1468).
  - e. The Asset Security Officer will evaluate the Capital Asset Disposition Request form (CD1468) and determine the appropriate method of disposal. The Asset Security Officer will prepare a Property Disposition Request form (CD1810) authorizing disposal and forward it to the work unit that originated request.
    - A. The cost center manager will certify instructions have been completed by signing the form and returning it to the Asset Security Officer. An additional witness will sign the Property Disposition Request form (CD1810) if the property is disposed of as scrap.
    - B. Property cannot be retrieved from waste receptacles by employees, even if the property is scrap.
    - C. Once the Property Disposition Request form (CD1810) has been completed and signed, the Asset Security Officer shall forward the form to the Capital Asset Accountant. The Capital Asset Accountant will process all fiscal transactions to transfer or dispose of the asset identified in the Property Disposition Request form.
    - D. No disposal in the department's accounting system will occur until the signed Property Disposition Request form is delivered to the Capital Asset Accountant.
  - f. Special handling must occur when disposing of a firearm. A Capital Asset Disposition Request form (CD1468) shall be completed and submitted the Asset Security Officer. No action shall be taken regarding the firearm until the Asset Security Officer identifies how the disposal of the firearm will occur.
  - g. At all times, Department of Corrections will strive for the highest and best use of state property. Department of Corrections should avoid disposing of surplus state property in a way that may appear to be a waste or misuse of state resources.

#### **E. Annual Site Visit**

The Asset Security Officer will conduct an annual site visit to each of the Department of Corrections institutions or operational work sites for the purpose of verifying information submitted by the worksite on the annual inventory report, reviewing building use, and gathering information for the Department of Administrative Services Risk Management Division report submission. Site visits will be conducted with the institution's Physical Plant Manager or designee.

#### **F. Trackable Assets**

Trackable assets are the responsibility of the functional unit to ensure that they are properly tracked and managed according to the purposes of the functional unit. This list is not all-inclusive. Each functional unit will need to determine if tracking is required of groups or classes of assets and proceed accordingly. The method of tracking and the frequency of audits or confirmation will depend upon the groups or classes of assets.

### **IV. IMPLEMENTATION**

This policy will be adopted immediately without further modification.

Certified: \_\_signature on file \_\_\_\_\_  
Julie Vaughn, Rules Coordinator

Approved: \_\_signature on file \_\_\_\_\_  
Michael Reese, Director



## CAPITAL ASSET DISPOSITION FORM

**REQUEST DISPOSITION OF PROPERTY BELOW AS FOLLOWS:**

<input type="checkbox"/> <b>Trade-In</b> Purchase Request or Order # _____ Trade-in Value \$ _____ <input type="checkbox"/> <b>Interagency Transfer</b> Receiving Agency Name: _____ <input type="checkbox"/> <b>Donation</b> (QUALIFIED FACILITY PER DAS SURPLUS LIST) Facility Name: _____ <input type="checkbox"/> <b>Reuse by DOC Property Control</b> <input type="checkbox"/> <b>Place in Refuse Stream</b> (in accordance with state and local laws)	<input type="checkbox"/> <b>Salvage/Scrap</b>  <input type="checkbox"/> <b>DAS Surplus</b>  <input type="checkbox"/> <b>Recycle</b>  <input type="checkbox"/> <b>E-Waste</b>  <input type="checkbox"/> <b>Internal Transfer</b>
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CONTACT NAME: \_\_\_\_\_  
 LOCATION/DEPARTMENT: \_\_\_\_\_ / \_\_\_\_\_

DATE: \_\_\_\_\_  
 PHONE NUMBER: \_\_\_\_\_

Inventory Tag No.	Description	Serial Number	Condition:		
			Broken	Fixable	Working

**NOTE:** Do not use this form to request removal of lost or stolen property. Address lost/stolen property on a memorandum which provides the description of the property, circumstances of loss, and a manager's signature. Attach any related paperwork such as a Police Report, Unusual Incident Report, etc., and forward to DL DOC Capital Assets: <DLDOCCapitalAssets@doc.oregon.gov>.

- INSTRUCTIONS:**
1. Forward completed form to DL DOC Capital Assets.
  2. Asset Security Officer will return a Property Disposition Request (PDR) Form CD 1810, which will provide authorization and instructions for disposal or transfer.
  3. Retain property until PDR form has been approved and forwarded to you.

\_\_\_\_\_  
 Contact Signature

\_\_\_\_\_  
 Approved by - Cost Center Manager Signature

*For Internal Transfer use only*

\_\_\_\_\_  
 Location RECEIVING Transferred Property

\_\_\_\_\_  
 RECEIVING Cost Center Manager Signature

