

MEMORANDUM

To: All Property Managers
From: State Auditor's Office
Date: May 8, 2026
Subject: Property Inventory Manual

The purpose of this manual is to provide each agency property manager with an up-to-date property management guide that incorporates procedures published by the State Auditor's Office, Department of Finance, Office of Information Technology, and ADECA Surplus Property.

We are providing this manual and training to improve our methods of safeguarding and accounting for all state property valued at \$500 and above, plus items deemed sensitive in nature regardless of cost. Property Managers play a vital role in the accountability of State assets. However, it is a team effort on the part of every public employee to be responsible for the assets assigned and entrusted to them. Property management can be very challenging and daunting at times, but very rewarding.

Your opinions and suggestions for improving these procedures are important to us, and we welcome your feedback. Feel free to contact the State Auditor's Office, Property Inventory Division for additional information or assistance. Training materials, forms, and additional resources are available on our website – www.auditor.alabama.gov/resources. We are here to serve you any way we can.

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I. Authority

- A. The Property Inventory Control Division, hereafter referred to as the Property Division, of the State Auditor's Office. It was created by Act 610.1969 Regular Session of the Alabama Legislature as codified in the **Code of Alabama 1975**, Section 36-16-7. Hereafter, the Code of Alabama will be referenced by the symbol § and the appropriate paragraph/section number.
- B. The Director of the Property Division is vested by §36-16-10 with authority to carry out the provisions of §36-16-8 through §36-16-11.
- C. Some property is exempt from control per §36-16-11. Property exempt from the provisions of §36-16-8 through 36-16-11 includes:
 1. All livestock, animals, farm and agricultural products, and all property owned, or used by, or under the control of all public schools, universities, colleges, and technical/trade schools; Alabama Institute for the Deaf and Blind; State Library Service.
 2. All fire control or rescue equipment acquired by the Alabama Forestry Commission from sources other than state agencies which are designated for donation to volunteer fire departments pursuant to §9-3-19
 3. Any hospital operated by the Alabama Department of Mental Health.
 4. All Property of the Alabama State Port Authority.
- D. The following Agencies are exempt from the provisions of §36-16-8 through §36-16-10 as it applies to the use of Alabama Department of Economic and Community Affairs (ADECA), State Surplus division for disposing of equipment:
 1. Department of Transportation §23-1-64
 2. Alabama State Port Authority §41-16-123
 3. Retirement Systems of Alabama §36-27-3
 4. Alabama Law Enforcement Agency §32-2-83
 5. Alabama Space Science Exhibit Commission/Alabama Space and Rocket Center §41-16-123
 6. Tennessee Valley Exhibit Commission §41-9-806 (no longer in existence)
 7. Timber at State Parks under the jurisdiction of the Department of Conservation and Natural Resources that is necessary to remove because of disease, fire, storm damage, safety, maintenance, or construction purposes §41-16-123
 8. Alabama Forestry Commission §9-3-22

II. Definitions

- A. **AGENCY:** (As used in this manual) refers to every Department, Board, Bureau, Commission, Administrative Office of Courts, and separate Divisions and offices of the State of Alabama.
- B. **EQUIPMENT:** As an asset, equipment must meet the following criteria:
 - 1. Be visible/tangible – not installed in another piece of equipment.
 - 2. Be non-consumable.
 - 3. Have a minimum life expectancy of at least one year.
 - 4. Cost \$500.00 or above.
 - 5. All weapons, regardless of cost.
 - 6. All computers, laptops, servers, notebooks, netbooks, iPads, external hard drives (anything with memory except flash drives), regardless of cost, are now considered sensitive items.
 - 7. Other items deemed sensitive or important enough at a future date by the Property Inventory Control Division.
- C. **NON-CONSUMABLE:**
 - 1. Everything that is subject to ownership and not coming under the dominion of real estate.
 - 2. Anything that is not attached to the land or buildings thereon. May be “tangible, having physical existence”, or “intangible, having no physical existence”, such as patents, inventions, and copyrights.
- D. **PROPERTY:** Encompasses **all** furniture, equipment, vehicles, and weapons except portable workstations/cubicles.
- E. **FIXTURE:** Items that have changed from personal to real property upon being permanently attached to a building. Examples: water heaters, ceiling fans, security systems, water fountains, HVAC systems, etc.
- F. **PROPERTY DIVISION:** Property Inventory Control Division of the State Auditor’s Office.
- G. **LOCATION:** When possible, the description of the location shall consist of County, Building, Room Number, or Section and person responsible.
- H. **INACTIVE:** Items that have the status changed from active to inactive upon receipt of a Form SD1.
- I. **SCRAP ON SITE:** Items that have no residual value left to the State. Must have approval of Surplus Property and State Auditor’s Office.
- J. **SALE AS-IS WHERE-IS:** Items that are sold at Auction through Surplus Property at current location. There must be a contact person and phone number of an employee at the location of the property for interested agents to contact and plan to view property.
- K. **AMS – Asset Management System**

III. Responsibilities

- A. Duties of the State Auditor's Office are as follows:
 1. Maintain a personal property accountability database via web-based software for the State of Alabama [Attorney General (AG) 2003-180].
 2. **Code of Alabama 1975, §36-16-8** requires the State Auditor, through the Property Inventory Control Division, to administer a property control system consisting of inventories of state property by departments, procedures for the appointment of Property Managers, written receipts for state property by employees in possession of property, and biennial verification of inventories of items costing \$500 or more; any item deemed sensitive by Chief, Property Division, State Auditor's Office, and all weapons.
- B. Chief, Property Division, State Auditor's Office shall ensure the following:
 1. Each agency carries out fully the provision of §36-16-8 through §36-16-11 applicable to that agency.
 2. The Property Division conducts a biennial inventory (every two years) of all state non-consumable personal property of each agency, board, or commission, holding every officer or employee strictly accountable for all personal property assigned to his custody [36-16-8(4)]. The Property Division will submit a report of audit results to the State Auditor, Agency Director/Department Head, and Agency Property Manager. The Agency will be given a period of sixty days to locate missing items and input any new items located during the audit that have not been entered into the asset management database. A final report will be sent to the Agency Director/Department Head and Agency Property Manager, stating the final count of missing items with their actual cost and any new items that have not been entered into the database at the end of the 60-day period. A copy of the final report will be sent to the Attorney General and Examiners of Public Accounts to determine if further action is to be pursued against the responsible employee or the Agency in the case of missing assets [§36-16-9].
 3. Upon notification of a pending change in Property Manager for an agency, the Property Division may audit the inventory of that agency prior to the departure of the Property Manager [36-16-8(6)]. Depending on scheduling limitations, only items assigned to the outgoing Property Manager for larger agencies may be audited.
 4. Contact the Property Division immediately if the Agency Property Manager is leaving, retiring, or transferring to another agency.

5. The most current Property Manual will be posted to our resources page on www.auditor.alabama.gov. Property Managers will be notified of any changes by email.
 6. Orientation and training are required for all new Property Managers and must be scheduled as soon as possible after assumption of duties. Contact the State Auditor's Office Property Division to schedule training session.
 7. Continuing education training is provided on an as-needed basis for all Property Managers. We encourage all AMS users to take full advantage of any additional training offered to stay abreast of changes and current trends.
 8. Quarterly and annual reports of all items Lost, Stolen, Improper Disposal, and Destroyed, along with their original acquisition cost and depreciated value are published on the State Auditor's website for review by the Governor, Attorney General, Chief Examiner of the Examiners of Public Accounts, Agency Director/Commissioner, Legislature, the press, and general public. Beginning with FY2019, quarterly and annual reports are also published on the State Auditor's website for assets located that were previously reported as Lost, Stolen, Improper Disposal or Destroyed and placed back in service by reactivation.
- C. Responsibilities of the Agency Director include the following:
1. Designate an employee as Property Manager for the agency §36-16-8(1). Failure to designate a Property Manager constitutes negligence of duty and is punishable by §36-6-10 (also refer to Penalties, page 8).
 2. Notify the Property Division of the newly designated Property Manager by use of the "Designation of Property Manager Form" (Exhibit A). Also, inform the new Property Manager of his/her duties and responsibilities.
 3. Notify the Property Division immediately, or within five workdays, in writing, if the Property Manager ceases for any reason to be the Property Manager of the Agency [Section 36-16-8(6)].
 4. Institute an Agency internal policy regarding an employee's physical and financial responsibility for all property assigned to them.
 5. Assume full responsibility for the agency property assets in the absence of a designated Property Manager.
 6. Review all published reports on lost, stolen, improper disposal, or destroyed assets.
 7. Provide written authorization for any State equipment before it has been taken for use outside the Agency, either by a contractor or for other reasons. A Temporary Hand Receipt is recommended for the

equipment temporarily in the hands of another individual/entity whether on loan or out for repairs. (Exhibit C)

8. Ensure that the provisions of the **Code of Alabama 1975**, Section 36-16-8 through 36-16-11 are carried out, as they apply to Agency responsibilities.

D. Responsibilities of the Agency Property Manager include the following:

1. When newly assigned:
 - a. Contact the State Auditor's Office at (334)242-7010 within five business days to schedule an orientation/training briefing.
 - b. Conduct an internal inventory audit with the previous Property Manager, if possible, and locate all assets before signing off on responsibility.
 - c. Upon completion of the inventory, execute a written receipt for all property assigned to his/her agency. Have employees assigned assets sign a "Person Responsible Form" accepting full responsibility for all assets issued to them in the furtherance of his/her job duties. Employees refusing to sign the Person Responsible Form need to be reported to the Property Manager's supervisor/manager, Division head, HR Manager, or Agency Director for further instructions.
 - d. Acknowledge acceptance of duties and responsibility as Property Manager by signing the "Designation of Property Manager Form" (Exhibit A) and submit to the Property Division. Keep a copy of the form on file for review by the Examiners of Public Accounts during the Agency compliance audit.
2. Thereafter, prior to October 1 of each year, make a full and complete inventory of all non-consumable personal property having a value of \$500 or more, except books, plus any weapons regardless of cost, and any items deemed sensitive in nature by the State Auditor's Office §41-1-6. A Year-End Letter (Exhibit J) shall be submitted annually on October 1 to the State Auditor's Office, Property Division, for year-end inventory count and total acquisition cost
3. Be the custodian of, and responsible for, all property in his/her Agency except property for which there is a hand receipt executed by the person responsible for the property [Section 36-16-8(2)].
4. Immediately upon determining that an item of furniture or equipment is unserviceable, obsolete, or no longer meets the needs of the Agency, should take action to dispose of the item(s) in accordance with procedures contained in Chapter IV, Section I, procedures 1 through 7 of this manual.

5. Ensure that no property is disposed of without the written permission of the Director of ADECA, or the Governor of the State of Alabama, or the Designee of either of them [Section 36-16-8(3)].
6. Ensure that no property is temporarily loaned or entrusted to another State Agency or employee thereof without obtaining a signed Temporary Hand Receipt (Exhibit C).
7. Temporary Hand Receipts are only valid from the time prepared until the next required annual internal inventory. **Temporary Hand Receipt(s) must be re-signed at the time of inventory and whenever property changes from the responsibility of one employee to another employee. New employees should also sign a Person Responsible form as soon as assets are assigned to them for administration of their job duties.**
8. Work with Property Division employee(s) in conducting the State Auditor's Office biennial complete physical inventory of the Agency property account.
9. Maintain copies of SD1's, either a hard copy or electronic scanned copy; copies of the year-end letter sent to the Auditor's Office; copies of the audit letter sent by the State Auditor's Office following the property audit; maintain copies of signed Person Responsible Reports signed annually and other Temporary Hand Receipts; maintain accurate and timely property records. All Person Responsible Reports or other Temporary Hand Receipts should have this code section attached:

Effective on the date shown above, these items are in my custody, and I hereby acknowledge responsibility for these items. I understand that, pursuant to the Code of Alabama 1975, Section 36-16-8, I will be held strictly accountable for these items in the event of any shortages. As of the date indicated above, I have verified the existence and current location of each of the above items.

- E. Responsibilities of each Agency Employee or Officer include the following:
1. Sign a printed receipt or "Person Responsible Report" for all items of State-owned equipment or furniture assigned or entrusted to them §36-16-8(2).
 2. Upon execution of a Temporary Hand Receipt or Person Responsible Report, become responsible for the property which relieves the Property Manager of responsibility for said assets.
 3. Notify the Property Manager **before** property is transferred to another area, entrusted to another employee, or disposed of in any manner, including transferring to another agency.

4. Be held strictly accountable for all State-owned personal property assigned to him/her, or in his/her possession, regardless of value [Attorney General's Opinion No. 96-00130 dated February 9, 1996, and No. 97-00035 dated November 5, 1996].

IV. Penalties

- A. The value of any State-owned personal property lost, stolen, or destroyed due to negligence or willful act of the person having custody of the property shall be recoverable from such person/employee in an appropriate action instituted on behalf of the State by the Attorney General [Section 36-16-9].
- B. In the event the head of a State Agency neglects to perform the duties imposed upon him by Section 36-16-8 through 36-16-11, he/she shall be liable for the sum of \$5.00 for each day such neglect continues and for the value of any and all non-consumable State personal property lost, stolen, or destroyed as a result of such neglect [Section 36-16-10].
- C. In the event the Chief of the Property Division neglects to perform the duties imposed upon him/her by 36-16-8 through 36-16-11, the State Auditor shall report such neglect to the State Personnel Board, which shall administer such disciplinary action against the Chief of the Division, including the right to discharge him/her, as the Board deems proper under the circumstances [Section 36-16-10].

V. Inventory Procedures

- A. Physical Inventories – In accordance with Section 36-16-8(1), each Property Manager shall be responsible for the following:
 1. Conduct an annual inventory of all non-consumable personal property, except books, with a value of \$500 or more; any item deemed sensitive by State Auditor's Office; and all weapons. It is recommended for internal departmental records that all items be inventoried regardless of value.
 2. Prepare a Property Inventory Report in an Excel spreadsheet format that lists the Agency Name and department number, asset/property number, barcode/RFID number, complete description of item, manufacturer's serial number or VIN in the case of vehicles, original acquisition date, original acquisition cost, location (county, building, room), responsible officer or employee, class code, activity code, acquisition method, and State fund. Save this report for the Examiners of Public Accounts.
 3. The **Code of Alabama 1975**, Section 41-1-6 allows agencies to conduct an annual inventory and submit the results each year on October 1. The Year-End Letter (Exhibit J) should list the total number of all assets

listed in the system as well as the total acquisition cost of all assets. The form is a fillable formatted form on our website under resources.

4. If the internal inventory identifies missing items that cannot be located after an exhaustive search, an explanation accounting for said property should be submitted to the Property Manager by the person assigned the missing property. The Property Manager will then complete a Disposal SD1, Lost and Loss of State Property Form (Exhibit K) to be forwarded to the Agency Director/Commissioner for review, along with the explanation from the responsible employee and a statement determining Negligence or Non-Negligence from the Property Manager.
 5. Maintain a copy of all inventories submitted to the Property Division for examination by the State Auditor or employees of the Department of Examiners of Public Accounts.
- B. Additions to the Property Inventory Listing:
1. Within 30 days of receiving an item of furniture, equipment, or vehicle having a value of \$500 or more; all weapons regardless of cost; all computers, laptops, servers, notebooks, netbooks, iPads, external hard drives regardless of cost (now considered sensitive in nature because of internal memory – Policy Statement 403-A and 403-B); either by purchase (new, used, or from Surplus), transfer from another agency, or donation, the Property Manager shall take the following actions:
 - a. Assign a State asset/property number. The asset number consists of a two-digit Agency prefix assigned by the Property Division, and a 6-digit number assigned by the Agency (ex. 07-000001).
 - b. Affix the property number and a barcode/RFID label to the item (blue barcode/RFID label for items valued at \$500 or over, all weapons, all computers, etc. listed above)
 2. The item is immediately added to the Agency property inventory listing in AMS and a barcode/RFID label affixed to the asset.
 3. If the item is valued at \$15,000 and above, input information into the State-wide accounting system (STAARS) per instructions/procedures from the Comptroller's Office. Job Aids are available on the STAARS website. Transfers or Disposals also need to be noted within the system.
 4. All inventory updates and changes to an asset should be submitted online using the automated system as changes occur.
- C. Affixing Property Labels and Barcode/RFID Tags – There are four considerations when affixing the property number and barcode/RFID tag to furniture and equipment:
1. Barcode/RFID tag placement – Place the correct barcode/RFID label on the item (blue barcodes/RFID tag on items costing \$500 or more, sensitive items, and weapons; and green labels on items costing less than

\$500.) It is recommended that the barcode/RFID tag be the same number as the asset number. Property not belonging to the State should be labeled as to the owner (i.e. Personal Property of Jack Smith, Property of US Dept. of Education, Property of Chilton County, etc.).

2. Accessibility – The State Auditor’s Office field auditor should be able to read or scan the barcode/RFID label without moving the item or moving other items to access the barcode/RFID tag.
 3. Consistency – Place label in the same location on similar items (i.e. kneewell of desks, top right front or bottom right front of file cabinets and other type cabinets, driver side door post of vehicles, etc.).
 4. Aesthetics – Preserving the beauty or historical value of an item is important, but it should not take precedence over accountability. Labels can usually be placed in a way that will preserve the beauty of an item and still be accessible for inventory purposes. Do not put the label inside a locked cabinet, or on the back of an item then push it up against the wall or on top of a server inside a server rack. Contact the Property Division for assistance on placement of property tags if you have questions.
- D. Types of Transfers – Transfer directly from one State Agency to another State Agency/Entity, transfer to ADECA State Surplus, or Surplus-Sale As-Is Where-Is.
- E. Transfer of property between different State Agencies/Departments – Property may be transferred directly from one department to another. The transferring Agency prepares the SD1 in AMS.
1. Complete a Transfer SD1 through AMS. Input the Agency name to which the property is being transferred in the “Transferred To” box. Some agencies, such as Finance, OIT, and DOT have multiple agency codes, so make sure to verify which agency code to use from the receiving agency Property Manager.
 2. The Property Manager of the transferring Agency signs under “Released By,” and the Property Manager of the receiving Agency signs under “Received By.” Both signatures should be obtained before sending to the State Auditor’s Office for final approval. The receiving Agency Property Manager should write its new property number(s) on the SD1 form. NOTE: The Property Manager from each Agency, or designated employee with SD1 signature authority, must sign the SD1 form. This prevents an employee from ‘giving’ property to another Agency.
 3. Once the SD1 is received and approved by the Property Division, it is signed in the “Approved By” area and a copy sent back to the transferring and receiving department.

4. The transfer can then be completed. The receiving Property Manager completes the transfer within the system through the SD1 number, **NOT** by entering a new asset. If the Property Manager is unsure about proper procedures, let the Property Division complete the transfer in the system.
 5. After the transfer has been completed within the system, the Property Manager can then pull up the new property number, input the barcode/RFID number, affix the property number and barcode/RFID label to the item, and add the person responsible, location (county, building, room), and activity code, which is the same as the function code in STAARS.
 6. As new items are assigned to an employee, it is a good practice to print and have the employee sign a new Person Responsible Report for internal records; therefore, you have acknowledgement from the employee that he/she is now responsible and accountable for the additional items assigned to them. Also print and have the former responsible employee sign a new Person Responsible Form once items are removed from his/her responsibility.
 7. Agencies are not allowed, unless by Code, to sell assets to another State Agency, County/Municipal Government, or other entity. If an Agency wants proceeds from the sale of its property, it **MUST** go through Surplus Property for them to facilitate the sale.
- F. Transfer of property to State Surplus – All assets being transferred to State Surplus, over and under \$500, must be put on the SD1 form created in AMS by the Agency Property Manager. Vehicles sent to State Surplus need to be on a separate SD1 and not co-mingled with regular assets. It is preferred that non-tagged assets under \$500 also be listed on a separate SD1. Print two copies of the SD1. When items are carried to Surplus, obtain signatures from Surplus staff. Surplus keeps a copy, and the agency keeps a copy for its records, then forwards a signed copy to the State Auditor's Office. But if they do not send a copy, it is the responsibility of the Property Manager to send copies.
1. State Surplus Transfer – direct transfer of assets to State Surplus offered for sale to other State Agencies, County and Municipal Governments, and other approved donees listed with Surplus.
 2. Sale As-Is Where-Is – for items too large and costly to transport to Surplus, or in the case of relocation, it is more cost efficient to have a Sale As-Is Where-Is approved on site by State Surplus. Someone on site must be available for inspection by interested parties.
 3. Direct Transfer – The designation of assets directly transferred to another entity must go through State Surplus. The entity must be on the

approved list. Surplus charges a small fee to the receiving entity. The agency can opt to pay this fee when transferring to schools or approved non-profit organizations.

4. Proceeds from the Surplus sale of non-consumable State property valued at \$500 and above which was purchased with State funds should be deposited into the State Treasury to the credit of the fund from which the property was originally purchased.
- G. Transfer of property to exempt departments or Non-State Entities – State non-consumable personal property may be transferred to exempt State agencies, i.e. Mental Health hospitals, Alabama Institute for the Deaf and Blind (AIDB), State Universities/Colleges. Transfers to Non-State Entities are not allowed. The only exception would be when a vendor removes and hauls off a large piece of equipment that cannot be transferred to Surplus property or sold As-Is, Where-Is. This type of transfer will be a Disposal, with the method of External Org. The following conditions should be met before transferring to an exempt agency or non-state entity:
1. Item(s) are offered to all State Agencies first, with no takers. Documentation is required.
 2. Item is functionally and/or technologically obsolete to the State Agency.
 3. Item will have no re-sale value if disposed of through State Surplus or sold As-Is, Where-Is. Request to Scrap on Site from Surplus.
 4. All costs associated with dismantling and/or transporting the item will be the responsibility of the receiving entity.
 5. The State of Alabama will benefit by not incurring any cost associated with the disposal of the item.
 6. The actions required by 1 through 5 above must be documented and attached to Form SD1 ***and approved*** by Surplus Property or the Auditor's Office Property Division ***prior*** to the actual transfer.
- H. Types of Disposal Actions – When property is lost, stolen, destroyed, scrapped, transferred, or declared surplus, the property inventory records must reflect the disposition of the item. Deletions from the property account/asset listing must be completed on a Form SD1 created within the asset management database.
1. If property is declared surplus and is to be sent to the State Surplus Center, or Scrap on Site, the action is considered “Routine.” An SD1 form must be completed by the Agency Property Manager and forwarded to ADECA State Surplus for processing and approval. All electronic equipment with memory must be sanitized prior to sending to Surplus or transferring to another agency (Exhibit G). If hard drive is removed, it is recommended a new one be added to the computer/laptop as it will sell at auction for a higher price than one

without any hard drive. NOTE: Surplus must approve and sign all Scrap on Site disposals, but SD1 must be sent by the Property Manager to the State Auditor's Office for processing. Pictures of items must be sent to Surplus for verification of condition of asset and an explanation of why agency is requesting to scrap the item.

2. If property is lost, stolen, destroyed, or involves an administrative error (transfers to another agency, bookkeeping error, retirement gift, removal of fixture from account, etc.) and not declared surplus, then the action is considered "Non-Routine." An SD1 must be completed by the Agency Property Manager and forwarded to the Property Division for approval and processing.
3. For Non-Routine actions, except for transfers between Agencies, the Agency must provide the Property Division with a complete explanation of circumstances and events. This information should be in the form of Loss of State Property Form (Exhibit K) attached to the SD1. If space permits in the remarks section, the explanation can be entered on the SD1. Lost, stolen, or destroyed items require a statement from the responsible employee and a determination of Negligence or Non-Negligence from the Agency Director/Commissioner, Assistant Director/Commissioner, or the Manager or Supervisor of the employee. If additional space is required, type out a memo and attach it with Loss of State Property form.
4. The Disposal procedure requested by the Property Manager is based on the reason for disposal as listed below:
 - a. Lost – Cannot be located after an exhaustive search by the person responsible and the Property Manager. The person assigned the item should submit a memo to the Property Manager indicating when the item was last seen or used along with an explanation of why the item cannot be located. This information is included on the Loss of State Government Property Report. Forward all supporting documents and the SD1 to the Property Division for final approval and processing. A brief explanation should be added to the Notes field on the Asset Detail screen in AssetWorks if space allows.
 - b. Stolen – Theft of property or burglary (forced entry). The Property Manager must attach the Police Report to the SD1. Depending on the circumstances, a statement from the person assigned the equipment should also be attached. This information is forwarded to the Agency Director/Commissioner, Assistant Director/Commissioner, or the Manager or Supervisor of the employee for determination of Negligence or Non-Negligence or to have the property manager complete the Loss of State Property Report and

obtain necessary signatures. Forward all supporting documents and the SD1 to the Property Division for final approval and processing. A brief explanation should be added to the Notes field on the Asset Detail screen in AMS if space allows.

- c. Destroyed – Vehicle accident **not** covered by insurance, fire, vandalism, etc. The Property Manager must obtain a Police, Fire, or Incident Report as appropriate, prepare a Loss of State Property Report, and obtain necessary signatures. Attach documentation, including the negligence/non-negligence letter, to the SD1 and forward to the Property Division for approval and processing. A brief explanation should be added to the Notes field on the Asset Detail screen in AssetWorks.
- d. Improper Disposal – Items that are disposed of without the approval of the State Auditor’s Office and Surplus must have proper documentation and proof of what happened to the property. If no documentation can be provided, then the property could be considered “lost” property. However, “Improper Disposal” is a more accurate account than “Lost.” If you “lost” it, you don’t know what happened to it. An “improper disposal” indicates you know what happened to it, but it was not disposed of in a correct manner. You must still provide a Loss of State Property Report.
- e. Natural Disaster – Items destroyed by a tornado, hurricane, flood, straight-line winds, hail, tree falling on vehicle or structure during a storm, etc. Provide documentation of incident along with the SD1.
- f. Retirement Gift – Officers in good standing and allowed to carry a weapon can be given their service duty weapon and badge upon retirement from State service per Code Section 36-21-8 through 9. This is processed through a Disposal, External Org SD1. Attach the signed retirement affidavit (Exhibit L) to the SD1 to send to the Property Division. The Property Division will approve and process in the system and then return an approved copy to the Agency to retain for its records. Vehicles, laptops, iPads, tablets, any other electronic devices or State-owned property cannot be given to an employee, including the Agency Director, as a retirement gift. Employees or Directors cannot purchase their State-issued electronic devices, vehicles, or other property upon retirement either.
- g. Seized – Use this method of disposal when equipment (usually electronic items such as computers) is seized for investigation by the Attorney General’s Office, a local sheriff, ALEA, FBI, or other law enforcement agency. If the item is returned to the agency after an investigation is completed, the item can be reactivated and placed

back into service. Contact State Auditor's Office Property Division for reactivation of item.

- h. Scrap on Site – Equipment or furnishings are obsolete or broken and have no value to the Agency or any sale value to ADECA State Surplus. The Property Manager and his/her Supervisor/Manager should sign the SD1. The item must be viewed by two (2) staff members of Surplus by sending photos of the item along with the Scrap on Site form (Exhibit M) of why it should be scrapped before approval is given to Scrap on Site. NOTE: State Surplus must approve all Scrap on Site disposal actions and sign the SD1. The Property Manager then sends signed copies of the SD1 and documentation to the Property Division for final approval and processing in AMS. Remove all identifiable markings, barcodes, and property tags before disposing of the asset. Items can then be disposed of in an appropriate manner. All electronic equipment **MUST** have the hard drive removed before disposal/scraping.
- i. Admin Error – Administrative or bookkeeping error; examples such as entering an asset twice and assigning the asset two separate property numbers; the total acquisition cost was under \$500 and the item is not considered a sensitive item; asset is a fixture attached to real property/building; an appliance hard wired into building; item was previously sent to Surplus as a non-tagged asset under \$500 (reference previous SD1 in Remarks section). Items permanently attached to real property need to be added to the cost of the building for insurance purposes. An explanation of circumstances needs to be included in the remarks section of the SD1 or attach an explanation or statement of circumstances to the SD1. Contact the State Auditor's Office for assistance with Admin Errors if unsure. (For items hard-wired or attached to real property, if it can/will be uninstalled and taken to Surplus Property then it should be tagged and entered into AMS.)
- j. Trade-In/External Org – Weapons are the only exception allowed for trade-in credit toward a newer weapon through eligible vendors approved through State Purchasing (AG Opinion 85-00396). All other trade-ins for equipment are not allowed per AG Opinions 79-00008 and 88-00049. If items are too large to transport to Surplus Property or are not working and obsolete, you can request Scrap on Site, and allow the vendor replacing the equipment to haul it off ***if approved***. This ***must*** be done ***prior*** to disposing of asset and have the signed approval of Surplus. This is done as a Disposal, Scrap on Site. In Remarks, put “obsolete equipment.”

- k. External Org – Use this method when a vehicle or asset is totaled by insurance company or Risk Management and funds are disbursed to the agency. Other instances of External Org are donations of equipment to other entities such as Volunteer Fire Departments or Rescue Squads; public College or University; a County EMA, etc. Weapons given to retiring law enforcement officers are done through this method. External Org is also used if a vendor is replacing something that cannot be taken to Surplus, such as an HVAC system, or replaced under warranty. A representative of the receiving entity should sign the SD1 under Received By. Attach supporting documentation to SD1 and forward to the Property Division for final approval and processing.

VI. Miscellaneous Procedures

A. Computing “Cost”

1. The cost of all property/assets shall be the carrying cost promulgated by Generally Accepted Accounting Procedures (State Auditor Policy Statement A104). This includes the original purchase price to include all components; any shipping or freight charges; any installation or set-up charges; plus, improvements or enhancements made to the asset (not including repair costs), minus the salvage value of any components removed from the asset.
2. All agencies, except agencies purchasing property with proprietary funds, shall record property purchased from another State Agency, including ADECA State Surplus, at the disposing Agency’s original purchase price, plus or minus adjustments, as defined above. The purchasing Agency should also use the original purchase date of the selling Agency. Since the State, as a whole, has not disposed of the property, the Agency should continue to maintain the original purchase price and date in the system. Surplus provides this information to the State Agency on its invoice. Proprietary Funds should record new acquisitions at Fair Market Value (FMV), which is usually the acquisition cost.

B. Correcting Property Records

1. When property records are found to be inaccurate due to a keying error, i.e. incorrect serial number, description, color, model, etc., the Property Manager should make the necessary corrections in AMS. Depending on how old the record in the system is, the agency may or may not be able to correct the original acquisition cost or date by clicking on the Accounting entry, make the changes and then save changes. If the system will not allow you to make the changes, send a request to the

Property Division through AMS. Mass changes for Person Responsible or Location can be accomplished by submitting a Batch Modify Request [Exhibit H] to the Property Division. For mass changes in Description, contact the IT Specialist in the State Auditor's Office for instructions.

2. Upgrades added to a piece of equipment can be added to the cost by creating an accounting entry within AMS for the additional components added. If replacing parts of an asset, remember to decrease the cost by the amount of the item being replaced. Then increase the cost by the amount of the replacement item being added.
- C. Depreciation
1. The term depreciation, as used in this manual, applies to property inventory procedures only. The State Comptroller's Office uses records in AMS and in STAARS each year to run its depreciation calculations for use in the CAFR. AssetWorks does not automatically calculate depreciation. Agencies may contact AssetWorks and pay an additional fee for the depreciation module if needed.
 2. Straight-line depreciation may be used to calculate the dollar amount to be reimbursed for furnishings, equipment, and vehicles that have been lost, stolen or destroyed and deemed to be due to negligence of the responsible employee.
 - a. Formula Used: 10% depreciation per year from date of acquisition not to exceed 90% of the value of the item. All assets must retain a minimum of 10% of their original value regardless of age.
 - b. Exceptions: Antiques, artwork, weapons, and books will not be depreciated. The full appraised value will be collected.
- D. Donated Items (Gifts)
1. A letter should be obtained from the donor (Exhibit D) describing the donated property. The original cost should be given if known to aid in establishing Fair Market Value.
 2. Upon receipt of donated property, the item(s) will be assigned a current fair market value, or replacement cost, by researching items via the internet. An appraisal can also be used when appropriate and not cost prohibitive.
 3. If the assessed value meets or exceeds the \$500 threshold or is deemed to be a sensitive item, a property number is assigned, a barcode/RFID label affixed, and the item added to the department's property inventory in AMS.
 4. The assigned property number(s) will be noted on the donation letter and the original copy maintained by the agency.
- E. Grant Equipment Purchased by the State of Alabama

1. Equipment purchased by the State of Alabama with federal grant funds shall be used, managed, and disposed of in accordance with State and Federal guidelines. Read the grant and seek advice from your legal staff, or contact the Auditor's Office, if you are unsure how to account for items. If items are treated as State property and disposed of through normal State Surplus channels, a property number needs to be assigned, and the asset entered in AMS regardless of which funds were used to purchase the items.
 2. If the assets are purchased with federal grants or county funds and will be returned to the granting agency, then items need to be labeled as such, i.e. "FEDERAL PROPERTY PURCHASED WITH FEDERAL GRANT" or "PROPERTY OF ABCD COUNTY." This prohibits items from being accounted as new items not yet input into Asset Works when the field auditor is conducting the agency property audit.
- F. Leased Property - For ownership identification purposes, leased property will be labeled "LEASED FROM (give company name, address and telephone number)".
- G. Lease-Purchase Property – Items acquired through lease purchase agreements or installment sales agreement will be assigned a property inventory number when the item is received. (Attorney General's Opinion 97-00035).
- H. Loaned Property – Although the State of Alabama does not own "loaned property," it sometimes becomes a permanent type of loan. To ensure accountability for items entrusted to the State, the following will apply: Items on temporary loan, such as historical pieces on loan from another State or County for less than one year, need to be clearly labeled – "On Loan from (Name of Entity), Property of (Name of Entity)." Items with a value of \$500 or more, or items deemed sensitive and on loan longer than one year will be assigned a property number, a barcode/RFID number affixed to asset, and added to the department property inventory. If the actual cost is unknown, the fair market value will be used.
- I. Personally-Owned Property – For ownership identification purposes, personal property of an employee brought to the job site should be labeled or marked "PERSONAL PROPERTY OF (owner's name)" to avoid being added as a new item during the biennial property audit performed by the State Auditor's Office.
- J. Permanently Installed Property
5. If an item or feature is/will be permanently installed in/on a major piece of equipment, a state property number will not be assigned. Instead, the property record of the major item will be updated to reflect the additional cost and description. Examples would be memory added to a

computer, telephone added to a phone system, or a lift gate added to a pick-up truck.

6. If an item or feature is permanently installed to the land or any building thereon, a state property number will not be assigned. Once installed, the character of an item changes from personal property to real property and is commonly known as a fixture. The test of a fixture is intent. “Was the installation intended to be permanent?” “Will the item be disposed of eventually through normal Surplus channels?” For items permanently installed, the cost of the real property or building should be increased by the cost of the item installed. Rule of thumb – if the item can be removed and taken to Surplus property for disposal, assign it an asset number.

Examples of Permanent Fixtures:

Ceiling Fan	Built-in Appliance
Water Heater	Built-in Shelving
Water Fountain	Tower w/Footing e.g. Fire, Radio/TV, Weather Plumbing Fixture e.g. Sink, Toilet, Tub
Air Conditioner/Heater	Customized built-in desk area
Built-in Bookcase	Security System/Camera
Light Fixtures	Walk-in Freezer

If an item or feature is used with but not permanently installed in/on a major piece of equipment, it must be assigned a separate property number if it is \$500 or above. NOTE: See State Auditor Policy Statement A108. Examples: computer monitor, printer, tractor attachment, radio mounted in a vehicle, etc.

- K. Swapping – Agencies may not swap or otherwise trade non-consumable personal property among themselves or with a non-governmental agency (Attorney General’s Opinion Feb 7, 1975). A transfer must be completed, or a Temporary Hand Receipt received, for items physically located elsewhere, such as an item sent in for repair.
- L. Trade-Ins
 1. Surplus Property procedures as codified do not provide for the trade-in of State of Alabama non-consumable personal property (Attorney General’s Opinion 79-00008, and 88-00049.)

2. Exceptions to the no trade-in rule are Attorney General's Opinion 82-00326 AND 85-00396, which concludes that old weapons could be traded in as part of the purchase price of new weapons.
- M. Warranty Replacements - If a defective item is sent back to the manufacturer or vendor for repair but cannot be repaired, and the vendor sends a replacement item, the Property Manager shall take the following actions:
Make changes in department property record to reflect changes in make, model, color, serial number, and cost if any. Note: replacement items must be equal to or better than the original. If the replacement item is not a similar item, create an SD1 Disposal, External Org, and in Remarks put "Replaced under Warranty," provide documentation to the Auditor's Office along with the SD1. Enter replacement item as new item in AMS and assign a new property number.
- N. Property Inventory Label Source - For information regarding criteria used for property inventory labels and barcode/RFID labels contact Property Inventory
- O. Seized Weapons – Must be handled and disposed of as ordered by the Judge. If order allows the Agency to put the weapons into use, the weapons can be issued a property number and added to inventory based on the Fair Market Value. At time of disposal, unless ordered to be destroyed, they can be used as trade-in on newer weapons.
- P. Repair/Maintenance Parts - At times, agencies purchase additional parts to be used to repair existing equipment in a timely manner instead of ordering necessary parts and having the equipment out of service while waiting on parts to be received. Sometimes these parts exceed the \$500 threshold. In the case where additional parts are ordered for repairs, such as internal hard drives, then it should be coded to Object Code 0500-Repairs and Maintenance for payment in STAARS. Refer to the Sub-Object code under Chart of Accounts for Expenditure Objects on the State Comptroller's website. <https://comptroller.alabama.gov/chart-of-accounts/>.
- Q. Upgrades & Betterments – Items that are purchased as an upgrade or betterment to an asset and will be installed into or on an existing asset. If the purchase price of an item used as upgrades or betterments is \$500 and above, the item does not need a separate property number in Asset Works to be paid for in STAARS. Simply adjust the cost of the existing asset number by creating an accounting entry in Asset Works or request a change in the original acquisition cost. Reference the asset number in STAARS along with using the correct Object Code of 1400-Other Equipment and Durable Item Purchases. Refer to the Sub-Object code under Chart of Accounts for Expenditure Objects for the State Comptroller. <https://comptroller.alabama.gov/chart-of-accounts/>.

(If an asset can be moved from one item to another and is over \$500, it needs to be assigned an asset number and will be on inventory.)

VII. Surplus Property Procedures

A. Purpose and Usage:

1. There are two Surplus Property Centers in the State. The primary center is located at 4590 Mobile Highway in Montgomery. This facility accepts state and federal surplus property and sells it to other state agencies and those entities eligible under the Federal Surplus Property Program. The second center is located at 3445 Eva Road in Eva. This facility normally accepts federal surplus property only and sells it to those entities eligible under the Federal Surplus Property Program. Both centers serve as a final sale site where items available for sale are listed on the ADECA, Surplus website and govdeals.com. Contact Surplus location for appointment when delivering items to Surplus.
2. Property may be “Scrapped on Site,” or sold “As is Where is,” rather than taking it to the Surplus Property location. DO NOT mix these property categories on the same Form SD-1. Each requires a separate Form SD-1 and each requires the approval of Surplus Property. (See section with Example SD1’s following Policy Statements.)

B. Delivering Surplus Property

1. ALL Surplus property delivered to a center must be listed on a Form SD-1. The exceptions are: computer accessories such as the mouse, keyboard, speakers, cords/cables; office supplies such as 3-ring binders, desk trays, desktop sorters, paper, ink or toner. Surplus will take these type items, but they do not need to be listed on the SD1.
2. Vehicles need to be listed on a separate Form SD1. Items over \$500 need to be on a separate SD1, and items under \$500 should also be listed on a separate Form SD1 to expedite unloading and receipt. Vehicles also need to be on separate SD1’s. Send the completed Form SD1 to the Surplus Center where items are delivered. Also send a signed copy to the State Auditor’s Office for file records.
3. Deliveries are accepted in Montgomery at 9:00 a.m., 10:30 a.m., and 1:00 p.m. Monday through Friday. No deliveries will be accepted after 2:00 p.m. Call (334) 284-0577 to schedule deliveries. Delivery must be at the time specified. Failure to be on time may cause you to have to reschedule. If you cannot keep the appointment time, email or call to reschedule delivery. Surplus also needs to know the size of the load/truck to be able to provide adequate time for unloading. It is the responsibility of the agency turning in the property to arrange

transportation for delivery. Bring in each item listed on the Form SD1. Items not brought in will be lined off the Form SD1. They can be included on future SD1's.

4. Upon delivery, the property will be checked in against the Form SD1 and signed in the "Received By" block by the Receiving Clerk at Surplus Property. The agency Property Manager or designee should be present when unloading items to ensure accuracy and identify any items in question. One copy of the signed Form SD1 will be retained by the delivering agency to serve as authority to delete the item from the agency's inventory account. A complete item must be turned in to receive credit for delivery, (i.e. you cannot turn in a handle and get credit for a lawn mower). Note: Surplus Property does not accept used mattresses or tires. Used batteries will be accepted but *only* if they are in salable condition.
5. Before delivering vehicles, the agency must remove the license plate (tag) and all decals and/or lettering that identifies the vehicle as state property. Remove any other equipment installed in the vehicle that has a property number, or make sure that items attached/installed are also listed on the SD1. The vehicle should be cleaned inside as well as inside the trunk. Do not leave trash or any other items of property in a vehicle. Vehicles should have all sets of keys at the time of turn-in, including a trunk key if separate. A Certificate of Title must accompany the vehicle to Surplus Property if manufactured in 1975 or later. A completed Odometer Statement must be attached to all titles for vehicles up to 10 model years old unless the title is a "Blue Form" with the appropriate mileage statement on reverse. Do not fill in Assignment Section. The Property Manager should only sign in the block labeled "Signature of Seller." Titles incorrectly filled out will require the agency to obtain a replacement title before vehicles can be transferred. Vehicles cannot be sold by Surplus without a title or keys. Therefore, vehicles will not be accepted for turn-in without accompanying title and keys at the time of delivery to Surplus. Also, the VIN on the Title must match the VIN on the vehicle, the one in AMS and on the SD1. **NOTE: FAILURE TO COMPLY WITH THE FOREGOING PROCEDURES WILL CAUSE REJECTION OF PROPERTY BY SURPLUS PROPERTY.**
6. Surplus Pick Up of Property – If the agency does not have a means of taking items to Surplus Property, arrangements can be made for them to pick up your items as long as a truck is available. However, it is the responsibility of the agency to load surplus items onto the truck. Surplus Property no longer provides labor to load surplus items. Alabama

Correctional Industries can be contacted for temporary labor to assist with moving heavy items if the agency does not have anyone that can assist with loading.

C. State Direct Transfers

1. Between State Departments – Property may be transferred directly between state departments. Fill out Form SD1, Transfer, as usual, except instead of showing “Surplus Division” in the TRANSFERRED TO block, show the department to whom the property is being transferred. Both the RELEASED BY and RECEIVED BY signatures of the Property Managers should be obtained before sending the Form SD1 to the State Auditor’s Office Property Division. Once the Form SD1 is received by the Property Division, it will be signed in the APPROVED block and a copy sent to the property managers of both departments. The transfer can then take place. When going through State Surplus for a Direct Transfer to another agency, the receiving agency will be charged a processing and handling fee by Surplus. A State Direct Transfer through Surplus Property is the ***only*** way an agency can charge a fee for property, or “sell property” to another agency, unless the agency has authority to sell their assets. Only a few agencies have this ability.
2. From a State Department to any other Eligible Organization
 - a. Property may be transferred directly from any State Agency to any organization that is legally entitled to receive it. To ensure the organization (a school, city, etc.) is legally entitled, Surplus Property must first be contacted before the property physically changes hands to ensure the receiving entity is eligible. No property can be transferred in this manner “free of charge.” State law requires that fair market value be obtained for any property disposed of in this manner. NO property can physically change hands until eligibility is established, and a price determined and agreed upon with the organization receiving the property.
 - b. Once the above process is complete, Surplus Property will contact the State Agency requesting the transfer. At this time a Form SD1 can be prepared as usual. In the body of the Form SD1, Method will be State Direct Transfer, and in the Remarks section, indicate the organization to which the property is to be transferred. Send the Form SD1 to Surplus for completion of all remaining paperwork.

D. Obtaining Surplus Property

1. Items located at Surplus Property are available for sale to State Agencies and other authorized recipients for 60 days. State and Federal items are listed on the website for ADECA, Surplus Property

under “Inventory Available to Donees Only.” Items can also be viewed by visiting the Surplus Warehouse. Authorized representatives of State Agencies and other entities are encouraged to visit on a regular basis. Only authorized individuals listed on file may sign for surplus items. Those listed as an authorized representative may delegate authority to other staff members to select property by issuing a temporary permit for a one-time visit. Permits should contain a sample signature of the person delegated to select and receive property and specify the date purchase is authorized. After 60 days, items are added to www.govdeals.com for online auctions to the general public and advertised on the ADECA Surplus Property website and through social media.

2. Upon selection of surplus items from State Surplus, a State Sales Invoice or Federal Distribution Document (for federal property) will be prepared listing those items selected. The buyer will be given a copy of the invoice(s) to serve as a statement of service and handling charges. State law requires payment within 60 days. If payment is not received within 60 days, the purchase must be returned. The completed sales receipt is also the Agency’s authority to add items(s) received to their inventory. It is the responsibility of the purchasing agency to pick up all items selected. If the property manager is unable to transport the item(s) at the time of selection, Surplus will hold the item(s) for three days so the property manager can arrange to pick up the selected items. Surplus Property Division may deliver, if drivers and appropriate trailers are available, for a small delivery fee. Arrangement for deliveries must be made with Surplus staff. Delivery will be made at a pre-arranged time. It is the responsibility of the property manager and/or agency staff to off-load items at agency.
3. Items purchased from State Surplus, with an original acquisition cost of \$500 or more must be added to the purchasing agency’s property account at the *original* acquisition cost and *original* acquisition date, not at the purchase price and date obtained from Surplus.
4. Agencies must retain *and put into use* any Federal Surplus property obtained from ADECA Surplus Property for a period of one year. If the original acquisition cost is greater than \$5,000, then the property must be retained and in use for a minimum of 18 months. All federal property purchased through ADECA Surplus Property is subject to random inspection from Surplus staff or GSA at any time. AssetWorks automatically sends the Authorized Representative of a Surplus Property Program account via electronic means utilization and compliance forms for federal property purchased through ADECA

that conforms to the designated thresholds (i.e. federal property with an acquisition cost of \$5,000 or greater and controlled property like weapons, aircraft, and certain vessels). Refer to ADECA's website for compliance information and forms at ---

<https://adeca.alabama.gov/Divisions/Surplus/Pages/Eligibility.aspx#UandT>. Utilization and compliance forms can be emailed to: Surplus.Compliance@adeca.alabama.gov.

F. Want List

1. The Surplus Property Division maintains a "Want List" of property requested by agencies. This list is comprised of "specialized items(s)" such as vehicles, construction equipment, shop equipment, boats, and other large items. Advise the Surplus Property Center of your "WANT" requirement. Requests will be placed on the list effective the date of the request. Requests will remain on the list for one year, or until the item is received, whichever comes first unless the agency notifies Surplus they are no longer in need of such item.
2. Common-use items such as filing cabinets, desks, and chairs that can generally be found in stock will not be placed on the "Want List".
3. Property will be offered in date sequence received at Surplus Property Division – "first received, first offered." Exceptions will be made in emergencies.

G. Public Sale of Surplus Property

ADECA Surplus Property Division will conduct sales of State surplus property to the general public after 60 days from receipt of property. Such sales are done through on-line auctions on www.govdeals.com or property can be located and advertised at the agency's facility to be sold "As Is Where Is."

1. AS-IS WHERE-IS – Prepare Form SD1. In the body of the Form SD1 Form, indicate that the property is to be disposed of "As-Is Where-Is." Surplus Property will approve the request for sale at the agency's location. This property will be identified as property to be sold "As-Is Where-Is." Describe the property in as much detail as possible to generate bidder interest. The name of a contact person, phone number, and address of location *must* be included on SD1. The contact person needs to be available during normal business hours for interested bidders to view/inspect property.
2. ONLINE AUCTIONS: After being held for 60 days, items sent to Surplus will be listed online at www.govdeals.com and available for purchase to the general public. Items purchased through the online auction will be paid for online through govdeals.com. On items not

paid for within the allotted time, the items will be placed on the next auction until sold and *payment collected*. Payments are then remitted to State Surplus from govdeals.

3. **ADVERTISEMENT:** Advertisement for Public Auctions will appear on the website for ADECA Surplus Property. Notices will be sent out by email and social media channels two weeks prior to auction date. Auctions begin on a Thursday and run through the following Wednesday. All bidders will be afforded an opportunity to inspect property on the Friday after the start of the auction from 8:00 a.m. – 3:00 p.m. Central Time.
4. **PAYMENT OF SUCCESSFUL BIDDERS:** Property sold through the online auction site will be paid through govdeals.com who then submits payment to ADECA for distribution to agencies. All purchases shall be paid for and picked up no later than five (5) business days after the high bidder is determined at the close of the auction. Failure on the part of the purchaser to pay and remove property within the allotted time results in property reverting back to the State of Alabama. Buyers failing to follow guidelines, or other irregularities on their part, will be permanently removed from the prospective buyers list and permanently barred from the participation in all future auctions.

H. Reimbursement for Sale of State Property

Reimbursement for the sale of State property will be issued to the agencies as prescribed by the State Comptroller. Reimbursement will not be made for non-controlled property, (i.e. property with an original acquisition cost of less than \$500, or property determined to have no value other than as scrap). Surplus Property Division of ADECA retains a nominal fee from the sale of property and remits the balance from the sale back to the agency in a timely manner.

VIII.

Links and Exhibits

List of website links:

Policy Statements:

<https://auditor.alabama.gov/resources/policy-statements/>

Attorney General Opinions:

<https://auditor.alabama.gov/wp-content/uploads/2026/04/Attorney-General-Opinions.pdf>

Examiner's Office Requirements:

<https://auditor.alabama.gov/wp-content/uploads/2025/05/requirement-for-examiners-of-public-accounts-compliance-audit.pdf?ver=1776980236>

SD-1 Examples:

<https://auditor.alabama.gov/wp-content/uploads/2026/04/Example-SD1-combined.pdf>

Property Numbers for Comptroller's

<https://auditor.alabama.gov/wp-content/uploads/2025/05/PropertyNumbersforComptrollerandSTAARS.pdf>

DESIGNATION OF PROPERTY MANAGER

(Use Agency Letterhead)

TO: _____
(Property Manager Name)

FROM: _____
(Agency Director/Commissioner)

DATE: _____

Effective this date, _____, you are hereby designated as property manager of the (Agency Name/Board/Commission)

_____. Your duties shall be performed in compliance with the Code of Alabama, 1975, §36-16-8. You will be the custodian of, and responsible for, all property belonging to the state and in the custody of this agency unless an appropriate written receipt has been executed and obtained from other employees or officers of this department for each property item entrusted to them.

DEPARTMENT HEAD

Acknowledgement:

I hereby acknowledge my designation as property manager for the (Agency Name/Board/Commission) _____ and my duties and responsibilities are contained in the Code of Alabama, 1975, §36-16-8.

PROPERTY MANAGER

cc: State Auditor
Chief Examiner of Public Accounts
Attorney General
Department of Economic and Community Affairs

*State Auditor's Office
600 Dexter Avenue, Suite S-101, Montgomery, AL 36130-0200*

EXHIBIT A



STATE OF ALABAMA
Department of Finance
Office of the State Comptroller

100 North Union Street, Suite 220
Montgomery, Alabama 36130-2620
Telephone (334) 242-7050 Fax (334) 242-7466
www.comptroller.alabama.gov

Robert Bentley
Governor

Marquita F. Davis, Ph.D.
Director of Finance

Thomas L. White, Jr.
State Comptroller

Janice A. Hamm
Deputy State Comptroller

MEMORANDUM

TO: All State Agencies

FROM: Thomas L. White, Jr.
State Comptroller

DATE: February 13, 2012

RE: Material Receipt Change

In an effort to conserve State funds, we are no longer requiring material receipts be attached to invoices submitted to the Comptroller's Office for payment.

Effective immediately, please affix the following statement to each **ORIGINAL** invoice submitted for payment:

I hereby certify the article(s) and or service(s) listed on this document were received on _____ in the proper condition, are the kind and quantity ordered and appropriate purchasing policy and procedures were followed.

Received By: _____

Date: _____

Agencies can use a certification stamp or affix a printed label to invoice(s). This new requirement should be implemented immediately, however; this new requirement will be mandatory beginning October 1, 2012.

If you have any questions, please contact Jeanne Kennedy at 334-242-7061 (jeanne.kennedy@comptroller.alabama.gov), Tucker Wilson at 334-242-7057 (tucker.wilson@comptroller.alabama.gov) or Kathleen D. Baxter at 334-242-4857 (kathleen.baxter@comptroller.alabama.gov).

TLWjr/dt

This memo supersedes Exhibit B

RECEIPT FOR PROPERTY – TEMPORARY

TO: _____
PROPERTY MANAGER

DEPARTMENT

FROM: _____

DATE: _____

I hereby acknowledge receipt of the following items of property belonging to the State of Alabama.

Effective on the date shown above, these items are in my custody and I hereby acknowledge responsibility for these items. I understand that, pursuant to the Code of Alabama, 1975, §36-16-8, I will be held strictly accountable for these items in the event of any shortages.

Signature of Temporary Custodian

EXHIBIT C

DONATION LETTER
(Use Agency Letterhead)

TO: _____
(Agency Name)

(Address)

FROM: _____
(Donor Name)

(Address)

DATE: _____

SUBJECT: Donation of Personal Property

I hereby affirm/certify that I am the legal owner of the items listed herein, and that these items are free of any encumbrances. I further affirm/certify that these items are given without promise of any future consideration.

Item Description	Serial Number	Original Cost	Property Number

Donor Signature & Date

Telephone #

EXHIBIT D

I, _____, do hereby certify that I have the following equipment in my possession.

Property Number: _____

Description: _____

Serial Number: _____

This equipment is located at the following address:

Street: _____

City: _____, State: _____

This item was not available for the auditor's inspection for the following reason:

Effective on the date shown below, this item is in my custody and I hereby acknowledge responsibility for these items. I understand that, pursuant to the Code of Alabama 1975, Section 36-16-8, I will be held strictly accountable for these items in the event of any shortages.

Signature: _____, Date: _____
Responsible person

EXHIBIT E

Property Acquisition Form PA-2 (Revised November 2022)

State Auditor's Office

Asset Type* ____ Asset ____ Vehicle

Department* _____

Asset/Inventory Number* ____ - _____

Barcode Number* _____ **Class Code*** _____

Manufacturer _____

Model _____ Model Year _____ Color _____

Serial Number/VIN Number _____

Description* _____

Person Responsible* _____ **County*** _____

Building* _____ **Room*** _____

Location Notes _____

Additional Notes _____

Condition ____ Good ____ Fair ____ Poor **Activity*** _____

Operational Unit _____ BS SubCode _____

Accounting/Acquisition Date* _____

Accounting/Acquisition Cost* _____

Accounting/Acquisition Method* ____ Purchased ____ Donated
____ Other (please list) _____

Finance Object _____ Agency Fund _____

State Fund* _____ Invoice # _____ PO # _____

Vehicle Tag _____ Warranty Expiration Date _____

***Required Field**

EXHIBIT F



STATE OF ALABAMA
OFFICE OF INFORMATION TECHNOLOGY



Record of Media Sanitization and Disposal

USES: Use this form when sanitizing media that previously contained sensitive or confidential data. Organizations may alternatively record sanitization details electronically. * indicates required info.

Part I: Media Information			
Make/Vendor:		Model:	
Serial No.:		Media Type:	
Property No.:		*SD-1 Audit No.:	
System Name:		Security Category:	<input type="checkbox"/> LOW <input type="checkbox"/> MOD <input type="checkbox"/> HI
Data Type(s):		Data Category:	<input type="checkbox"/> Sensitive <input type="checkbox"/> Confidential
Data Backed up:	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN	Backup Location:	
Part II: Person Approving Sanitization			
<i>The media described above is approved for sanitization by:</i>			
*Name:		Title:	
*Organization:		Location:	
*Email:		Phone:	
PART III: Person Performing Sanitization			
*Name:		Title:	
*Organization:		Location:	
*Email:		Phone:	
Part IV: Media Sanitization Details			
Method Type:	<input type="checkbox"/> Clear <input type="checkbox"/> Purge <input type="checkbox"/> Destroy <input type="checkbox"/> Other:		
Method Used:	<input type="checkbox"/> Degauss <input type="checkbox"/> Overwrite <input type="checkbox"/> Block Erase <input type="checkbox"/> Crypto Erase <input type="checkbox"/> Other (<i>specify below</i>)		
Method Details:			
Date:		Time:	
Tool(s) Used:			
Details:			
Part V: Media Disposal Details			
Destination:	<input type="checkbox"/> Internal Reuse <input type="checkbox"/> External Reuse <input type="checkbox"/> Surplus Property (ADECA) <input type="checkbox"/> Scrap in Place <input type="checkbox"/> Return to Manufacturer/Vendor <input type="checkbox"/> Other (<i>specify below</i>)		
Details:			
Part VI: Person Verifying Sanitization			
*Name:		Title:	
*Organization:		Location:	
*Email:		Phone:	
Verification Method:	<input type="checkbox"/> Full <input type="checkbox"/> Random Sampling <input type="checkbox"/> Other (<i>specify below</i>)	Verification Date:	
Details:			

[MP-6: Media Sanitization, Control Enhancement 1

Form adapted from NIST Special Publication 800-88, Appendix G]

Routing and Retention: This form, or a record of the data contained herein, shall be retained by the agency transferring (surrendering) the media. Retain completed forms (or data) for no less than three years.

Form PR-DS-01

Version Date: 11/01/2025

Exhibit G

BATCH MODIFY REQUEST

(fields marked with * are required)

ORIGINAL PERSON RESPONSIBLE * _____

ORIGINAL DEPARTMENT NUMBER * _____

ORIGINAL COUNTY _____

ORIGINAL BUILDING _____

ORIGINAL ROOM _____

ORIGINAL OPERATIONAL UNIT _____

ORIGINAL BS SUBCODE _____

NEW PERSON RESPONSIBLE * _____

NEW COUNTY _____

NEW BUILDING _____

NEW ROOM _____

NEW OPERATIONAL UNIT _____

NEW BS SUBCODE _____

SIGNATURE

DATE

Memorandum (printed on agency letterhead)

DATE: [Date]

TO: [Agency Director/Commissioner]

FROM: [Name]
Property Manager

SUBJECT: [Asset Number/Description; Responsible Employee Name]

The following item was reported lost or stolen by [Employee Name], Division (if applicable):

##-##### (Asset #) – [Asset Description, Acquisition Date, Acquisition Cost \$\$\$.\$\$]

Based on the statement attached from the employee, a determination of negligence or non-negligence is required by you. If actions are found to be negligent, the item(s) must be replaced by the person you deem to be negligent. Replacement cost is determined by one of the methods stated in Procedure 6, Section 2.a of the State of Alabama Property Manual.

Please advise me of your decision by initialing the appropriate status below. Attachments:

Memo from [Employee Name]
State of Alabama Property Manual Section 6

_____Negligent

_____Not Negligent

Exhibit I

*******This form is replaced by EXHIBIT K*******

October 1, _____

Mr. Jared Nelson
State Auditor's Office
P.O. Box 300200
Montgomery, Alabama 36130-0200

Dear Mr. Nelson:

In accordance with the *Code of Alabama, Section 36-16-8*, our agency's annual physical inventory of all non-consumable items with an acquisition cost of \$500 or more, including weapons and all sensitive items, has been completed.

Dept. Number in Recoup by Assets Works: _____

Agency Name _____

Number of items over \$500 _____

Total acquisition cost of items over \$500 _____

Number of items under \$500 and considered Sensitive _____

Total acquisition cost of items under \$500 and considered Sensitive _____

Number of items under \$500 classified as a Weapon _____

Total acquisition cost of items under \$500 and classified as a Weapon _____

_____ All assets have been located and accounted for.

OR

_____ All assets have NOT been located and accounted for.

Number of items not located _____ Cost of items not located _____

Please call me at _____ or email me at _____
if additional information is needed.

Sincerely,

Property Manager

EXHIBIT J

LOSS OF STATE PROPERTY REPORT

Date of Incident:	Name: First	Name: Last	Reporting Agency:	Asset Number:	Barcode Number:
Asset Acquisition Cost: \$		Disposition: (circle one) Lost Stolen Destroyed	Asset Acquisition Date:		Serial/VIN #:
Make/Model/Year		Item Description:		Person Responsible:	
Last known location:			Explanation of circumstance resulting in loss of property: (attach additional sheet if necessary)		
Cause and corrective action taken or to be taken to prevent recurrence in the future:					
Write a statement explaining if the property did or did not contain sensitive data or toxic/hazardous material and if the appropriate agencies and authorities were notified (if applicable):					
Pursuant to the Code of Alabama 1975, Section 36-16-8, I will be held accountable for these items in the event of any shortages.					
Signature of Employee Responsible*:				Date:	
(*If employee is not available or unable to sign, supervisor/manager should list reason in this box.)					
List of all supporting documentation: (check all that apply)					
Attachment 1: Statement from Employee Responsible ____					
Attachment 2: Police/Accident/Fire/Incident Report ____					
Attachment 3: Insurance Documentation (if applicable) ____					
This Section to be Completed by Supervisor/Manager or Agency Director:					
____ The loss of State property did not result in the negligence of the employee(s); therefore, employee is released from liability of property loss.			____ The loss of State property <i>did</i> result due to the negligence of the employee(s); therefore, employee is liable for loss of property. The case will be forwarded to agency officials to determine if further actions, including disciplinary actions, are to be taken against the employee responsible.		
Signature of Supervisor/Manager/Director:			Date:		
This Section to be Completed by Agency Property Manager:					
Signature of Property Manager: (The necessary action and forms have been submitted to remove property from inventory.)			Date:		
Will the Agency receive any compensation covering the loss of State Property (e.g. Insurance proceeds; Reimbursement from Employee, Contractor, or Vendor, etc., at replacement cost or depreciated value)? Yes ____ No ____ If Yes, please list source and amount:					

Exhibit K

Retirement Weapon Affidavit

(Print on Agency Letterhead)

In accordance with the Code of Alabama 1975, Section 36-21-8 through 36-21-9, the following listed service duty weapon is being awarded to [EMPLOYEE NAME] upon his/her retirement from State service as a certified law enforcement officer or investigator on [DATE].

Badge #	Property Number	Serial Number	Description
###	##-#####	#####	

Released By:

Received By:

Director/Commissioner Date

Retiree Date

Property Manager Date

Exhibit L

Scrap On-Site Request
(Use Agency Letterhead)

From: _____
(Agency Name)

(Address)

Date: _____

Justification for request:

Signature of Requesting Property Manager

Surplus Property Approval

Signature of Requesting Agency Head

Auditor's Office Approval

Email this form, photos, and justification to the following Surplus Property contacts:

Jared Yow, General Services Supervisor
Surplus Property Warehouse Team

Jared.Yow@adeca.alabama.gov
SP@adeca.alabama.gov

EXHIBIT M