

Approved: Effective: July 1, 1998
Responsible Office: Office of Accounting
Policy No: 210-001(P)

Jerry Wray
Director

OHIO DEPARTMENT OF TRANSPORTATION (ODOT) INVENTORY POLICY

AUTHORITY :

Ohio Revised Code (ORC) , Section 125.16, Section 2913.02, Section 5513.04
Federal Common Rule Authority, 49 Code of Federal Regulation (CFR), Subtitle A, Section 18
Department of Administrative Services (DAS) State Property Policies and Procedures
Office of Budget and Management (OBM) State of Ohio Fixed Asset Accounting Policies for Financial Reporting

REFERENCES :

DAS State Property Surplus Guidelines
ODOT Fixed Asset and Inventory Procedures and Guidelines

SCOPE :

This policy applies to all property purchased or leased by ODOT. Primary responsibility for adherence rests with Districts, Divisions, and Offices of ODOT. Day-to-day responsibility for adherence to this policy rests with the Property Manager. The policies also apply to any grantees who acquire equipment, vehicles, furniture or materials through Federal grants from ODOT.

The items set forth in this policy are minimum requirements. Nothing in this document prohibits additional requirements being imposed should the Deputy Director deem it necessary.

Policy denoted as follows :

Italicized type - Item required by law

Bold type - Item required by DAS/OBM/FHWA policy or guidelines

Regular type - Item required internally by ODOT

POLICY STATEMENTS :

Following are the policies of ODOT regarding management of fixed assets and material inventories:

It is ODOT's policy to maintain inventories at the lowest possible level without impeding the efficient operations of ODOT functions. It is ODOT's policy to complete timely physical inventories for all assets on an annual basis, except Lands and Buildings (excluding infrastructure items) which will be performed biennially, to ensure the accuracy and reliability of the inventory.

These policies will ensure compliance with State and Federal Laws and protect against loss, theft, or misuse. Maintaining accurate and current asset information allows ODOT management to have data needed to properly deploy the resources and make maximum use of those resources.

I. INVENTORY CRITERIA FOR TANGIBLE PERSONAL PROPERTY

A. Current and accurate inventory records shall be maintained for the following:

1. **Tangible Personal Property - \$1,000 or more per item including improvements and renovations; or, if donated, a fair market value at the time of donation of \$1,000 per item. Tangible personal property intentionally acquired for resale or used in the state's activities as supplies are excluded.**
2. **Licensed vehicles and rolling stock regardless of cost or donated market value at the time of donation.**
3. **Sensitive property with an individual cost or fair market value at time of donation of \$100 or more per item. A list of sensitive property is included in Appendix 1.**
4. **Internal computer components with an individual cost of \$500 or more per item.**
5. **Leased property totaling \$15,000 or more throughout the life of the lease.**

B. Tangible Personal Property Composed of Internal Parts

1. **An asset that has internal parts that are necessary to the functioning of the asset are not required to be separately inventoried, and can be considered to be all one asset (inventory record) provided all of the following apply:**

- a. **The internal parts are acquired to place the asset into service and function as required;**
- b. **The life and utility of the internal parts are mainly dependent on that of the asset, even if the acquired dates and vendors are different for each item;**
- c. **The cost of each part is included in the aggregate total of the inventory record;**
- d. **The internal parts are included in the description of the inventory record.**

2. **Should a District or Central Office acquire and install an internal part for an asset with an acquisition cost, of at least \$500, after it has been placed into service and is functioning as intended, then any subsequent internal parts are considered as separate components and are inventoried separately as a component record. The same asset identification number (ID) is to be used as the original asset, except a suffix is to be added to the ID number that is unique only to the component.⁽¹⁾**

II. INVENTORY CRITERIA FOR REAL PROPERTY

A. Current and accurate inventory records shall be maintained for the following:

1. **Land, regardless of cost.**
2. **Buildings and land improvements with an actual or estimated cost, or if donated, a market value of \$15,000 or more per item.**
3. **Real property intentionally acquired through a lease at an insignificant cost and solely as a legal mechanism to disburse bond monies is excluded.**
4. **Improvements and renovations to an existing building with an actual or estimated cost, or if donated, a market value of more than \$100,000 per building component.**
5. **Leased property totaling \$15,000 or more throughout the life of the lease.**

B. **The Department is not required to inventory infrastructure.**

III. INVENTORY LABELS

A. **The bar code labels should adhere to the DAS bar code label policy OPP-003.**

IV. SECURITY LABELS

A. **Assets qualifying as tangible personal property with a cost of at least \$100 and not required to be inventoried as prescribed by this policy shall be affixed with a security label.**

V. USE OF PROPERTY

A. *Items acquired should be used for state business only. ORC Section 2913.02 which discusses misappropriation is Ohio's basic theft statute. **Additional requirements apply if items were purchased with federal grant money. Please refer to the Federal Common Rule authority listed on the opening page of this policy.***

VI. ANNUAL PHYSICAL INVENTORIES

A. *Section 125.16 of the ORC does allow for physical inventories to be completed by all Districts and Central Offices only once each biennium, however, it is ODOT's policy to complete timely physical inventories for all assets on an annual basis, except Lands and Buildings which will be performed biennially, to ensure the accuracy and reliability of the inventory. Physical inventories should be completed in accordance with the frequency and dates prescribed by the Office of Accounting.*

VII. INVENTORY VALUATION BASIS

A. Fixed assets, including leased items, are entered in the inventory at the cost arrived at after deducting trade discounts and without considering any trade-ins.

B. Parts, supplies and materials are valued on the weighted average basis. Each time such items are purchased at a price different from the average price of the quantity remaining on

hand, a new average cost must be computed.

VIII. DISPOSAL OF EXCESS/OBSOLETE INVENTORY

A. Use the most practical and cost effective method of disposal. *The requirements set forth in ORC 5513.04 must be followed when disposing of fixed assets and inventory.*

B. When disposing of property acquired through the use of federal funds, additional steps are required. Please refer to the Federal Common Rule Authority listed on the opening page of this policy. This rule essentially requires proceeds from the disposition of these assets to be given to the federal government if the current fair market value exceeds \$5,000.

C. Excess and obsolete computer-related equipment/software should be offered to the Department of Education in accordance with instructions provided by the Division of Information Technology (DOIT) prior to using other methods of disposal. Up to 10% of the quantity of obsolete/excess computer related equipment/software can be disposed of through Bulletin Board Sales. The 10% should be calculated based on the total quantity of obsolete/excess items made available during a twelve month rolling period. To ensure we do not dispose of computers or software that might be needed elsewhere in ODOT, DOIT must determine the items to be functionally obsolete before these items are sold.

D. Inter-Departmental Transfers

1. Deputy Directors should ensure excess/obsolete items are no longer needed or would be impractical to transfer to another location within ODOT.

E. Credit Voucher towards Future Purchase

1. A minimum of two quotes/bids on the items being disposed must be obtained. The vendor offering the greatest value must be awarded the option of purchasing the items being disposed.

F. Bulletin Board Sale (BBS)

1. Bulletin Board Sales can be used for all items with an estimated fair market value of \$1000 or less.

2. Bids must be posted for a minimum of five working days. Sale of any item using this method of advertising shall be made to the highest responsible bidder. If any public authority has use for any of the items, the bid may be rejected and the items disposed of, as set out in ORC section 5513.04.

3. Deputy Directors should ensure funds received for items sold are forwarded to the Office of Payroll and Federal Accounting at least twice each week after receipt.

G. Municipal Sale

1. Passenger vehicles, vans, trucks, trailers, or other rolling stock unfit for use or not required by the Department with an estimated fair market value

exceeding \$1000 must be offered for sale to municipalities for at least seven days as described in ORC 5513.04.

H. Public Auction

1. Items not otherwise disposed of through other means should be sold at public auction.

I. DAS State Surplus

1. If all methods of disposal previously listed prove unsuccessful, items can be disposed of through DAS State Surplus. This should be done in accordance with procedures prescribed by DAS State Surplus.

J. Donations

1. Donation to public schools or other public entities including other state agencies should be considered if the above methods are unsuccessful. Donation to private schools, civic organizations, charitable organizations, or any other non-profit organization is acceptable (this is at the discretion of the District or Central Office Deputy Director).

K. On-Site Disposal

1. The on-site destruction method of disposal of property is applicable to excess or obsolete inventory either damaged beyond repair or where it is otherwise not fiscally feasible to dispose of via any other method. In the situation where items are disposed of on site, the following steps must take place:

- a. Items(s) should be damaged beyond repair before being disposed.
- b. An impartial individual should witness the destruction and sign appropriate documentation stating they witnessed the item was destroyed beyond repair.
- c. **All documentation related to such destruction should be maintained on site for a minimum of three years.**

IX. STOLEN/MISSING PROPERTY

A. All District and Central Office personnel involved in or responsible for any task of maintaining state property inventories, including a physical inventory, shall notify the property manager of any tangible personal property shown on the current active property report, but cannot be found and/or is suspected of being stolen.

B. A reasonable amount of effort should be made by the property manager to determine the whereabouts of the missing items or the reason(s) for their disappearance prior to taking further action.

C. The notified property manager shall review the reported inventory exceptions and, if necessary, will contact the State Highway Patrol requesting an investigation/report. As a guide, the State Highway Patrol should be contacted if the total dollar value of the missing

property is in excess of \$300. This dollar amount is being provided as a guide only, if the property managers feel there is a need to contact the State Highway Patrol they may do so regardless of the dollar value of the missing items.

X. CAPITALIZATION OF FIXED ASSETS

A. Computer software is considered an intangible asset since it represents competitive advantages developed or acquired by an organization. Therefore, computer software does not meet the State's Capitalization (Fixed Asset) Criteria.

B. Modular furniture (parts requiring assembly with other parts) does not meet the State's Capitalization Criteria; only individual fixed assets (quantities of one) are recorded.

XI. FEDERAL COMMON RULE AUTHORITY AND THE OFFICE OF BUDGET AND MANAGEMENT'S FIXED ASSET ACCOUNTING POLICIES.

A. Districts and Central Office are responsible for adhering to policies in OBM's "State of Ohio Fixed Asset Accounting Policies for Financial Reporting." These policies are applicable as indicated in the DAS State Property Inventory Policy or when state property meets the criteria of a fixed asset as established and defined by the Office of Budget and Management.

B. Each Division/District is responsible for adhering to the Federal Common Rule Sec. 32 related to equipment obtained through Federal Grants.

TRAINING :

There is no training mandated for the implementation of this policy or the statutes identified as the authority for this function.

FISCAL ANALYSIS :

Implementation of this policy will not require additional resources from the Department. There is a potential for the Department to realize a decreased amount of labor and computer resources since this policy reflects a higher threshold for both fixed assets and supply inventories. The number of fixed asset items required to be tracked was reduced from approximately 115,301 to 68,873 or 40%. The change in total acquisition cost of fixed assets required to be tracked was reduced from \$507,847,604 to only \$498,079,201, a reduction of only 2%.

DEFINITIONS :

Bulletin Board Sales: A brief official notification displayed in a public area concerning the sale of excess or obsolete equipment.

Equipment: Rolling stock, office equipment, computers, cameras, garage equipment, tools, or any other item used to conduct ODOT business.

Estimated Fair Market Value: An approximate, impartial computation of the cost of an item when sold.

Excess Items: Equipment or material no longer needed anywhere in the Department because more than a

sufficient amount exists to allow the Department to operate in an efficient and effective manner.

Infrastructure: Basic facilities and installations that are immovable, owned by the State Government, and exist primarily for public use. Infrastructure includes, but is not limited to, state highways, bridges, and associated assets; land upon which state highways and right-of-ways are built; canals; roadside rest areas and associated buildings; wildlife preserves; marinas, and freestanding historical monuments. Also, land improvements within a state park such as bridle paths, sidewalks, jogging paths, golf courses, marinas, etc. are considered as infrastructure because they exist primarily for public use.

Inventory Label: A self-adhesive tag or comparable electronic medium device used to safeguard and identify inventoried tangible personal property with an agency unique, serialized asset ID number by affixing it to an asset. The asset ID number appearing on the tag may be of a non-bar code or bar code format. A traditional tag will have only an asset ID number printed on it in a human readable (non-bar code) format and must always appear the same on the inventory record. A tag using the bar code format for its asset ID number will always be accompanied with the human readable asset ID number.

Leased Fixed Assets: A lease is an agreement between two parties in which the Department makes periodic payments to another party for the right to use property for a stated period of time. The item is considered a "capital lease" and should be included in the fixed asset system if the lease meets at least one of the four criteria listed below:

- 1) Lease transfers ownership to the Department during or at the end of the lease term.
- 2) Lease contains a bargain purchase option which is a provision to buy the property at a very favorable price.
- 3) Lease term is equal to or greater than 75% of the estimated economic life of the leased property.*
- 4) Present value of the minimum lease payment equals or exceeds 90 percent of the fair market value of the leased property. Minimum lease payments generally equal the property rental payments excluding executory costs such as maintenance and insurance.*

* Not applicable if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property.

Licensed Vehicles: All state vehicles, including renovations and improvements, having a useful life of two years or more, including trailers whether self-propelled or not, that are capable of being licensed through the Bureau of Motor Vehicles, Department of Public Safety, and can be used for over-the-road transportation.

Obsolete Items: Equipment or supplies that are worn out or no longer needed because they are outdated and can no longer be used anywhere in ODOT.

Property: Assets that are owned, subject to ownership, or in effect are owned by the State of Ohio. Assets subject to ownership or in effect are owned by the State of Ohio would include items being acquired by lease purchase, where the lease purchase contract transfers ownership of the property to the Department during or at the end of the lease term. Additionally, assets that are acquired by a capital lease are included where the lease meets one of the four criteria used for determining if a lease is a capital lease.

Property Manager: The supervisor of a unit that has inventory, real or personal property, and equipment

needed to carry out the Department's mission.

Real Property: Land and whatever is erected or affixed to land, excluding infrastructure. Major classifications of real property are land, land improvements and buildings. Land improvements include, but are not limited to, landscape, sidewalks, parking lots, shelters, storm sewers, towers, storage tanks, etc. Buildings include, but are not limited to, improvements and renovations.

Rolling Stock: All ODOT owned, rented or leased equipment used in the maintenance and construction of state highways or to support these operations. This includes licensed and un-licensed equipment.

Security Label: A self-adhesive tag not having a serialized asset ID number and is affixed to tangible personal property. Its purpose is to safeguard and identify non-inventoried tangible personal property as assets.

Sensitive Property: Tangible personal property that is highly popular and vulnerable to theft. This includes but is not limited to internal components. See Appendix 1.

Supplies: Items consumed or expended when used in the operation of state activities, or acquired for resale, or have a useful life of less than two years.

Tangible Personal Property: All property that has a real existence (physical) and a useful life of two years or more, excluding real property and intangible personal property, such as software and copyrights. Tangible personal property includes, but is not limited to, equipment, machinery, tools, furniture, office furniture and non-licensed vehicles including renovations and improvements. Tangible personal property is considered real property (building fixtures) when permanently attached and made part of a building in such a way that removal alters the intended use of the facility or site. Thus, it becomes subject to the real property inventory reporting threshold.

DEPARTMENT OF TRANSPORTATION SENSITIVITY LIST

Each District or Division is required to inventory the sensitive property included on this list. The list should not to be considered as all inclusive but is intended to be used as a guide. There may be other items in the general classifications not listed which are subject to the \$100 sensitivity threshold.

AUDIO VISUAL EQUIPMENT (Ex: televisions, VCRs ,overhead projectors / camcorders, cameras)

COMMUNICATION EQUIPMENT (Ex: mobile radio/walkie-talkie/scanners, cellular phones)

GARAGE TOOLS (Ex: photo volt meters, battery chargers/testers, jack(10/12 ton), welding torch sets, tool boxes, dolly, step ladders, pressure washers)

HAND TOOLS (Ex: drills, sanders, grinders, circular saws, chain saws, trimmers)

MISCELLANEOUS OFFICE EQUIPMENT (Ex: microwaves, refrigerators, air conditioners)

OFFICE EQUIPMENT (Ex: calculators, typewriters, electric staplers, digital telephones)

OFFICE MACHINES (Ex: computers(laptop/ desktop), printers-computer connected/pc related, facsimile machines)

SURVEY EQUIPMENT (Ex: roll-a-tape, binoculars)

Approved:



Jolene M. Molitoris
Director

Policy: 18-011(P)
Effective Date: 5/1/2010
Responsible Division: Finance &
Forecasting
Supersedes Policy: 210-001(P)
Dated: July 1, 1998

OHIO DEPARTMENT OF TRANSPORTATION INVENTORY POLICY

POLICY STATEMENT:

It is ODOT's policy to maintain inventories at the lowest possible level without impeding the efficient operations of ODOT functions. All employees are involved in inventory management to the extent they must remember that ODOT property is public property entrusted to the department for legitimate and prudent use. Property is to be purchased and used in the most efficient and economical ways possible. Employees involved in inventory transactions must adhere to inventory procedures and guidelines. Employees must complete inventory forms and systematic computer entries accurately and thoroughly.

This policy pertains to the receipt, tracking and disposal of all ODOT-owned property and material classified as Consumable Inventory, Personal Property, Real Property (non-infrastructure assets) and Fleet Equipment.

It is ODOT's policy to ensure inventory duties are properly segregated to prohibit the same employee who authorized a purchase of property or material from verifying delivery of the product and adding it to inventory.

AUTHORITY:

Ohio Revised Code (O.R.C.) section 125.13 "Disposal of Excess and Surplus Supplies".

O.R.C. section 125.16 "Inventory Records of State Tangible Personal Property and Real Property".

O.R.C. section 5513.04 "Disposition of Property Unfit For Use or Not Needed By The Department".

O.R.C. section 2913.02 "Theft".

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 2 of 11

Federal Common Rule Authority – 49 Code of Federal Regulations section 18.32 “Disposal of Titled Equipment Purchased with Federal Funds”.

State of Ohio Office of Information Technology Policy ITP-E.1 “Disposal, Servicing and Transfer of IT Equipment”.

REFERENCES:

State of Ohio Office of Budget Management (OBM) “Financial and Reporting Policies for Capital Assets Other Than Highway and Bridge – Related Infrastructure”.

State of Ohio Department of Administrative Services (DAS), General Services Division (GSD) “State of Ohio Property Asset Management Policies and Procedures”.

DAS – General Services Division’s Sensitive Item Listing.

ODOT Office of Equipment Management Procedures for the Equipment Management System (EMS).

ODOT Personal Property and Consumable Stock Online Auction Procedures.

ODOT Department of Information Technology (DoIT):

Asset Management Procedures;

Electronic Personal Information Security Breach Notification Standard Procedure.

ODOT Real Estate Policies and Procedures Manual, Section 7000 Series: Property Management Activities.

SCOPE:

This policy applies to all Consumable Inventory, Personal Property, Real Property (non-infrastructure assets) and Fleet Equipment property and material owned by ODOT. Primary responsibility for adherence rests with Districts, Divisions, and Offices of ODOT. Day-to-day responsibility for adherence to this policy rests with the Property Manager. The policies also apply to any grantees who acquire equipment, vehicles, furniture or materials through Federal grants from ODOT.

The items set forth in this policy are minimum requirements. Nothing in this document prohibits additional requirements being imposed should the Deputy Director deem it necessary.

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 3 of 11

TRAINING:

Training for this policy will be conducted on an as-needed basis.

FISCAL IMPACT:

ODOT's financial investment in its inventory is substantial. Over the past four fiscal years (2006-2009) ODOT has reported the following inventory value averages for each category:

Consumable Inventory --	\$ 34 Million
Personal Property --	\$ 71 Million
Real Property--	\$ 383 Million
Fleet Equipment--	\$ 301 Million

Adherence to this policy will improve asset tracking and accountability, as well as aid in reducing the funds used to make unnecessary purchases.

PROTOCOLS:

- I. Property found on the highway must be secured and retained by the location for 60 calendar days and a reasonable attempt at locating the owner must be attempted; if after 60 days the property has not been legitimately claimed then ODOT becomes the owner, and the property must either be entered into inventory or disposed of in accordance with ODOT policies and procedures.
- II. Cash found on the highway must be secured and retained by the location for 60 calendar days and a reasonable attempt at locating the owner must be attempted; if after 60 days the property has not been legitimately claimed then the location must contact Central Office of Accounting to deposit the funds into the General Revenue Fund.
- III. When illegal activity and/or wrongdoing by a state employee is suspected, the Department must adhere to the Office of Governor's *Procedures for Notification of Employee Wrongdoing and/or Suspected Illegal Activity.***
- IV. When theft of an ODOT-owned asset is suspected, the Ohio State Highway Patrol must be notified.**
 - A. Additionally, when theft is suspected, the ODOT Office of Investigative Services must be contacted.

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 4 of 11

V. Consumable Inventory

- A. Consumable Inventory is property that will be depleted or expended through the task of making or maintaining vehicles, facilities, roads or bridges.
1. All materials that have been purchased for use in operations, regardless of cost, must be received and tracked via the Equipment Management System (EMS).
 2. All materials must be recorded using an ODOT State Stock Number.
 3. Labor services and rental for Fleet Equipment using non-ODOT personnel must be recorded via EMS.
 4. All stock items must be charged out of EMS in accordance with Office of Equipment Management Procedures at the time of usage unless it is an Overhead Item.
 5. Overhead Items are those for which the life or value is not consumed by one specific repair or activity.
- B. *Each District and Central Office location must perform an annual inventory certification deeming their EMS inventory listing as accurate.*
- C. Each location with an EMS inventory must perform a monthly spot check of a minimum 10% of their inventory.
- D. Modes of Disposal for surplus Consumable Inventory.
1. *Property unfit for use or not needed by the Department should be sold or transferred to other state agencies or political subdivisions. In the event property unfit or no longer needed is not sold or transferred to a political subdivision, it should be sold via on-line auction—ODOT employees and their immediate family members are prohibited from participating in ODOT on-line auctions. Once these means of disposal have been exhausted, the asset can be forwarded to the Department of Administrative Services (DAS) State Surplus—ODOT employees are permitted to bid on property contained in the DAS State Surplus auctions.*
 2. **Interdepartmental Transfer**—*Any surplus materials may be transferred to another District or Division of ODOT.*
 3. **Exchange / Trade-In**—*Should a vendor offer an exchange or trade-in allowance for the surplus material(s) and the allowance presents a cost*

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 5 of 11

benefit to the Department, the District / Division is encouraged to pursue this disposal method.

4. **Intrastate Sale**—*If no other District or Division of ODOT expresses a need for the material, ODOT shall offer the item for sale to other State of Ohio Agencies.*
 5. **Sale to Political Subdivisions (municipalities)**—*Should no other State of Ohio agency purchase the material, then the item must be offered for sale to other political subdivisions.*
 6. **Public Sale**—*Should no other State Agency or Political Subdivision purchase the material, it is then offered to the general public via an auction.*
 7. **DAS State Surplus**—*Should the previous modes prove unsuccessful or impractical, Districts or Divisions may forward surplus assets to DAS State Surplus for disposal.*
 8. **On -Site Destruction**—*Failing all other modes, the material must be rendered useless, destroyed and placed in a proper rubbish receptacle.*
 9. Once the item is removed, either by a buyer or by destruction, the asset must be removed from the appropriate inventory system.
- E. District Finance Offices must perform unannounced Quarterly Spot Checks of all EMS inventory locations—the District must ensure that all locations are checked in this manner each Fiscal Year.

VI. Personal Property

- A. Personal Property are items captured in the Fixed Assets Reporting System (FARS) and are items that will not be depleted by use in creating or maintaining other assets. Instead of depleting, Personal Property items are replaced when they become broken, worn or outmoded.
1. **Items with a value greater than \$100 at the time of acquisition must be entered into FARS—with the following exceptions:**
 - a. **Software costing \$100,000 or more is required to be entered into FARS.**
 - b. **All items on the Department of Administrative Services – General Service Division’s Sensitivity Listing are required to entered into FARS regardless of acquisition cost.**

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 6 of 11

- c. **Office Furniture costing less than \$1,000 is not required to be entered into FARS.**
 - d. **Assets with associated component parts (e.g. network servers) in which the component parts cannot function independently of the primary asset must be entered into FARS as one asset with an acquisition cost equal to the sum of the cost of the primary asset and the costs of all component parts.**
 - e. **Lease equipment where the lease agreement does not require transfer of ownership to ODOT is not required to be entered into FARS.**
2. **All property entered into FARS must be assigned a unique asset number which is designated by the asset tag and must be affixed with the asset tag or the asset number may be affixed utilizing an approved alternate method.**
 3. **All additions into FARS must be completed within 14 calendar days (including weekends and holidays) of physical receipt of the item with accurate information at the time of the addition (furthermore, these fields must be maintained through the life of the asset).**
 4. **All transfers performed in FARS must be completed, including proper approval, within 14 calendar days (including weekends and holidays) of the physical move of the item.**
 5. **All removals performed in FARS must be completed, including appropriate approval, within 14 calendar days (including weekends and holidays) of the physical removal of the item—the proper Removal Code must be used.**

B. Modes of Disposal for surplus Personal Property.

1. *Property unfit for use or not needed by the Department should be sold or transferred to other state agencies or political subdivisions. In the event property unfit or no longer needed is not sold or transferred to a political subdivision, it should be sold via on-line auction—ODOT employees and their immediate family members are prohibited from participating in ODOT on-line auctions. Once these means of disposal have been exhausted, the asset can be forwarded to the Department of Administrative Services (DAS) State Surplus—ODOT employees are permitted to bid on property contained in the DAS State Surplus auctions.*
2. **Interdepartmental Transfer**—Any surplus asset may be transferred to another District or Division of ODOT.

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 7 of 11

3. **Exchange / Trade-In**—*Should a vendor offer an exchange or trade-in allowance for the surplus asset(s) and the allowance presents a cost benefit to the Department, the District / Division is encouraged to pursue this disposal method.*
4. **Intrastate Sale**—*If no other District or Division of ODOT expresses a need for the asset, ODOT shall offer the item for sale to other State of Ohio Agencies.*
5. **Sale to Political Subdivisions (municipalities)**—*Should no other State of Ohio agency purchase the asset, then the item must be offered for sale to other political subdivisions.*
6. **Public Sale**—*Should no State Agency or Political Subdivision purchase the asset, it is then offered to the general public via an auction.*
7. **DAS State Surplus**—*Should the previous modes prove unsuccessful or impractical, Districts or Divisions may forward surplus assets to DAS State Surplus for disposal.*
8. **On-Site Destruction**—*Failing all other modes, the material must be rendered useless, destroyed and placed in a proper rubbish receptacle.*
9. Disposal of surplus Information Technology Equipment.
 - a. Special Consideration is given to IT assets due to the sensitive data contained upon these items and the risk associated with that data.
 - b. In all instances, the ODOT Division of Information Technology (DoIT) must be contacted for guidance regarding the disposal of Information Technology Equipment.
10. Disposal of surplus Cellular Technology Equipment.
 - a. Special Consideration is given to cellular assets due to the sensitive data (ODOT phone numbers) contained upon these items and the risk associated with that data.
 - b. All cellular assets are to be deposited into the Information Technology disposal box.
11. Once the item is removed, either by a buyer or by destruction, the asset must be removed from the appropriate inventory system.

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 8 of 11

- C. *Each District and Central Office location must perform an annual physical inventory deeming their system generated Personal Property inventory as accurate.*

VII. Real Property

- A. Real Property in this policy refers to non-infrastructure assets.

1. Land and Land Improvements.

- a. Land is a parcel of property owned by ODOT or an easement upon which ODOT erects, affixes or buries an asset.
- b. Land Improvements are improvements not attached to, mounted on or in a building—such as storage tanks, fencing and waterline extensions.

2. Building and Building Improvements.

- a. Buildings are permanent structures with a foundation, a roof and enclosed at least partially with walls.
- b. Building Improvements are improvements or renovations made to a structure—such as HVAC upgrades, new roofing or interior construction.

3. **All Land regardless of acquisition cost or donated value must be entered into FARS.**

4. **Land Improvements with an acquisition cost or donated value of more than \$15,000 must be entered into FARS.**

5. All above ground and underground storage tanks must be entered and tracked via FARS regardless of cost.

- a. Tanks that compose a part of an overall system (e.g. brine systems) are not required to be tracked in FARS as a separate asset, but the costs and capacities of all components must be summed and entered into the appropriate fields under the overall system's asset number.

6. **All buildings regardless of acquisition cost or donated value must be entered into FARS.**

7. **Building Improvements with an acquisition cost or donated value of more than \$100,000 must be entered into FARS.**

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 9 of 11

8. All Real Property in FARS must be assigned a 12 character inventory number utilizing a predetermined formula and must have a sign containing the asset number affixed to it.
 9. All Land and Building inventory transaction requests are performed by Central Office Cost Accounting based upon a District / Division submitting the Form CL 177 "Land and Building Inventory Control Sheet".
 10. All Land Improvement and Building Improvement transaction requests are generated at the behest of Central Office Cost Accounting who monitors the projects in the Appropriation Accounting (AA) System.
 11. **Construction in Progress (CIP)—all expenditures for projects resulting in capitalized real property assets must be entered, tracked and reclassified upon completion.**
 - a. ODOT utilizes a module within the AA system to enter and monitor expenditures for capitalized Real Property.
 - b. Central Office Accounting is responsible for entering projects into CIP as well as for ensuring the information is accurate and appropriate.
 - c. The Districts / Divisions are responsible for the accuracy of their requisitions and for the appropriateness of utilizing 4MA7 (Land & Building capital) funds for the project.
- B. Disposal of surplus Real Property.
1. Prior to beginning any disposal process or entering into discussions with potential bidders or purchasers, the District Real Estate Administrator / Engineer (DREA) must be contacted.
 2. Once the District or Division determines a property to be excess and is eligible for disposal, a *Real Estate Purchase and / or Disposal Form* from the Division of Facilities & Equipment Management must be completed. The form must then be forwarded to the Division of Facilities & Equipment Management Deputy Director for review and consideration. No action may be taken until the Deputy Director for the Division of Facilities & Equipment Management provides written approval for the disposal.
 3. *The Director of ODOT has the discretion to sell or transfer surplus structures to other State Agencies, Counties, Municipal Corporations, School District or other Political Subdivisions of the State without advertising for bids and upon mutually agreed upon terms.*

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 10 of 11

4. *The Director of ODOT may transfer surplus structures to a nonprofit corporation once provided a copy of the contract between the nonprofit corporation and a County, Municipal Corporation or other Political Subdivision of the State to which the structure is being moved.*
- C. *Each District and Central Office must perform a biennium physical inventory and certification of its Real Property assets—these certifications are conducted in odd-numbered fiscal years.*

VIII. Fleet Equipment

- A. Fleet Equipment is ODOT owned motorized and non-motorized equipment primarily used to provide function and support to highway maintenance and construction operations. This includes licensed and unlicensed equipment. Additionally, equipment attachments are included in this inventory category. All Fleet Equipment is tracked in the Equipment Management System (EMS) from the time it is received until the item is disposed.
- B. **All purchased Fleet Equipment, regardless of cost, must be received into EMS at the actual purchase price.**
- C. Donated Fleet Equipment shall be received into EMS at the fair market value (FMV).
- D. Rental / Leased equipment (not ODOT owned equipment) is not received into EMS; however, any consumable inventory (e.g. fuel, stock material) and labor used to service the equipment must be recorded accurately in EMS.
- E. Upon receipt into EMS, all Fleet Equipment is assigned a seven digit asset number, model code and equipment type.
- F. The equipment asset number must be clearly displayed on the piece of Fleet Equipment, and all standards for proper vehicle marking as well as identification must be met.
- G. Once Fleet Equipment is received into EMS, it is the responsibility of the District to assure all equipment usage (fuel, work orders, transfers, labor and disposal) is recorded accurately.
- H. Disposal of surplus Fleet Equipment.
 1. Once a District or Division determines an asset is no longer useful to the Department, it becomes surplus inventory. This determination shall be made by the District Equipment Committee, with the final determination being made by Central Office of Equipment Management (OEM).

Policy No. 18-011(P)
Effective Date: 5/1/2010
Page 11 of 11

2. **Interdepartmental Transfers**—*ODOT shall transfer excess equipment to other Districts within the Department as needed.*
 3. **Intrastate Sale**—*ODOT shall offer the item(s) for sale to other State of Ohio Agencies.*
 4. **Disposal by Salvage**—*If the equipment has a higher scrap value than resale value or the parts / components of the equipment can be better used for the repair or maintenance of like equipment this procedure can be considered.*
 5. **Sale to Political Subdivisions (municipalities)**—*Should the previous modes prove unsuccessful or be deemed cost prohibitive, then the item must be offered for sale to other political subdivisions via the online auction.*
 6. **Public Sale**—*Should no other State Agency or Political Subdivision purchase the material, it is then offered to the general public via an online auction—ODOT employees and their immediate family members are prohibited from participating in the ODOT online auction.*
 7. **Disposed by Trade-In**—*When it is found to be economical for ODOT to trade-in fleet equipment for a newer, updated like piece of equipment the trade-in must be disposed in the Equipment Management System (EMS) at the time of the trade-in.*
 8. Once the item is removed, either by a buyer or by destruction, the asset must be removed from the appropriate inventory system.
- I. *Each District and Central Office location must perform an annual physical inventory deeming their EMS Fleet Equipment Listing as accurate.*