



State Auditor of Alabama

THE STATE CAPITOL

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Policy Statement

406-A

TO: All State Department Heads, Agency Directors,
Boards, Bureaus, Units or Subdivisions

SUBJECT: State-Owned Property Located in Rental Units

EFFECTIVE DATE: May 1, 2023

Policy Statement 406-A

It is the responsibility of the State Auditor's Office to account for state-owned non-consumable personal property. This responsibility includes insuring proper controls exist to protect property from premature disposal under the Code of Alabama §36-16-8.

This policy statement is provided to assist agencies that have furniture, appliances, equipment, and furnishings inside lodge rooms, cabins, or other rental units as well as staff housing located at State Parks throughout the State of Alabama, including, but not limited to, those under the Alabama Department of Conservation and Natural Resources, and State Historic Parks.

When units are rented, it is not the intent of the State Auditor's Office to enter into a hotel/lodge room, cabin, or staff housing when the unit is rented or occupied which is an invasion of privacy to the individual renting the unit. This also applies to staff housing located on-site. By overlooking rented units/rooms and staff housing, it creates a lot of clean-up on the back end of a property audit. Agency personnel/auditors must enter the units/rooms to verify property is located where it is notated in the inventory control system. Typically, when items in rental units or staff housing is replaced, it is due to wear and tear or damage and needs to be scrapped on site since it has no residual or resale value. We also do not want to put any staff of the State Auditor's Office in a position of being falsely accused of taking personal belongings of individuals renting the units/rooms or in on-site staff housing units.

Assets located in these units will not need asset/property numbers assigned to them based on Object/Sub-Object code of 1429-Equipment for Rental Property per the Comptroller's Office. However, assets will still need to be insured through Risk Management for contents included inside the rental units/rooms. This information can be maintained in a separate system for insurance purposes.

Discussion

The purpose of this policy is to promote consistency within various state departments, agencies, boards, commissions, bureaus, units, or subdivisions of state government in the voluntary repurposing and/or the proper disposal of state-owned personal property.

J. Andrew Sorrell

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State Auditor

4-18-23

Date