Ohio Department of Administrative Services
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Info Memo

TO: Executive Officers and Designated Personnel as Personal Property, Real Property and Infrastructure Control Officers Whose Agencies, Board and Commissions Are Required to Certify Their Inventory Activity

FROM: Crawford L. Wall, CPM,
Assistant Program Manager
Asset Management Services

DATE: July 6, 2012

SUBJECT: FY2012 COMPLIANCE INSTRUCTIONS FOR CERTIFYING STATE PROPERTY INVENTORY ACTIVITY WITH DAS

All state agencies, boards, and commissions are required by ORC, Section 125.16 to annually certify and file their updated state property inventory activity following the close of the fiscal year to the Department of Administrative Services (DAS). **Each state entity is to certify its updated inventory activity by completing the annual certification form and submitting it electronically to DAS by October 1, 2012.**

Each state entity reporting to DAS should follow the instructions as outlined in this memorandum, as well as in the *State of Ohio Asset Management Policies and Procedures*, to assure that annual certification forms and any in-house activity reports are accurate and properly submitted. It is strongly recommended that each entity review the instructions in this memorandum and in the *State of Ohio Asset Management Policies and Procedures.*

It is important that your certification form is completed correctly and submitted to DAS by the filing date. It is equally important, that activity amounts placed on the certification form reconcile with the totals on your agency's inventory activity reports. The inventory activity reports are posted to the AMS website.

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GENERAL RULES
(FOR ALL AGENCIES)

If your agency did not have any changes in its inventory activity since last fiscal year's certification filing with DAS, then your agency is still required to complete, certify and submit a Certification Form to DAS for this fiscal year. Agencies and reporting units are to submit with their certification form, all inventory activity reports to fully support amounts in Schedule A, except for those entities reporting from OAKS AM. Agencies that use OAKS AM as their source for certifying their inventory activity are not to submit inventory activity reports to DAS. OAKS activity reports are already on file with DAS; therefore keep your OAKS activity reports on file at your agency for audits, reference and/or physical inventories.

A separate Certification Form shall be completed and submitted by an agency or reporting unit for each inventory source/database (i.e., from multiple inventory systems) used to generate totals for your agency.

Agencies using information from asset management systems (sources/databases) to complete certification forms and to generate supporting activity reports for submission to DAS, shall also use the same asset management systems (sources/databases) for providing inventory information to the State Auditor for audits and for providing fixed asset financial information to OBM for GAAP reporting. If the certification forms are not correct, then the certification forms and/or activity reports may be rejected and returned to the agency for correction.

INVENTORY REPORTING CRITERIA

The State of Ohio Asset Management Policies and Procedures defines the minimum inventory reporting criteria (a.k.a., stewardship reporting criteria/cost threshold), which determines what state acquired property is required to be inventoried, certified and reported to DAS.

Additional inventory reporting criteria can be found in OBM's *Financial Reporting and Accounting Policies for Capital (Fixed) Assets* for Computer Software and Infrastructure assets, these assets are required to be inventoried, certified and reported to DAS.

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REPORTING OF LICENSED VEHICLES

Agencies that have "state vehicles (including trailers whether self-propelled or not) that are capable of being licensed through the Bureau of Motor Vehicles, Department of Public Safety, and intended to be used for over-the-road transportation" **are required to certify and file this inventory activity with DAS' Office of Fleet Management.** This procedure is required whether the state vehicle inventory records are or are not maintained on DAS' Fleet Ohio System. For more information please contact Bill Simon, Fleet Ohio, at 644-3309.

REPORTING OTHER FORMS OF TRANSPORTATION

ALL OTHER FORMS OF TRANSPORTATION INCLUDING AIRCRAFT, BOATS AND CONSTRUCTION EQUIPMENT (excluding licensed vehicles as defined above) are required to be certified and filed with DAS. The inventory records for the above transportation assets shall be included on the agencies filed inventory activity reports with your personal property totals on the certification form.

TYPES OF ACQUISITIONS TO BE REPORTED

Agencies are reminded that assets can be acquired by the State of Ohio by direct purchase (with or without trade-in), lease (includes installment payments and lease purchase), construction, donation, or transfer from another agency. Each asset record is to be identified by one of the above types of acquisitions.

LEASES

Agencies are required to inventory and report all assets acquired through a lease agreement, where it is determined the lease **meets all the following criteria:**

1. The cost of the asset meets the minimum inventory reporting cost threshold.
2. The lease (if directly purchased) agreement must have a non-cancelable lease period.
3. The lease agreement is considered a lease purchase.

Lease purchases are defined as leases that transfer ownership of the property to the lessee (the agency or the state) during or at the end of the lease term.

CAPITAL LEASES

Capital leases are required to be inventoried. This includes capital lease vehicles. For a lease to be pre-qualified as a capital lease (leased fixed asset), agencies should determine if the lease agreement meets all the following criteria:

1. The cost of the asset (if directly purchased) meets the capitalization threshold for a fixed asset as defined in the OBM's **Capital (Fixed) Asset Policies**.
2. The lease agreement must have a non-cancelable lease period.

If both criteria are met and the agency **does not use** OAKS, an OAKS Capital Lease Entry form should be completed and submitted to DAS.

AGENCIES OPERATING ON A CALENDAR YEAR

Agencies, whose fiscal operations are on a calendar year and report to OBM on a calendar year for GAAP, can choose to use this accounting period for filing state property inventories for fiscal year.

IN-HOUSE INVENTORY ACTIVITY REPORTS

(AGENCIES REPORTING FROM IN-HOUSE SYSTEMS)

TYPE OF ACTIVITIES TO BE REPORTED

Refer to the State of Ohio Asset Management Policies and Procedures for a list of activity reports that are required to be submitted to DAS by agencies and reporting units. The inventory activity reports are required from agencies using approved in-house asset management systems to certify their inventory.

If your in-house asset management system will not provide separate retirement and transfer reports, then these two activities can be combined into one report, known as a **DISPOSAL REPORT**. The agency should use the appropriate coding to identify how assets were retired or if transferred to another agency. Documentation should be on file that shows the approvals and details of these transactions.

HOW AGENCIES' IN-HOUSE SYSTEM INVENTORY REPORTS ARE SORTED AND TOTALLED

(AGENCIES REPORTING FROM IN-HOUSE SYSTEMS)

The following instructions for in-house system inventory reports are for all asset classes, excluding Construction-In-Progress and ODOT's Infrastructure assets.

In general, DAS requests that inventory activity reports list asset records in ascending order by asset ID numbers (a.k.a. asset tags or label ID numbers).

Asset Management Services (AMS) requests that you use the updated Excel templates that will be sent to you prior to the submission of your certification. You will need to import the data into the appropriate worksheets, total the amounts and submit to DAS via e-mail or disk.

<u>If you are not able to use the updated Excel templates,</u> then your agency in-house activity reports must be sorted by each asset classification (personal property, land, land improvements, buildings, etc.) and each asset classification must have an activity total amount. For example; an additions activity report would be sorted by land, buildings, land improvements and personal property and have cost totals for each of the asset classifications. Each activity report and asset classification has to clearly be <u>identified at the top of each page</u>. The totals for each classification have to be identified as such, printed and reconciled to the certification forms.
If any activity total amount from an activity report cannot be correctly identified to a specific activity, asset classification and/or reconciled with the activity amounts on the certification form, then the certification and/or activity report may be returned to the agency for correction. If not corrected, the agency will not be in compliance and this information will be forwarded to the Auditor of State

DATA AND FORMAT REQUIRED OF AGENCIES' IN-HOUSE SYSTEM INVENTORY REPORTS

(AGENCIES REPORTING FROM IN-HOUSE SYSTEMS)

To ensure uniform reporting among state agencies, there is a minimum amount of information required about each asset record printed on the inventory activity reports. **Asset Management Services (AMS) requests that you use the updated Excel templates that will be sent to you prior to the submission of your certification. You will need to import the data into the appropriate worksheets, total the amounts and submit to DAS via e-mail or disk**.

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REPORTING INVENTORY FROM MULTIPLE ASSET MANAGEMENT SYSTEMS

(AGENCIES REPORTING FROM FAMS AND IN-HOUSE SYSTEMS)

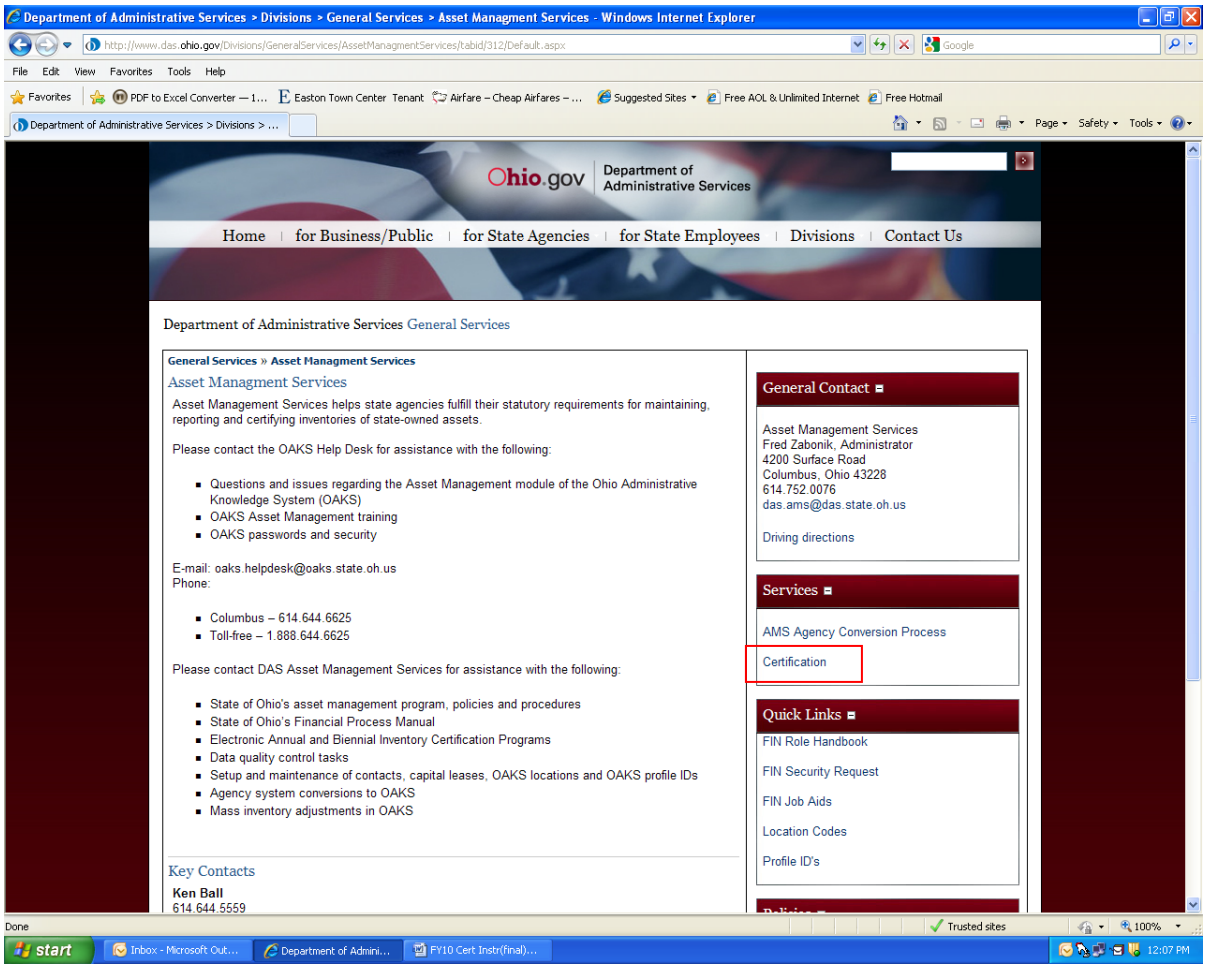
A separate Certification Form shall be completed and submitted by an agency for each inventory source/database, such as an asset management system that is used to comply and file its updated annual state property inventory to DAS.

Duplicate reporting of the same state owned assets from different asset management systems (sources/databases) to DAS for compliance with ORC 125.16 is not permitted. If a state agency has asset records that are maintained in OAKS and inventory records for the same assets on its agency in-house asset management system, then the asset inventory activity from the in-house inventory system for the asset records cannot be reported to DAS.

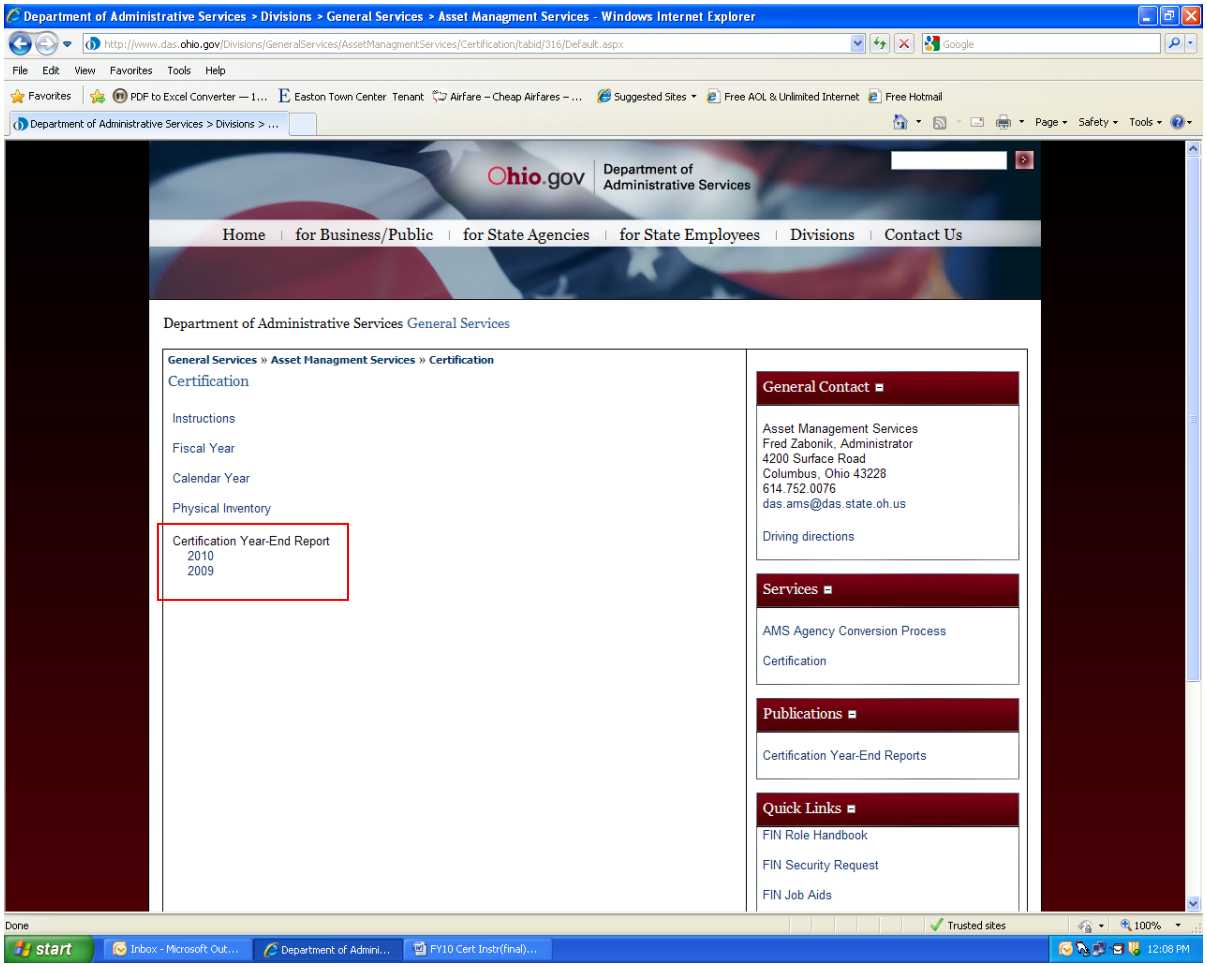
For any state owned asset and its inventory record activity that is reported and certified to DAS, in compliance with ORC 125.16, shall be from the same original source that is used to report detailed or summarized fixed asset financial information to OBM for its annual GAAP/CAFR requirements, and also used by the State Auditor to conduct state audits. The source from which a state owned asset and its inventory record activity are derived from is referred to as the **Book of Record**. Thus, for any given state owned asset, agencies are not to use multiple Books of Records to fulfill any or all of the required processes mentioned above.

INSTRUCTIONS FOR COMPLETING ANNUAL CERTIFICATION FORM
(FOR ALL AGENCIES)

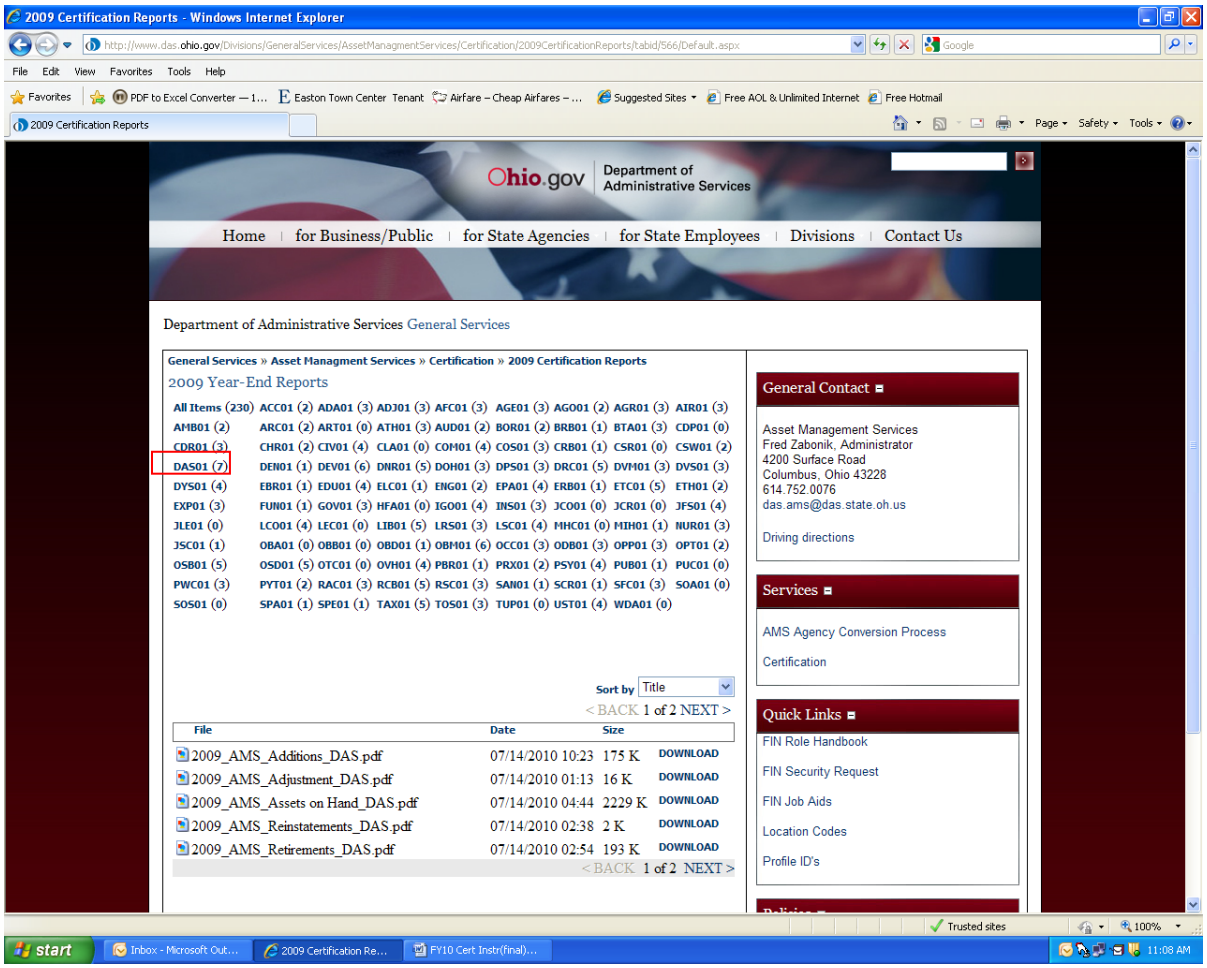
The first step to submitting your agencies annual certification is to access Asset Management Services website and click on the Certification link.



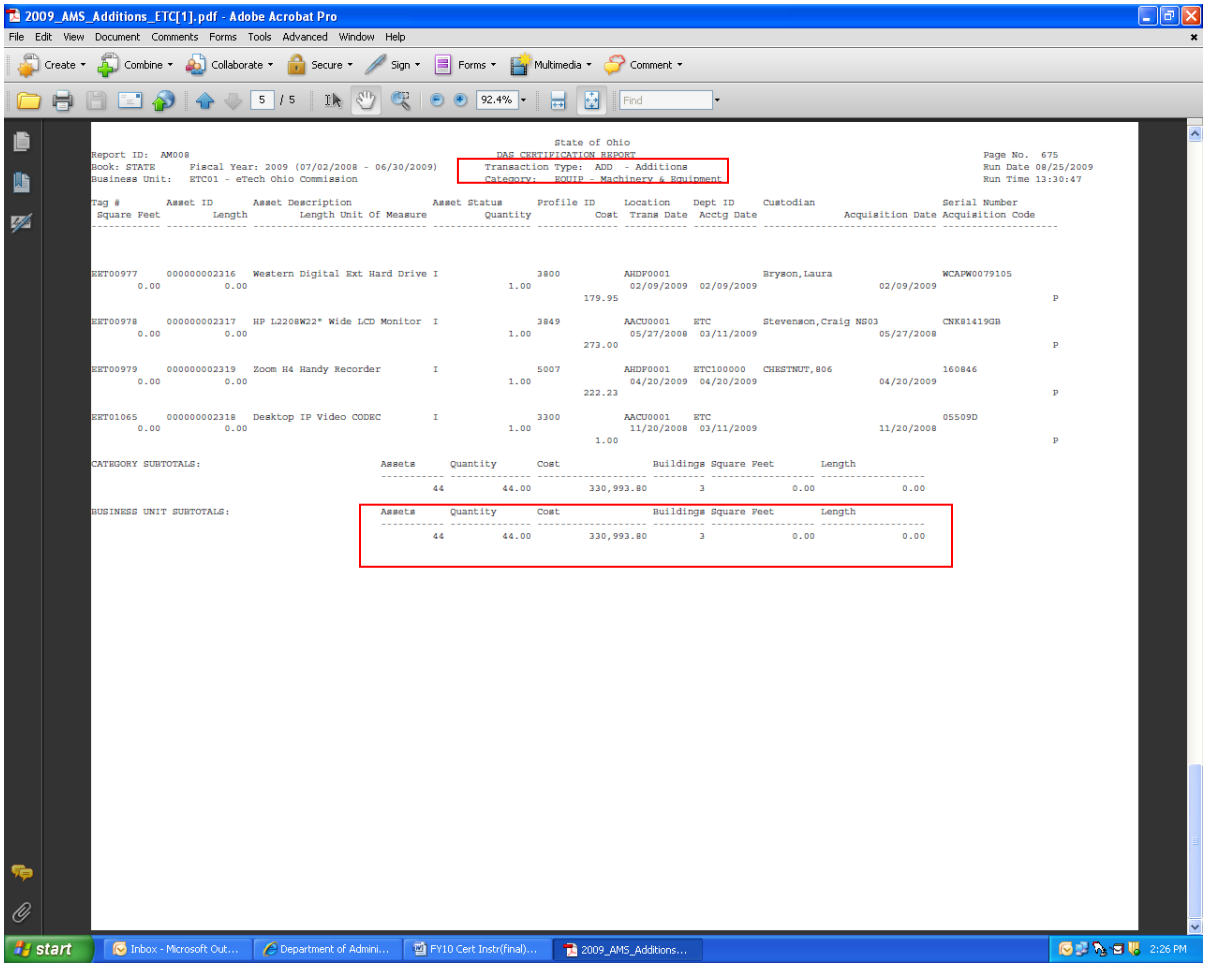
Select the previous fiscal year.



After selecting your Business Unit in the top portion of this page, all your transaction reports will appear below. Click the download link to open the reports. If your agency did not have a specific transaction during the fiscal year, a report will not be generated. **<u>You will have to repeat this step for the current year-end reports.</u>**



Use the bottom line of each transaction report for your beginning balance.



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State of Ohio
DAS CERTIFICATION REPORT

Report ID: AM008
Book: STATE Fiscal Year: 2009 (07/02/2008 - 06/30/2009)
Business Unit: ETC01 - eTech Ohio Commission
Transaction Type: ADD - Additions
Category: EQUIP - Machinery & Equipment
Page No. 675
Run Date 08/25/2009
Run Time 13:30:47

Tag # / Square Feet	Asset ID / Length	Asset Description / Length Unit Of Measure	Asset Status / Quantity	Profile ID / Cost	Location / Trans Date	Dept ID / Acctg Date	Custodian / Acquisition Date	Serial Number / Acquisition Code	
ETT00977	000000002316	Western Digital Ext Hard Drive	I	3800	AHDP0001		Bryson,Laura	WCAPW0079105	
0.00	0.00		1.00	179.95	02/09/2009	02/09/2009	02/09/2009		P
ETT00978	000000002317	HP L2208W22" Wide LCD Monitor	I	3849	AACU0001	ETC	Stevenson,Craig NS03	CNK81419GB	
0.00	0.00		1.00	273.00	05/27/2008	03/11/2009	05/27/2008		P
ETT00979	000000002319	Zoom H4 Handy Recorder	I	5007	AHDP0001	ETC100000	CHESTNUT,806	160846	
0.00	0.00		1.00	222.23	04/20/2009	04/20/2009	04/20/2009		P
ETT01065	000000002318	Desktop IP Video CODEC	I	3300	AACU0001	ETC		05509D	
0.00	0.00		1.00	1.00	11/20/2008	03/11/2009	11/20/2008		P

CATEGORY SUBTOTALS:

Assets	Quantity	Cost	Buildings	Square Feet	Length
44	44.00	330,993.80	3	0.00	0.00

BUSINESS UNIT SUBTOTALS:

Assets	Quantity	Cost	Buildings	Square Feet	Length
44	44.00	330,993.80	3	0.00	0.00

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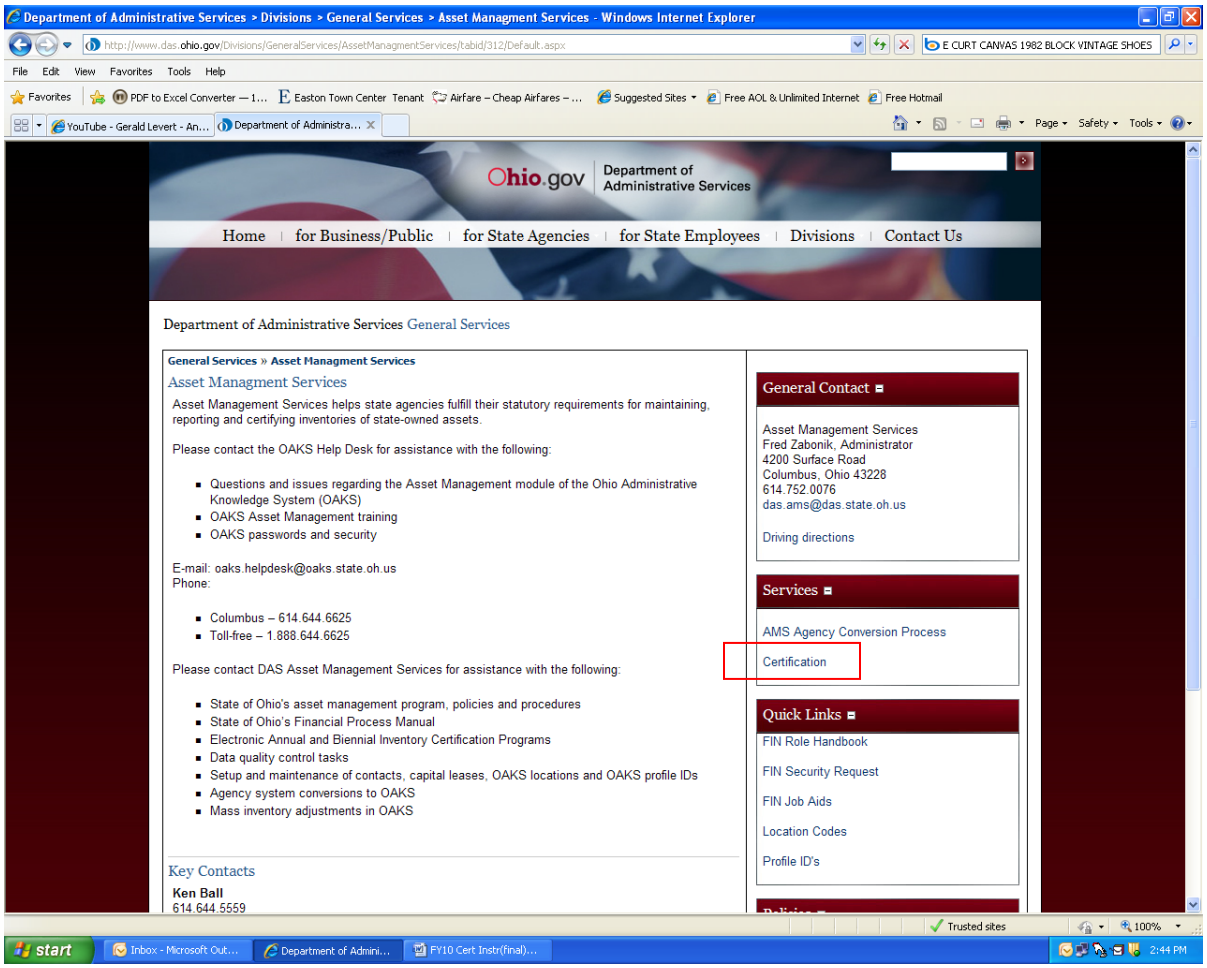
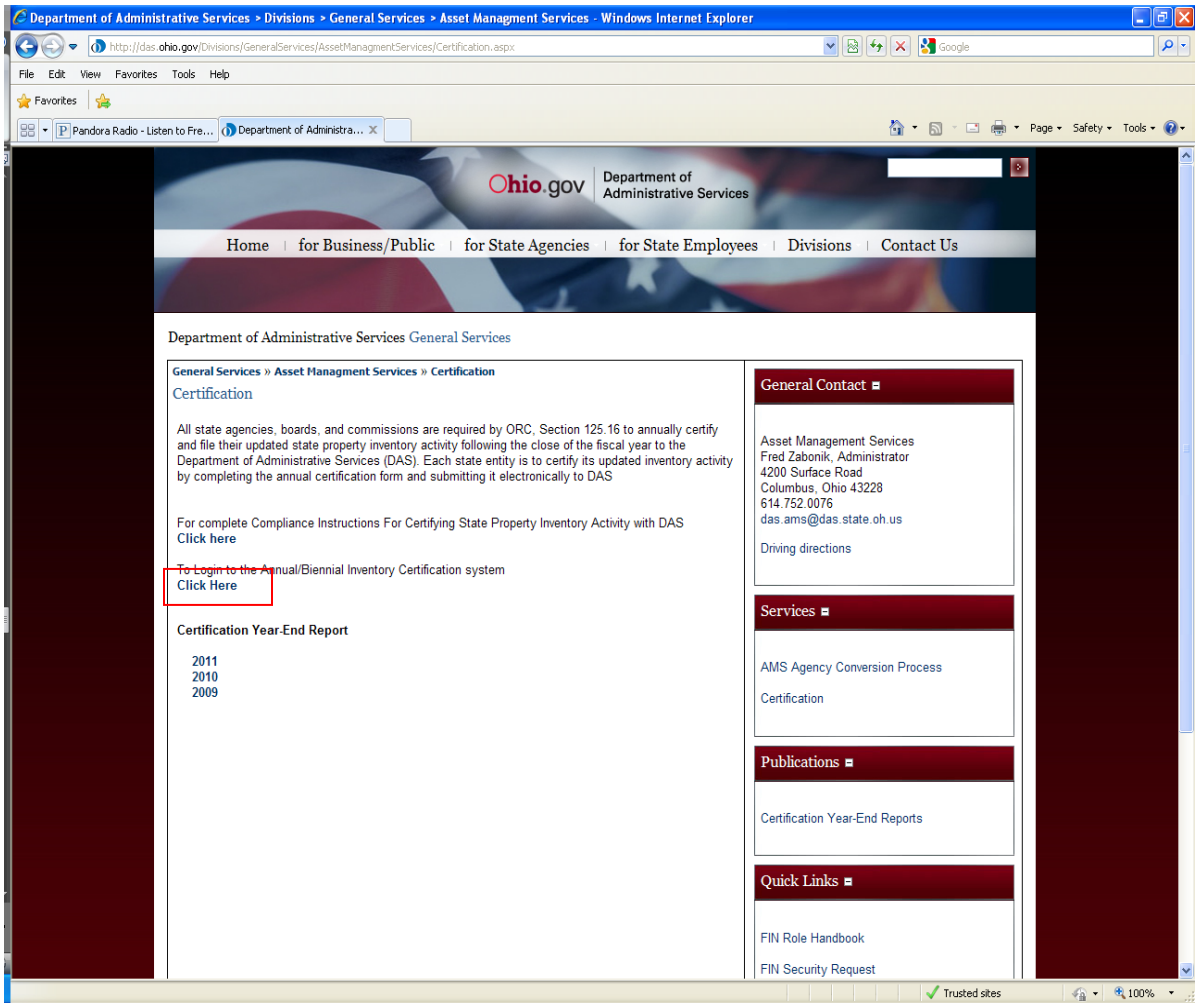
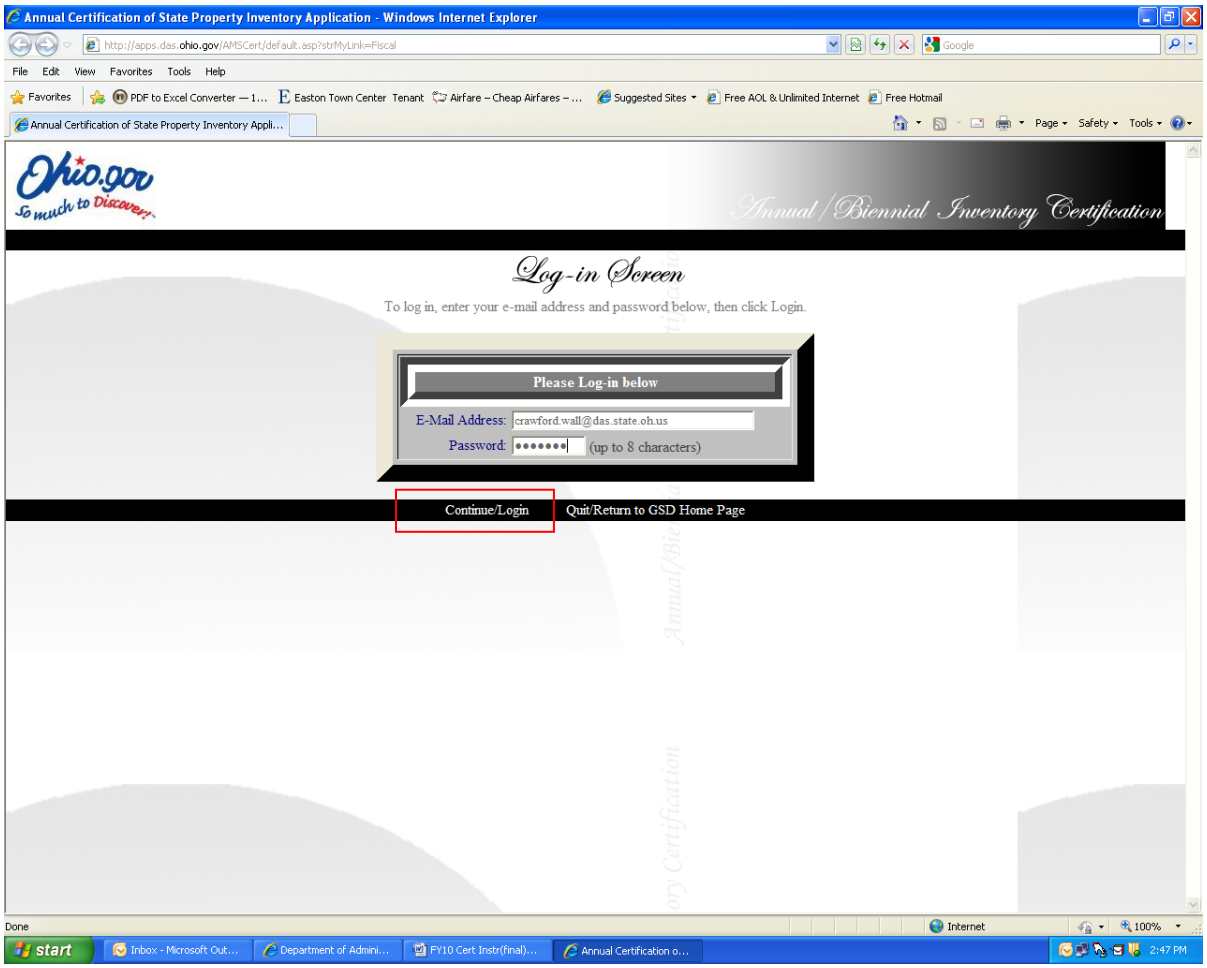
Log into the certification application and open a new certification form.



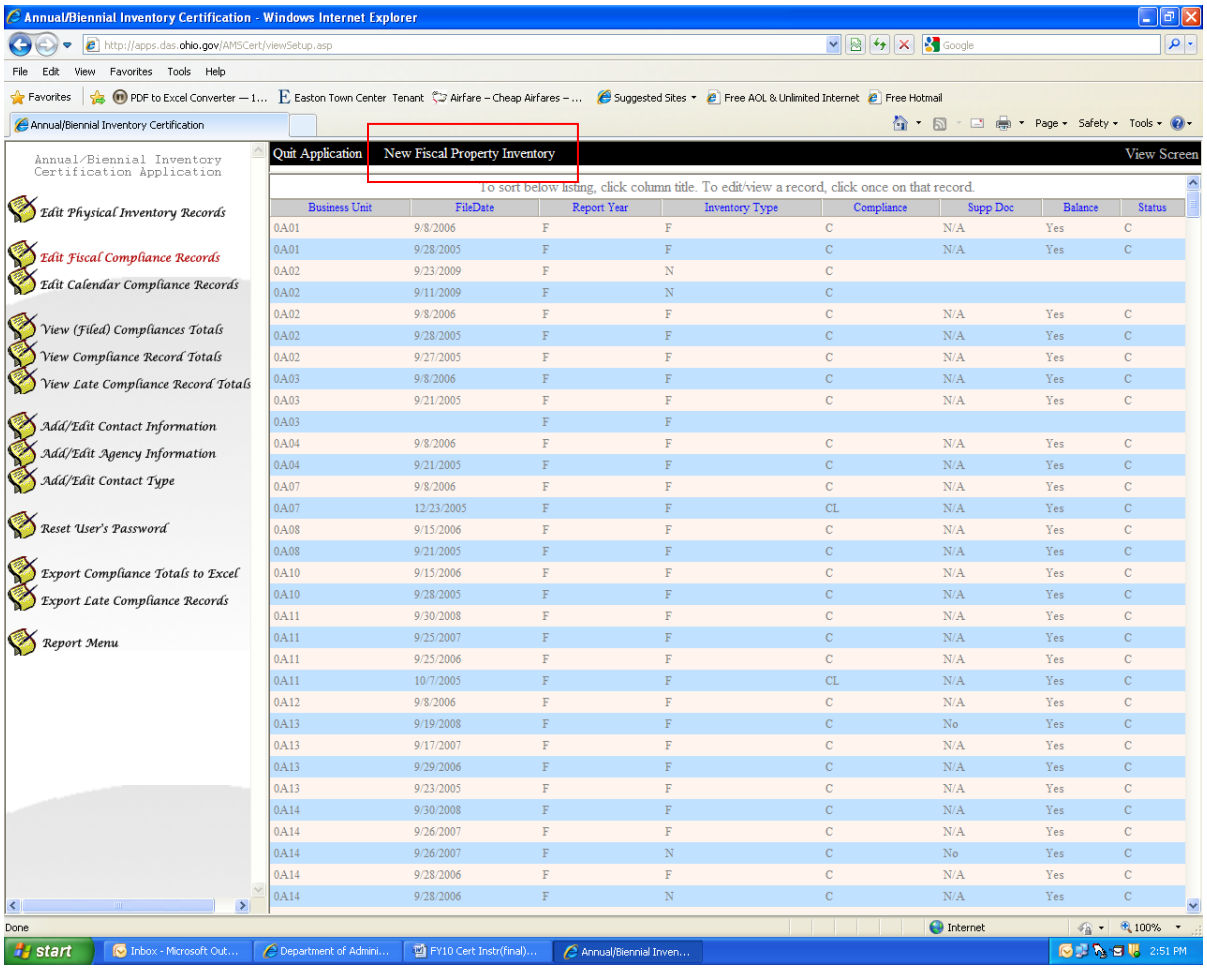
Click on link to log into the system.



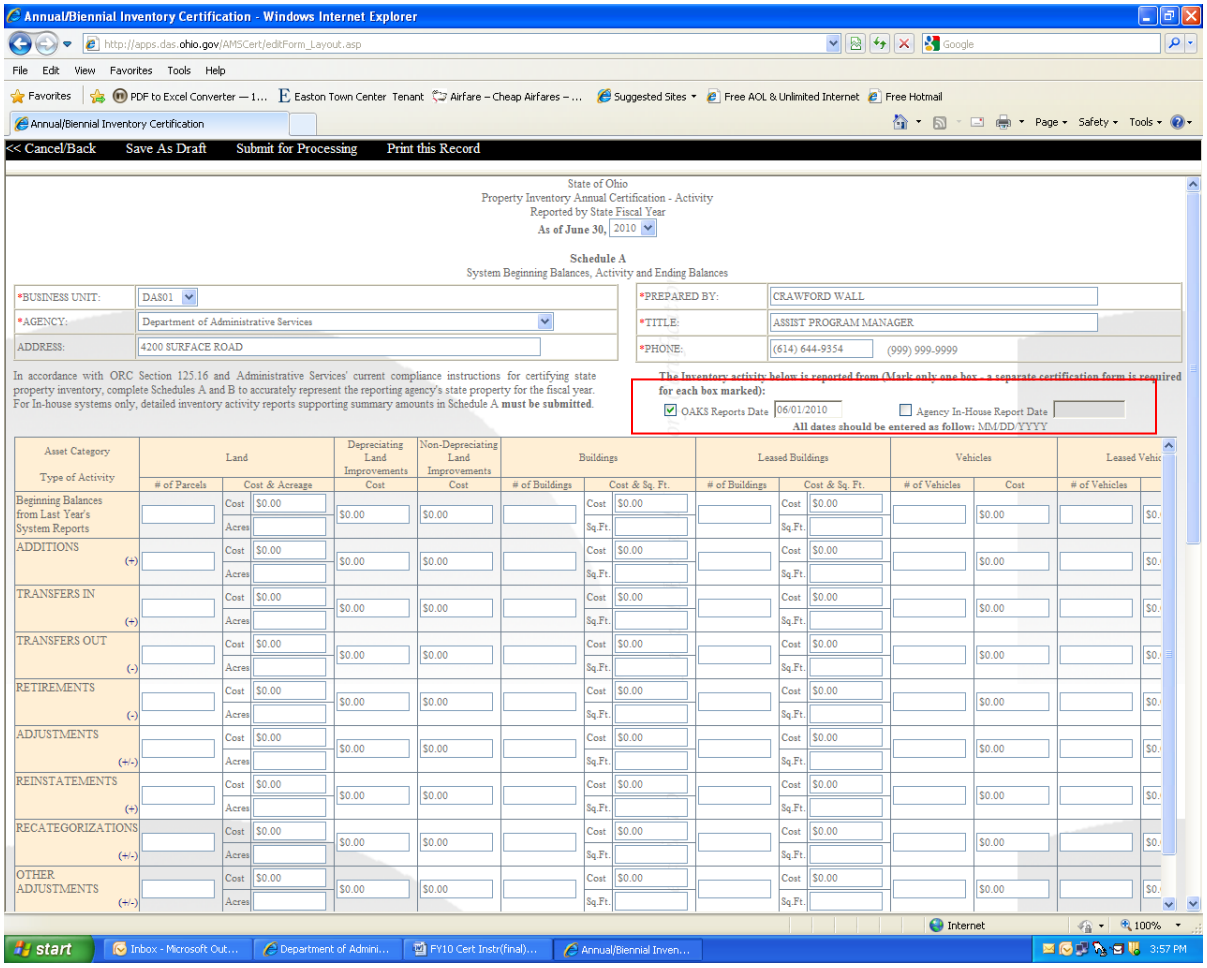
Enter your email address and password then click Continue/Login. Contact our office if you are not able to log into the application.



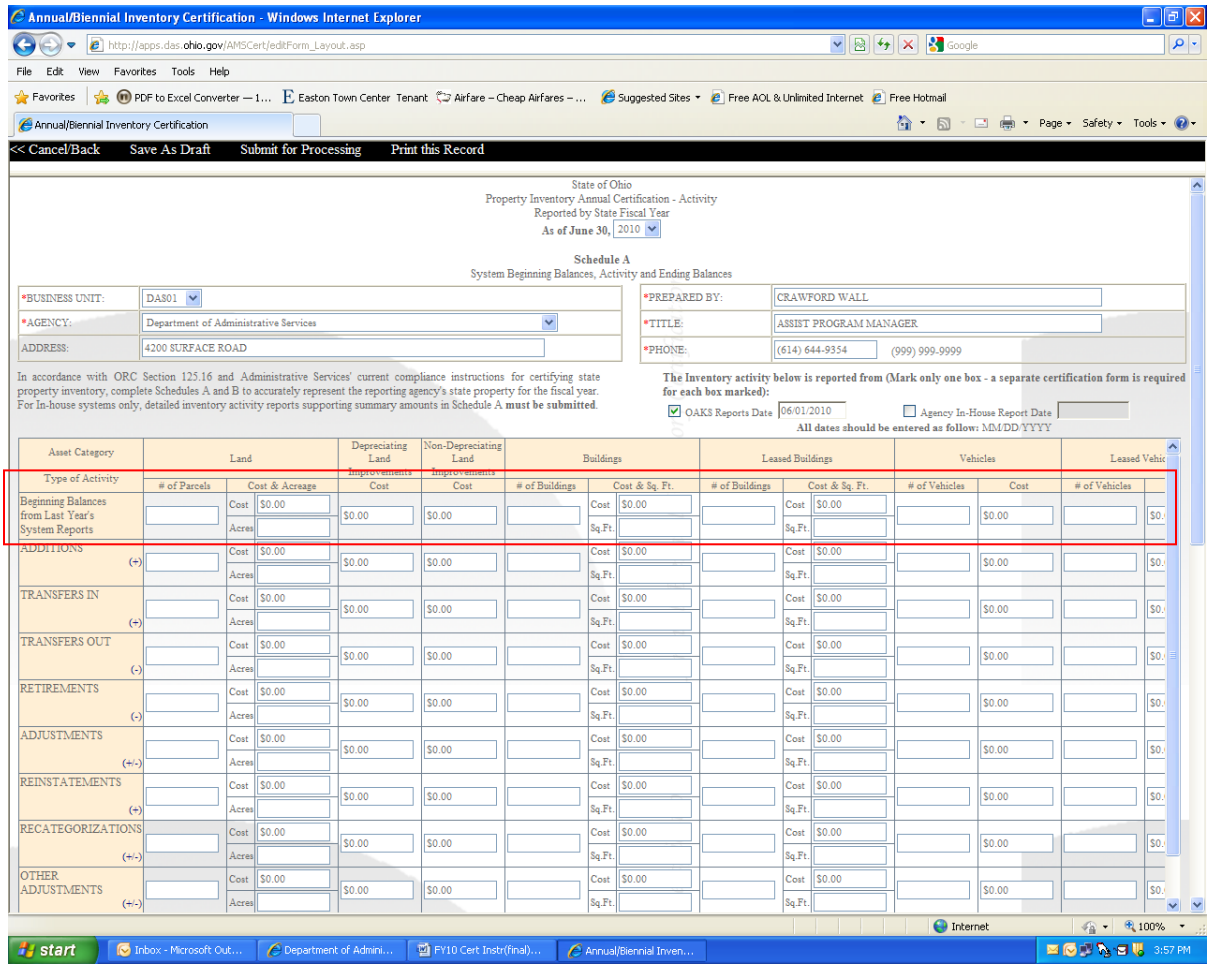
Click New Fiscal Property Inventory. **<u>Do not open an older version of the form for edit and submission.</u>**



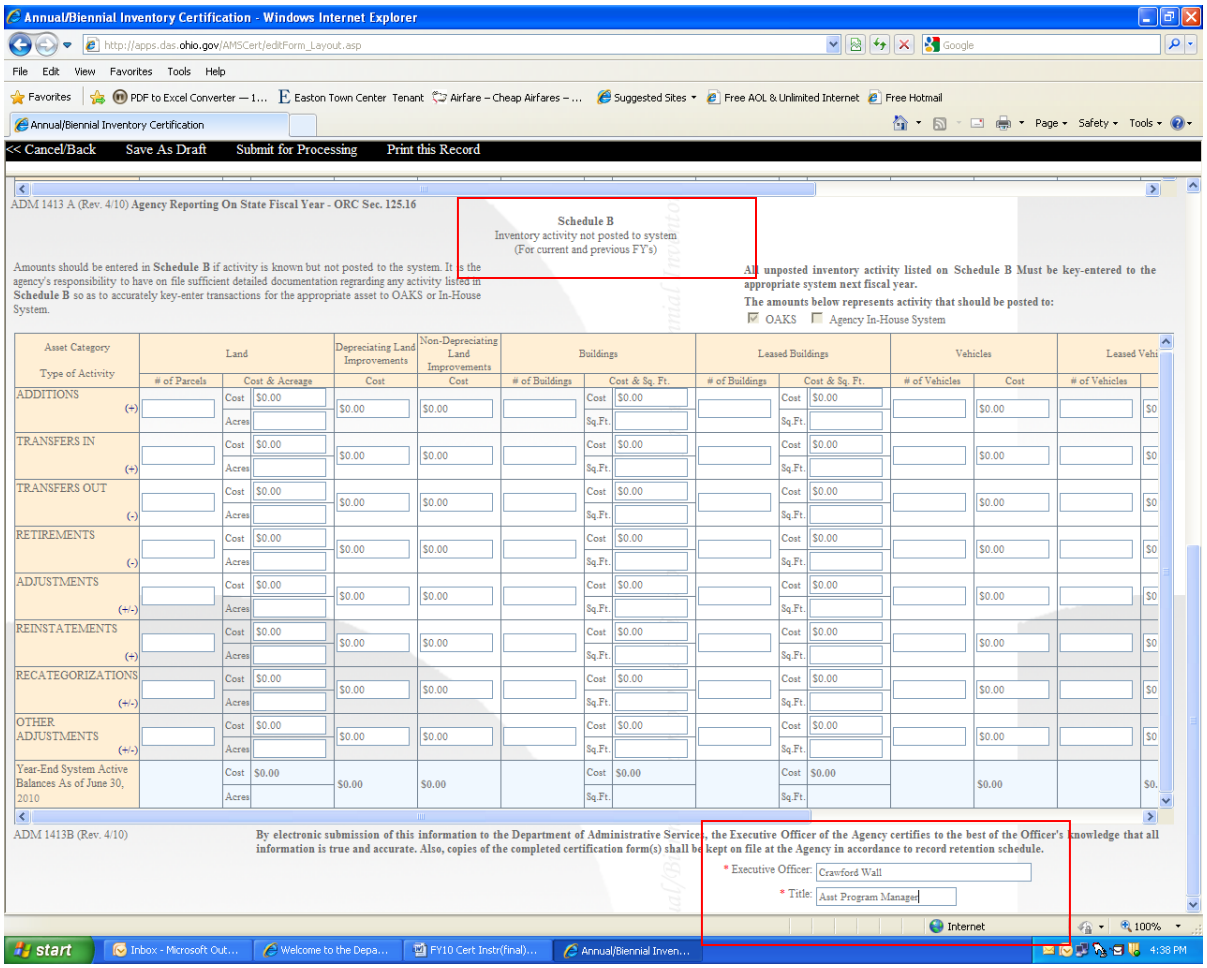
Select the OAKS Report Date or the Agency In-House Report Date and enter the date in this format: MM/DD/YYYY



Enter the totals from the last page of the previous fiscal year transaction reports in the Beginning Balance from Last Year's System Reports row. Once the information has been entered, repeat the steps to download the current fiscal year report totals. When entering the total activity amounts for **Transfers-Out and Retirements, a minus sign must be placed in front of the number (i.e., -2,500.00).**



Assets that did not bet entered into OAKS AM before the fiscal year closed should be entered on Schedule B. The assets should be entered into the system as soon as OAKS AM reopens. A signature and title are required for submission.



RETAINING COPIES OF YOUR CERTIFICATION FORM AND INVENTORY REPORTS

In compliance with ORC, Section 125.16, each agency and its reporting units are responsible for retaining a duplicate copy of all certification forms and inventory activity reports used for filing with DAS. The duplicate copies shall be retained by the agency for the required time period as indicated by their record retention schedules.

HOW TO HANDLE DISCREPANCIES AFTER SUBMITTING THE ANNUAL CERTIFICATION

(FOR ALL AGENCIES)

If you find the amounts were incorrectly transcribed from the activity reports to the certification forms, then a revised certification form should be submitted to DAS. You can do this by clicking on the previously submitted form, make the needed edits and resubmit form to DAS.

OhioDAS

YEAR-END SUBMISSION DEADLINE AND ADDRESS
(FOR ALL AGENCIES)

Completed certification forms and in-house system activity reports for fiscal year are required by ORC, Section 125.16 to be filed with DAS no later than October 1, 2011.

Unless advised otherwise by your Agency Inventory Control Officer, please submit your hardcopy or electronic In-House system activity reports to:

Crawford L. Wall, CPM
Assistant Program Manager
Department of Administrative Services
General Services Division
4200 Surface Road Columbus, Ohio 43228-1395

In closing, we appreciate each agency's continued cooperation with reporting its state property inventory certifications with DAS. If we can be of any assistance with answering your questions or comments, please call Crawford Wall at 614-644-9354.

xc: Thomas Michael, DAS-GSD Accounts Payable Manager
Crawford Wall, CPM, Assistant Program Manager
Fred Zabonik, CPM, Assistant Program Manager
Brad Beaver, OBM Fixed Asset Reporting Accountant
Andrea Joffe, OBM Capital Lease Coordinator