



North Carolina Department of Health and Human Services  
Office of the Controller

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Laketha M. Miller  
Controller

April 19, 2013

**MEMORANDUM #2013-09**

To: Division/Office Directors  
DMH/DD/SAS Institution Directors

From: Laketha M. Miller

Subject: Annual Inventory of Fixed Assets

**Policy and Purpose**

The Office of the State Controller requires an inventory of fixed assets on an annual basis. The Department requires that each general fund entity conduct an annual inventory of capital assets having a historical cost of \$500 or more. All capital assets with a value of \$500 or more should display an asset control tag decal on the item for inspection by anyone wishing to locate or identify the property.

Guidelines by the Office of the State Auditor and the Office of the State Controller recommend that the fixed assets inventory be conducted by someone who does not have custody of the assets, nor responsibility for receiving, checking in, tagging, and recording the assets. Upon completion of the designated inventory assignment, the person conducting the inventory should certify the fact by signing and dating the individual grouping lists prior to returning them to the appointed coordinator.

**Overview**

Accompanying this memorandum is a sample printout of an electronic Excel file that will be utilized for the annual inventory. This file will include all assets in the division as identified by the account code to which it was assigned at the time of purchase or as it was identified at the time of conversion from the old Departmental Accounting System. We will forward the electronic file by e-mail to the fixed assets coordinator for each division. The file will be identified by the report name: INVENTORY-WKSHT-FUND-LOCATION. This file will enable the fixed assets coordinator to sort the assets of the division. The report will identify an asset location such as a room number, a building, a home, or a general location. The fixed assets coordinator should monitor and oversee the inventory tasks for the various locations within the division by distributing the inventory sheets (files) to the verifiers and by setting a deadline to return the completed inventory sheets. The fixed assets coordinator should track the distribution and receipt of the inventory sheets, in order to ensure that all inventory sheets issued are returned. Once the physical inventory worksheet is complete and the verifiers have returned the supplemental forms, they can be bundled with the required certification form.

www.ncdhhs.gov • www.ncdhhs.gov/control  
Tel 919-855-3700 • Fax 919-733-2604

Location: Spruill Annex, 1050 Umstead Drive • Raleigh, NC 27603  
Mailing Address: 2019 Mail Service Center • Raleigh, NC 27699-2019  
An Equal Opportunity / Affirmative Action Employer



### Specific Instructions

All items in all locations must be physically examined in order to determine that the asset has been properly decaled, accurately described, and is in the location listed. All equipment must have a manufacturer name and serial number present on the property and it must agree with the manufacturer name and serial number on the location printout. If the items match, then place a checkmark (✓) adjacent to the asset number. A suggestion for inventorying "by the location" lists is to inventory everything in the location. If an item on the location list cannot be found in that location, list it as missing or stolen. An explanation of missing assets is required for missing items and a police report is required for those items listed as stolen. If an item not listed on the location list is found in the location being inventoried, add the item to the list as present at that location but not appearing on the list. When all the documentation is submitted to the coordinator, a comparative review should be made of the "missing" and "located but not listed" items. In many instances there will be matching items between the two categories and the item(s) can be removed from the missing category and listed on the FAS-1 form as assets changing location (part A). In the event that there are inaccuracies on the print out, the verifier will mark one line through the error and write in the correction relatively close to the proximity of the marked out error, leaving no doubt that there is an error and a corresponding correction. Verifiers should ensure that corrections are neat and legible. Equipment appearing on the list but not at the designated location should be noted and an accompanying FAS-1 form should be completed and attached to the inventory sheet for that location. If the missing item is located elsewhere, part A of the FAS-1 should be completed. This form should accompany the inventory location sheet where the asset is listed in error. If a revised description is in order, part B of the FAS-1 should be completed. If the asset is missing, part C of the FAS-1 should be filled out and should accompany the inventory location control sheet. The FAS-1 Form and instructions can be downloaded from the OSC website at:

[http://www.ncosc.net/sigdocs/sig\\_docs/sigFAS1\\_Form.html](http://www.ncosc.net/sigdocs/sig_docs/sigFAS1_Form.html)

Also, all of the fixed assets forms are located on the DHHS Controller's Office web site at:

<http://www.ncdhhs.gov/control/index.htm>

### Final Process

Once the inventory is complete, the inventory location verification control sheets should be signed and dated by the verifier and the coordinator. All accompanying supplemental forms should be attached. The collected data sheets should be bundled. The Division Director or designee should sign the certification form and forward it with the bundle of verification documents to the DHHS Office of the Controller at 2019 Mail Service Center.

**These documents should be returned no later than May 24, 2013.** DMH/DD/SAS Institution Directors should send their inventory bundle to the appropriate Fiscal Officer in the Controller's Field Offices.

If you have questions, please contact your designated fixed asset representative in my office or the appropriate Branch Head in General Accounting & Financial Management.

LMM/mw

### Attachments

cc: Executive Committee  
Division/Institution Budget Officers  
Controller's Office Section Chiefs  
Fiscal Officers, Controller's Field Offices  
GA & FM Branch Heads

**Certification of Completion of Annual Inventory of Fixed Assets**

To: Laketha M. Miller, DHHS Controller  
Subject: Annual Certification of Completion of the Inventory of Fixed Assets

I am submitting this certification as official notification of completion of the annual inventory of fixed assets. The Division/Office/Institution listed below has completed the annual inventory of its fixed assets and has enclosed all relevant documentation as required for verification. Supplemental forms required for missing property, relocated property, and property sent to State Surplus Property are also enclosed with the inventory verification documentation.

Certified this \_\_\_\_\_ day of \_\_\_\_\_, 2013

\_\_\_\_\_  
Division/Office/Institution

\_\_\_\_\_  
Signature of Division/Office/Institution Director or Designee

Enclosures

Note: DMH/DD/SAS Institutions should submit their certification form and all relevant attachments to the appropriate Fiscal Officer in one of the three Controller's Field Offices.

# FAS-1 Instructions

<b>Part A.</b>	<b>Change in location</b>	Submit to Fixed Asset Officer
	Fixed Asset Number/ Description	Enter the complete fixed asset number and a brief description. Example: FAS# 41527 IBM3174 Control Unit
	From - To Building & Room	Enter the building and room number involved in the equipment transfer.
	Effective Date	Enter the date the location change became or is to become effective.

<b>Part B.</b>	<b>Change in description</b>	Submit to Fixed Asset Officer
	Fixed Asset Number	Enter the complete number as described in "A" above.
	Existing Description	Enter description of item as it actually appears on the departmental inventory printout.
	Revised Description	Enter description of item as it SHOULD appear on the departmental inventory printout.

<b>Part C.</b>	<b>Removal from Inventory Records</b>	Submit to Fixed Asset Officer
	Fixed Asset Number	Enter the complete number as described in "A" above.
	Location	Enter current location (this should agree with departmental inventory printout).
	Reason	Indicate the reason for this request by number 1, 2, 3, 4.
	<ol style="list-style-type: none"> <li>1. Cannibalization (fixed asset that has become unserviceable due to obsolescence or excessive repair costs, but which still has serviceable component parts that can be used to repair, modify or construct other items or equipment).</li> <li>2. Worn Out (Has become unserviceable through use).</li> <li>3. Missing or Stolen (Loss or theft of equipment).</li> <li>4. No Longer Required (Fixed asset that is available for transfer within the department or for surplus sale.)</li> <li>5. Asset traded-in. (Attached authorization from State Surplus Property)</li> </ol>	

<b>Part D.</b>	<b>Replacements for defective equipment under warranty</b>	Submit to Fixed Asset Officer
	Fixed Asset Number	Enter the complete number as described in "A" above. A new fixed asset number will be assigned.
	Description	Enter description of item as it actually appears on the departmental inventory printout.
	Serial Number	Serial numbers of defective equipment and replacement equipment.
	Location	Enter current location (this should agree with departmental inventory printout)
	Vendor/Manufacturer	The name of vendor/manufacturer replacing defective equipment.

<b>Requested By:</b>	<p>The form must be signed by the appropriate Division/Section Manager. When approved, a copy of this form will be signed and returned indicating that inventory records have been adjusted.</p> <p><b>THIS APPROVED FORM MUST BE ATTACHED TO EQUIPMENT THAT IS TO BE SURPLUSED.</b></p>
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# FAS-1 Form

FAS-1

**REQUEST FOR ADJUSTMENT OF FIXED ASSET INVENTORY**

**A. Change in location of fixed asset:**

Fixed Asset Number	Description	From		To		Effective Date
		Building	Room	Building	Room	

**B. Change in description of fixed asset:**

Fixed Asset Number	Existing Description	Revised Description	Effective Date

**C. Removal of fixed asset from the inventory record due to**  
*1. Cannibalization 2. Worn Out 3. Missing or Stolen 4. No longer required 5. Trade-in*

Fixed Asset Number	Existing Description	Revised Description	Effective Date

**D. Replacements for defective equipment under warranty**

Fixed Asset Number	Description	Serial Number		Location	Vendor or Manufacturer
		Defective	New		

SAMPLE

RMDSIDXX  
FAINVTRY  
AGENCY 2001

STATE OF NORTH CAROLINA FIXED ASSET D ASSET SYSTEM  
PHYSICAL INVENTORY WORKSHEET BY FUND AND LOCATION  
BOOKED THRU DATE 2008-09  
DHR - CENTRAL ADMINISTRATION

PAGE 1  
INVENTORY-WKSHT-FUND-LOC  
DATE: 04/30/09

TOTAL 9,209,446.25

FUND	LOCATION	ASSET#	DESCRIPTION				
1000	ADMINBLDG	100	ADMINISTRATION	1969-09	7290	18,338.00	
1000	ADMINBLDG	800	ADMINISTRATION	1989-10	7290	10,801.00	
1000	ADMINBLDG	900	ADMINISTRATION	1968-08	7100	84,589.00	
1000	ADMINBLDG	1000	ADMINISTRATION	1968-08	7290	11,038.00	
1000	ADMINBLDG	11300	REROOFING	1968-09	7100	33,176.59	
1000	DHR	930100	DOT MATRIX PRINTER	35834 1994-01	7320	520.96	
1000	DHR	4664500	FCP DATABASE SERVER 80486DX-33MHZ	1322149131 1994-04	7320	5,201.07	
1000	DHR	4665700	FCP DATABASE SERVER 80486DX-33MHZ	1320147847 1994-04	7320	5,201.07	
1000	DHR	4667200	FCP DATABASE SERVER 80486DX-33MHZ	1320147856 1994-04	7320	5,201.07	
1000	DHR	4668100	NOVELL NETWARE SERVER 80486-33MHZ	1320147829 1994-04	7320	5,080.66	
1000	DIETARY	10000	DIETARY	1968-08	7100	94,529.00	
1000	DIETARY	10100	DIETARY	1969-09	7100	8,580.00	
1000	DIETARY	10200	DIETARY	1969-09	7290	20,494.00	
1000	DIETARY	10300	DIETARY	1969-10	7290	12,072.00	
1000	DIETARY	10400	DIETARY	1968-08	7290	12,337.00	
1000	DIETARY	11700	REFOOFING	1987-01	7100	31,476.50	
1000	DIET-MK	200		1969-09	7290	5,989.00	
1000	DORM A	8500	DORM A	1968-08	7100	74,628.00	
1000	DORM A	8600	DORM A	1969-09	7100	6,773.00	
1000	DORM A	8700	DORM A	1969-09	7290	16,181.00	
1000	DORM A	8800	DORM A	1969-10	7290	9,530.00	
1000	DORM A	8900	DORM A	1968-08	7290	9,740.00	
1000	DORM A	11400	REROOFING	1988-09	7100	26,271.43	
1000	DORM B	9000	DORM B	1968-08	7100	74,628.00	
1000	DORM B	9100	DORM B	1969-09	7100	6,773.00	
1000	DORM B	9200	DORM B	1969-09	7290	16,181.00	
1000	DORM B	9300	DORM B	1969-10	7290	9,530.00	
1000	DORM B	9400	DORM B	1968-08	7290	9,740.00	
1000	DORM B	11100	DORM B	1982-05	7290	15,439.55	
1000	DORM B	11500	REROOFING	1988-09	7100	28,271.43	
1000	DORM C	9500	DORM C	1968-08	7100	79,603.00	
1000	DORM C	9600	DORM C	1969-09	7100	7,225.00	
1000	DORM C	9700	DORM C	1969-09	7290	17,259.00	
1000	DORM C	9800	DORM C	1969-10	7290	10,166.00	
1000	DORM C	9900	DORM C	1968-08	7290	10,389.00	
1000	DORM C	11200	DORM C	1982-05	7290	15,200.92	
1000	DORM C	11600	REROOFING	1988-09	7100	28,381.65	
1000	DORMS	6000	DORM A	1982-05	7290	15,439.55	
1000	JUS	930500	NOVELL NETWARE SERVER 80486-33MHZ	1251000431 1994-04	7320	0.01	
1000	KIT	10085400	CAFETERIA COUNTER	1997-03	7320	5,435.40	
1000	LATHANBLDG	11000	LATHAN ART CENTER	1977-01	7100	228,008.00	
1000	LATHANBLDG	11800	REROOFING	1987-01	7100	27,423.45	
1000	OLD REV	4922800	CELERRIA 486DX2 66MHZ COMPUTER	A05252855 1995-06	7320	2,299.14	
1000	OLD REV	10875700	CELERRIA 486DX2 66MHZ COMPUTER	A05252655 1995-06	7320	2,299.14	
1000	REHAB THER	10500	REHAB THERAPY	1968-08	7100	89,555.15	
1000	REHAB THER	10700	REHAB THERAPY	1969-09	7290	19,418.00	
1000	REHAB THER	10900	REHAB THERAPY	1968-08	7290	11,887.51	