

DHHS POLICIES AND PROCEDURES

Section II:	Budget and Analysis
Title:	Fixed Assets Policy
Current Effective Date:	5/31/05
Revision History:	8/1/02
Original Effective Date:	2/1/96

Purpose

The purpose of this policy is to clarify acquisition, maintenance and disposal of fixed assets.

Policy

The Department of Health and Human Services (DHHS) will adhere to the general policies regarding acquisition, maintenance, and disposal of fixed assets as outlined by the Office of the State Controller (OSC) in the North Carolina Accounting System (NCAS) State Information Guide (SIG), and the Administrative Policies and Procedures Manual. The DHHS Controller's Office is responsible for ensuring that all divisions/facilities/schools adhere to these policies.

Implementation

Fixed assets include such items as land, buildings, and equipment that are tangible in nature with a useful life of greater than one (1) year. The State of North Carolina distinguishes between inventory assets (acquisition cost at least \$500.00 but less than \$5,000.00) and capitalized assets (acquisition cost of \$5,000.00 or more). Both categories of assets are recorded in the agency's fixed assets systems. The agency's financial statements will reflect only the value of capitalized assets.

The basis of the department's property management system will be to establish responsibility for custody and proper use of specific assets; to provide necessary information for full disclosure and preparation of complete financial statements; and to provide information necessary to secure adequate insurance coverage.

Department employees are responsible for all state owned property assigned to them. These responsibilities include safeguarding equipment from loss, damage, theft or misuse; arranging for maintenance as needed to keep equipment in good condition; inventorying equipment on an annual basis to verify existence, location, current utilization, continued need for the equipment and notifying the fixed assets officer of any changes in the location, condition and custody assignment of equipment.

Reference

Office of State Controller, Administrative Policies and Procedures Manual

For questions or clarification on any of the information contained in this policy, please contact [The Division of Budget and Analysis](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).