



# **OKLAHOMA DEPARTMENT OF CENTRAL SERVICES**

## **STATE INVENTORY**

### **ADMINISTRATIVE RULES OAC 580:70**

**Effective May 12, 2011**

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## **TITLE 580. DEPARTMENT OF CENTRAL SERVICES**

### **CHAPTER 70. STATE INVENTORY**

#### **SUBCHAPTER 1. GENERAL PROVISIONS**

##### **Section**

<b>580:70-1-1.</b>	<b>Purpose</b>
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##### **580:70-1-1. Purpose**

This Chapter establishes procedures and standards and provides information for the administration of inventories of tangible assets owned by state boards, commissions, institutions, agencies and the institutions comprising The Oklahoma State System of Higher Education and the University Hospitals Authority as authorized pursuant to the provisions of 74 O.S., Section 110.1 and the Administrative Procedures Act.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

##### **580:70-1-2. Definitions**

The following words or terms, when used in this Chapter, shall have the following meaning unless the context clearly indicates otherwise:

**"Agency"** means a state board, commission, institution, agency, or an institution comprising the Oklahoma State System of Higher Education and the University Hospitals Authority.

**"Agency inventory control officer"** means a person an agency appointing authority designates to provide tangible asset information to the Department.

**"Chief administrative officer"** means the individual responsible for directing the administration of a state agency. The term does not mean other individuals that make policy for a state agency.

**"Computer application"** or **"application"** means a system that allows electronic data entry, storage and transfer from one computer or system to another.

**"Department"** means the Department of Central Services.

**"Director"** means the Director of Central Services.

**"Form"** means a document the Director prescribes and requires agencies to use to provide inventory information to the Department.

**"Historical significance"** means a tangible asset that has enhanced value due to its relation to past events or circumstances.

**"Inventory"** means a detailed list of tangible assets.

**"Inventory tag"** or **"tag"** means a form of unique identification an agency applies to a tangible asset.

**"State inventory control officer"** means a person the Director designates to receive agency tangible asset information.

**"Surplus property"** means a tangible asset an agency intends to dispose of pursuant to applicable provisions of law.

**"Tangible assets"** mean machinery, implements, tools, furniture, livestock, vehicles and other apparatus that an agency may use repeatedly without material impairment of its

physical condition and have a calculable period of service and a value exceeding the reporting threshold the Director of Central Services establishes for the entity. [74 O.S., Section 110.1(D)]

**"Threshold"** means the dollar amount specified by the Director as the value of tangible assets required to be reported by an agency.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03; Amended at 23 Ok Reg 3037, eff 7-13-06.]

### **580:70-1-3. Threshold determination**

(a) **General threshold.** The Director shall specify the required tangible asset reporting threshold for state agencies by written notice.

(1) The reporting threshold specified by the Director shall not exceed the threshold established by 74 O.S. §110.1.

(2) The reporting threshold specified by the Director shall not apply to information technology, communication and telecommunication items, which may have a lower reporting threshold established by statute or the Office of State Finance, Information Services Division. [Reference 62 O.S. §34.12]

(b) **Specified threshold for an individual agency.** The Director may determine to reduce or increase the reporting threshold for an individual agency in accordance with this section and section 580:70-3-6. The reporting threshold specified for an individual agency shall be greater than \$100.00 but not to exceed the amount authorized by 74 O.S., Section 110.1.

(c) **Threshold considerations.** Prior to specifying an individual reporting threshold for an agency, the Director shall consider:

- (1) the capabilities of the agency to provide an inventory of tangible assets to the Department;
- (2) inventory accuracy;
- (3) failure to meet reporting requirements of this Chapter; or,
- (4) any other factors identified by the Department that indicate the agency's inventory report is unreliable.

(d) **Review of specified threshold.** No less than six (6) months after the reduction of its threshold, the agency chief administrative officer may submit a written request to the Director requesting reinstatement of its reporting threshold. The Director shall consider information the agency provides and the agency's inventory reporting capabilities to determine if the agency merits reinstatement of its reporting threshold. The Director shall provide written notice of the final decision pursuant to (e) of this section.

(e) **Notice of reporting threshold.** The Director shall provide an agency with written notice of the tangible asset reporting threshold specified pursuant to this section which states the amount and determination for the change.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03; Amended at 28 Ok Reg 663, eff 05-12-11; ]

### **580:70-1-4. Agency inventory control officer**

(a) **Inventory control officer.** Each agency subject to this chapter shall appoint at least one (1) agency inventory control officer.

(1) The name, address and telephone number of the individual designated pursuant to this subsection shall be submitted in writing to the Department by January 15.

(2) Written notification of any changes to information relating to the agency inventory control officer must be submitted to the Department within thirty (30) days of the change.

(b) **Internal inventory procedures.** To ensure accuracy of state inventory records, an agency shall develop internal procedures for reporting and maintaining information related to the acquisition, reallocation, relocation and disposition of tangible assets to an agency inventory control officer.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

### SUBCHAPTER 3. TANGIBLE ASSETS REPORTING

#### Section

<b>580:70-3-1.</b>	<b>Inventory report</b>
<b>580:70-3-2.</b>	<b>Additional asset reporting identification elements</b>
<b>580:70-3-3.</b>	<b>Missing, stolen and destroyed tangible assets</b>
<b>580:70-3-4.</b>	<b>Agency inventory submission to the Department</b>
<b>580:70-3-5.</b>	<b>Department review of agency inventory report submissions</b>
<b>580:70-3-6.</b>	<b>Director action in the event of agency noncompliance</b>

#### **580:70-3-1. Inventory report**

(a) **Report due date.** All agencies must submit an annual report of current inventory of tangible assets owned by the agency as of June 30 of the preceding fiscal year to the Department by August 15. The report shall include all tangible assets based upon the threshold stated in 580:70-1-3(a).

(1) An agency may submit a written request, signed by the chief administrative officer, for extension of the August 15 submission deadline.

(2) The request shall state a reason for the extension and be submitted no later than August 1.

(3) Within ten (10) calendar days of receipt, the Department shall review the request and provide the agency with written notification of its approval or disapproval.

(b) **Report formats.** The Director shall specify tangible asset identification data elements an agency inventory report shall contain and the forms and computer applications the Director shall accept for the agency to report the inventory information. The Director may specify data elements applicable to a tangible asset type.

(c) **Inventory report contents.** The inventory report shall be signed by the agency inventory control officer and shall include for each tangible asset:

- (1) the agency number;
- (2) the asset tag number;
- (3) the model and serial number, if any;
- (4) the manufacturer;
- (5) the description;
- (6) product name;
- (7) physical location;
- (8) acquisition date and cost;

(9) any other information which may be requested by the Department to ensure the integrity of state inventory records.

(d) **Supporting documents.** An agency shall maintain supporting documents to identify tangible assets. Document types include acquisition, digital photographs or images and other documents that may provide pertinent tangible assets identification information.

(e) **Report forms.** An agency shall submit inventory reports on forms prescribed by the Director. The Department will provide forms upon request.

(f) **Electronic report submission.** The Director may accept electronic inventory submission. The state inventory control officer shall advise an agency of computer applications the Department may accept.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03; Amended at 23 Ok Reg 3037.]

### **580:70-3-2. Additional asset reporting identification elements**

Whenever a tangible asset named in this section is reported by an agency, the asset shall be specifically identified by type in the inventory report required by 580:70-3-1(a):

- (1) tangible assets with historical significance;
- (2) livestock assets by breed, gender and approximate value;
- (3) assets on loan to another agency; a copy of the written instrument documenting the loan shall be submitted with the annual inventory report;
- (4) assets that have been traded in by the agency;
- (5) assets the agency is unable to affix an inventory tag to;
- (6) assets that have been disposed of in accordance with the state surplus property program;
- (7) assets that reach the end of its useful life.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

### **580:70-3-3. Missing, stolen and destroyed tangible assets**

(a) **Asset loss reports.** An agency shall report a loss to the state inventory control officer within thirty (30) days of discovery that a tangible asset is missing, stolen or destroyed by vandalism.

(b) **Asset loss documentation.** A report of missing, stolen or destroyed tangible assets shall be accompanied by:

- (1) A copy of the notice reporting the loss submitted to the insuring entity; and,
- (2) A copy of a report from a law enforcement agency made by the agency to report the loss, theft or vandalism.

(c) **Director notification of loss.** The state inventory control officer shall compile a list and report all missing tangible assets to the Director.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

### **580:70-3-4. Agency inventory submission to the Department**

(a) **Electronic report submission.** An agency inventory control officer shall request prior approval of submission of inventory data via a computer application from the state inventory control officer and specify the computer application.

(b) **Acceptance of electronic inventory reports.** Upon receipt of a request pursuant to (a) of this section, the state inventory control officer shall provide written authorization to an agency to indicate the Department will accept an inventory report via the computer application identified in such request or advise the agency of alternate computer applications the Department is able to accommodate.

(c) **Rejection of electronic inventory reports.** Electronic versions of inventory reports submitted without the written authorization provided by this section will be rejected by the state inventory control officer.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

#### **580:70-3-5. Department review of agency inventory report submissions**

(a) **Inventory report review.** Upon receipt of an agency inventory report the state inventory control officer shall review an inventory submission and identify tangible assets that contain incorrect or irreconcilable data elements.

(b) **Report errors and additional information.** The state inventory control officer shall send written request for information to the agency appointing authority of all tangible assets with errors or irreconcilable data elements.

(c) **Agency response.** An agency shall review the state inventory control officer findings and, within thirty (30) days:

(1) shall provide written evidence of error reconciliation to the state inventory control officer; or,

(2) if unable to reconcile an error, shall provide written notice of such facts to the state inventory control officer.

(d) **Director notification of insufficient report or response.** The state inventory control officer shall submit written notice to the Director if an agency is unable to provide evidence in response to a reconciliation request or fails to respond to a reconciliation request. The notice shall include previous tangible asset data elements, a description of irreconcilable elements, the agency written notice and the agency response, if available.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

#### **580:70-3-6. Director action in the event of agency noncompliance**

Upon receipt of written notice that an agency is missing tangible assets, irreconcilable data elements or has failed to respond to a request by the state inventory control officer, the Director shall determine a course of action.

(1) The Director declares the asset reporting of the agency unreliable and sends written notice of a reduction in the reporting threshold to the agency appointing authority with an explanation of the declaration; or,

(2) The Director shall provide a written report of the known facts regarding missing tangible assets, irreconcilable data elements or the agency's failure to respond to a law enforcement agency with jurisdiction for the agency.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

## SUBCHAPTER 5. TANGIBLE ASSETS MANAGEMENT

### Section

**580:70-5-1. Tangible asset identification**

**580:70-5-2. Insurance**

### **580:70-5-1. Tangible asset identification**

(a) **Inventory tags.** An agency shall affix a unique identifier as an inventory tag to all tangible assets.

(b) **Inventory tag location.** The inventory tag shall be affixed in a location to ensure accessibility by an inventory control officer.

(1) An agency shall affix inventory tags in a similar fashion and location on tangible assets similar in nature and use.

(2) An agency shall place inventory tags for tangible assets that do not have an affixed tag in a central location readily accessible to inventory control officers.

(3) If an agency affixes an inventory tag in an inconspicuous location on a tangible asset, the agency shall indicate the location on an inventory list.

(c) **Inventory tag material.** Inventory tags shall be a durable material designed to withstand physical elements the tag may endure.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]

### **580:70-5-2. Insurance**

The Director shall ensure that the agency inventory reports are accessible by the Risk Management Division of the Department. An agency that acquires insurance from the Risk Management Division of the Department for tangible assets and consumable supplies may use inventory data to identify assets and supplies as reportable losses.

[Source: Added at 20 Ok Reg 554, eff 1-3-03 (emergency); Added at 20 Ok Reg 2556, eff 7-11-03]