

<b>POLICY OF</b> <b>STATE OF DELAWARE</b> <b>DEPARTMENT OF CORRECTION</b>	<b>POLICY NUMBER</b> 12.7	<b>PAGE NUMBER</b> 1 of 2
	<b>RELATED STANDARDS:</b> 2-CO-1B-08; 4-4037; STATE OF DELAWARE BUDGET AND ACCOUNTING POLICY MANUAL, CHAPTER 13	
<b>CHAPTER:</b> 12 CENTRAL BUSINESS OFFICE	<b>SUBJECT:</b> <b>CAPITAL ASSETS</b>	
<b>APPROVED BY THE COMMISSIONER AND EFFECTIVE THIS DATE:</b> 		
<b>EFFECTIVE DATE:</b> 7/21/2016		

- I. **AUTHORITY:** 29 Del. C. §8903 (4)(5)(7)
- II. **PURPOSE:** To improve financial reporting, accountability and operational efficiencies in managing capital assets for the Department of Correction (DOC).
- III. **APPLICABILITY:** All Department employees
- IV. **POLICY:** The Central Business Office (CBO) is responsible for maintaining capital asset guidelines and procedures to ensure compliance with State and Department rules and regulations.
- V. **PROCEDURES:** Capital assets such as land, land improvements, buildings, machinery, equipment and infrastructure are reported and entered by the budget unit in First State Financials (FSF) by identifying in the purchase order (PO) or voucher. In the event asset information is not captured in FSF prior to payment, CBO will request that the Division of Accounting Central Asset Management Team (CAM) manually add the asset. The request is submitted using the Asset Management Change Request form ([AM002](#)).

Assets that meet the State's thresholds are tracked in FSF according to the following classification requirements:

<b>Asset Classification</b>	<b>State Requirement</b>
	All Buildings
Building Improvements	≥ \$100,000
Easements	All Easements
Infrastructure	≥ \$1,000,000
Land	All Land
Land Improvements	≥ \$100,000
Leasehold Improvement	≥ \$100,000
Leased Assets	See Specific Asset Class
Software	≥ \$1,000,000 purchased or put in service after July 1, 2005
Vehicles, Furniture and Equipment	≥ \$15,000, prior to July 1, 2004 ≥ \$25,000, effective July 1, 2004

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Future assets classified as Construction-Work-In-Progress (CWIP) and Software-Work-In-Progress (SWIP) are tracked by the budget unit and reported as part of the annual GAAP package. Upon completion of the project, the asset is added to FSF and no longer reported in the GAAP package.

For new buildings or renovations that meet the classification requirements and utilize Minor Capital Improvement funds, the Office of Management and Budget (OMB), Facilities Management will manage and track the asset until the project is complete. OMB will prepare and submit the AM002 form to CAM to add the asset at completion. In addition, OMB will prepare and submit the Asset Management Department Transfer/Cost Adjustment Request form (AM003) to CAM to initiate the asset transfer to the DOC. Once CAM receives the asset transfer request, a team member will contact CBO to request the Asset Location Code and Department ID to transfer the asset manually in FSF.

For cost adjustments and transfers, CBO will prepare and submit the AM003 form to CAM to transfer or adjust the cost of the asset in FSF.

For asset disposal or retirement, the budget unit submits a Delaware Surplus Service Excess Property Declaration form to OMB Government Support Services. The budget unit shall notify CBO that the asset has been approved by OMB/GSS for disposal, and CBO will submit the disposal worksheet in FSF. CAM will process the worksheet to dispose or retire the asset and send confirmation upon completion.

CBO will maintain a current listing of all capital assets in accordance with Chapter 13 of the State Budget and Accounting Policy Manual and reconcile the inventory annually as part of the GAAP package. During preparation of the GAAP package, CBO requests that each budget unit reconcile the Capital Assets by Location Report (DAM002CA) with facility records and report discrepancies. After discrepancies are resolved and the inventory is updated, CBO will submit verification of capital assets to the Division of Accounting by the assigned deadline.