



State Auditor of Alabama

THE STATE CAPITOL

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Policy Statement 405-A

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

FROM: Jim Zeigler
State Auditor

SUBJECT: External Org VS. Destroyed Disposals

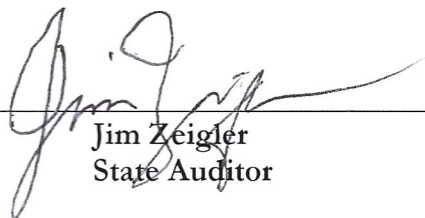
EFFECTIVE DATE: October 1, 2018 – RETROACTIVE

Policy Statement 405-A

It is the responsibility of the State Auditor's Office to account for personal property and report losses to the State periodically. This responsibility includes maintaining a correct and timely inventory listing of all property, and insuring proper controls exist to protect property from incorrect disposals, and to aid in collecting for items erroneously or unethically disposed of under the Code of Alabama §36-16-8. All personal state-owned property should be clearly marked as such and reported to the State Auditor's Office via AssetWorks asset management database. In an effort to maintain consistency and accuracy in reporting of losses, there has been discussion regarding the method in reporting items that are destroyed when the agency files an insurance claim and is reimbursed for the loss. Should the method be External Org or Destroyed? After reviewing the Annual Losses Report for 2018, it is my determination that when a vehicle is involved in an accident and the insurance company deems the vehicle to be totaled, they normally take title and possession of the vehicle. These type losses should be done with the disposal method of External Org instead of the method of Destroyed. The same procedure would be done for other assets that are a total loss because of accidents, fires, or other incidents *when the employee is not at fault and a claim is filed for insurance reimbursement*. All supporting documentation, including insurance documentation, must be submitted with the SD1 to the State Auditor's Office for processing.

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 disposition of state-owned personal property.



Jim Zeigler
State Auditor

11/16/2019
Date