



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 20, 2015

**MEMORANDUM #2015-08**

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.

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 Friday, May 22, 2015.** 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.

### **Attachments**

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

FUND	LOCATION	ASSET NO.	ASSET DESCRIPTION (ADDL)	SERIAL NO.	ACQ DATE	ACCOUNT	ASSET COST
1000		1900	ARCHITECTS		1969-09	7100	45,157.00
1000	ADMINBLDC900		ADMINISTRATION		1968-08	7100	84,589.00
1000	ADMINBLDC11300		REEROOFING		1988-09	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	11700	REEROOFING		1987-01	7100	31,476.50
1000	DORM A	11400	REEROOFING		1988-09	7100	28,271.43
1000	DORM B	9000	DORM B		1969-08	7100	74,628.00
1000	DORM B	9100	DORM B		1969-09	7100	6,773.00
1000	DORM B	11500	REEROOFING		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	11200	DORM C		1982-05	7290	15,200.92
1000	DORM C	11600	REEROOFING		1988-09	7100	28,381.65
1000	DORMS	6000	DORM A		1982-05	7290	15,439.55
1000	ELECTRIC	11401300	PREAMPLIFIER MIXING CONSOLE	9180082	1992-07	7320	2,264.47
1000	HARVEY	11100	DORM B		1982-05	7290	15,439.55
1000	JUS	930500	NOVELL NETWORK SERVER 80486-33MHZ	1251000431	1994-04	7320	0.01
1000	KIT	10085400	CAFETERIA COUNTER		1997-03	7320	5,435.40
1000	LANDSCAPE	11397300	JOHN DEERE AREATOR	E0027088665	1991-08	7320	2,698.50
1000	LANDSCAPE	11397400	LANDPRIDE ROTARY TILLER	142596	1991-08	7320	1,496.25
1000	LATHANBLD	11800	REEROOFING		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	SURPLUS13	11322600	ATR&T TELEPHONE SYSTEM		1989-11	7320	15,649.02
1000	SURPLUS13	11343800	ADD-ON MODULE-36 BUTTONS		1990-04	7320	686.37