

ADMINISTRATIVE PROCEDURE #19
Property Control
February 13, 2014 – P.T. 2014.04

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PART I GENERAL PROVISIONS

Section 1.1.0 Purpose

The purpose of this Administrative Procedure (AP) is to provide uniform procedures for property control within the Illinois Department of Children and Family Services (DCFS). The AP provides guidance to Department personnel in record keeping, identification, maintenance, inventory and disposition of property and equipment acquired by the Department. The AP also establishes responsibility for the various functions related to property control.

All state-owned property is to be used exclusively for conducting state business. Use of state-owned property for personal use or private gain is strictly prohibited and may result in disciplinary and/or legal action. All items of state-owned property are to be properly secured and stored to discourage theft, vandalism or damage.

Under no circumstances is state property identified for disposal to be taken or used by an employee for personal use.

Section 1.2.0 Scope

Provisions of this Administrative Procedure shall govern all items of property or equipment acquired by and maintained by DCFS except for motor vehicles. These provisions shall apply uniformly to all property acquisitions regardless of funding source. In addition, certain federal regulations may apply to items obtained with federal funds. Failure to comply with the provisions of this Administrative Procedure may result in disciplinary and/or legal action as appropriate.

Section 1.3.0 Responsibility

The Director of DCFS is generally accountable for the maintenance, control and inventory of all property under the jurisdiction of the Department. Specific accountability rests with the Deputy Director of Budget and Finance.

Under the general direction of the Deputy Director of Budget and Finance, the Property Control Unit (PCU) has delegated responsibility for the following:

- Ensuring that state-owned property is properly inventoried and reported;
- Tracking movement of state-owned property from one location to another;
- Ensuring that state-owned property is disposed of in accordance with state and federal regulations;
- Overseeing an annual, physical inventory of state-owned property under the jurisdiction of DCFS; and

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- Submitting required reports to the Department of Central Management Services (DCMS) and the Comptroller regarding state-owned property under the control of DCFS.

The Property Control Unit assigns and maintains records of property and equipment by location, building, floor and room. Each Deputy Director, Division Chief, Office Chief/Administrator, or Regional Administrator is accountable for all property or equipment at locations under his/her jurisdiction including assignment by building, floor and room.

Section 1.4.0 Definitions

Commodity: State-owned property/equipment, supplies or material generally having a purchase price of less than \$100.

Equipment: Tangible property of a non-consumable nature exceeding \$100 in purchase price.

Inventory Tag: Pre-printed tag or bar code label bearing the words "Children and Family Services" along with a bar code and CFS XXXXXX.

Property, Inventoried: State-owned property/equipment having an acquisition value of \$100 or more, plus calculators.

Property, Non-Inventoried: State-owned property/equipment having an acquisition value of less than \$100.

Property, Reportable: Inventoried property having an acquisition value of \$500 or more, plus, calculators and other items subject to theft, regardless of acquisition value which must be reported to the Department of Central Management Services (DCMS).

Property, State-Owned: Property/equipment purchased with state appropriations from state or federal funding sources, certain commodities and all books.

Property Control Site Designee: Personnel appointed by the Regional Administrative Service Managers and other Department officials to assist in the physical inventory-taking process. Administrative Service Managers (ASM) and Property Site Control Designees are responsible for maintaining accurate inventory records of property transfer, new property documentation and property deletion information on their respective locations by building, floor and room. The inventory record is forwarded to the Property Control Manager within one working day of the acquisition, transfer or deletion of property/equipment. The Designee is also responsible for affixing property control tags/labels on all property/equipment as appropriate.

Property Control Manager: Staff of the Bureau of Administrative Support assigned to the Property Control Unit is responsible for the control and inventory of all property/equipment under the jurisdiction of the Department.

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In Central Office, the Property Control Manager is responsible for the same administrative functions as the Administrative Services Managers/Business Managers/Site Designees in the Regions, including maintaining inventory records of property/equipment acquisition, transfer and deletion.

Property Control Tag: See Inventory Tag.

Property Control Unit: Unit within the DCFS Bureau of Administrative Support with the overall responsibility for the day-to-day maintenance of the Department's inventory system.

Purchase Price: Cost of property delivered and installed, including delivery and installation charges, if any. See also Value.

Surplus Property Delivery Form: This form is used to send property that is obsolete or no longer useful to DCMS Surplus. Upon receipt of the form from the Property Control Site Designee, the Property Control Unit arranges the pickup of the property. The Surplus Property Delivery Form is sent with the property to DCMS Surplus. DCMS Surplus returns a copy of the form to the Property Control Unit, verifying receipt of the property.

Surplus Warehouse, DCMS: DCMS central warehouse and surplus storage where state agencies may dispose of or acquire used property items.

Value or Acquisition Value: Acquisition value or purchase price does not depreciate over the useful life of an item. The value is also not altered by any trade-in arrangements or options applied at the time of purchase. The value may increase at a future date if peripherals or enhancements are added to the original item after purchase.

**PART II EQUIPMENT ACQUISITION AND INVENTORY TAG/LABEL
ASSIGNMENT**

Section 2.1.0 Responsibility

Responsibility for acquiring equipment or property at the Department of Children and Family Services is shared among the Offices of Contract Administration, Information Systems, and Managers of Administrative Services in Regional Offices.

The Property Control Unit is responsible for identification (tags and labels), maintenance, transfer, disposal and inventory records of the Department's property and equipment. The inventory process described in this Administrative Procedure begins when the equipment or property is received or delivered, inventory labels or tags affixed, and the purchase order or voucher forwarded to the property Control Unit. This process creates a record in the inventory control system maintained by DCFS.

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Section 2.2.0 Property Control: Acquisition, Identification, Transfer and Disposal

The DCFS Property Control Unit issues inventory bar code tags and labels to every Administrative Service Manager/ Business Manager / Property Control Site Designee. Each inventory tag or label has a unique, numeric identifier. Upon receipt of new property or equipment, the Administrative Services Manager/ Business Manager/ Property Control Site Designee is responsible for immediately affixing the appropriate inventory tag/label to the property or equipment and completing the **CFS 992-1 New Property** form. Tags and labels are distinguished as follows:

- A pre-printed tag, or bar code label, bearing the words “Children and Family Services” along with a bar code and CFS XXXXXX shall be affixed to all equipment/property with a purchase price of \$100 or more, unless the new item is to be added to an existing inventory item.
- Pre-printed inventory labels reading: “Property of State of Illinois Department of Children and Family Services” are to be affixed to property with a purchase price of less than \$100.

Upon receipt or delivery of new state-owned property, the ASM/Business Manager/Site Designee shall immediately affix the appropriate inventory tag or label. Each inventory tag or label has a unique number that must be recorded on the **CFS 992-1, New Property** form (copy attached) along with a description, building, floor and room, and other information regarding the location to which it is assigned. The **CFS 992-1** is to be mailed or faxed to the Property Control Unit immediately upon receipt or delivery of new state-owned property.

Leased equipment such as copiers shall not be tagged or inventoried as state property unless the Department has exercised the purchase option under a lease-to-own agreement.

If there are questions regarding which inventory tag is appropriate or how to affix the inventory tag to a specific item, the ASM/Business Manager/Site Designee shall contact the Property Control Unit for instructions.

Section 2.2.1 Data Processing Equipment

Inventory tags for all Electronic Data Processing (EDP) equipment (e.g. computers, monitors, scanners, etc.) are also affixed by the ASM/Business Manager/Site Designee with a separate tag for each component.

Section 2.3.0 Building, Floor and Room (Facility)

In order to document the physical location of property items within the Department, each piece of inventoried property or equipment is assigned to a Facility. Facilities are defined by the Property Control Unit and identify specific areas within each building.

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All inventory items are to be assigned to the Facility where the property/equipment is physically located. Assignment of property to a Facility identifies the item's current physical location, not ownership. "Ownership" is determined by the appropriation code used to purchase the item, information that is maintained in the DCFS inventory database.

The ASM/Business Manager/Site Designee for the Facility where the item is physically located is responsible for notifying the Property Control Unit of transfers or other changes to the inventory item and for the annual physical inventory of that item upon acquisition or delivery of the item(s).

Inventoried equipment or property may not be transferred from one Facility to another without the approval of the ASM/Business Manager/Site Designee and Property Control Manager.

Section 2.4.0 Temporary Alternate Location of Equipment

Inventoried property that appears on the Facility Report of one Department office, but is loaned to another, is considered to be at a Temporary Alternate Facility. Property may be loaned out from its assigned building, floor and room on a temporary basis by:

1. Transferring the item(s) from the loaning building, floor and room to the recipient building, floor and room via a **CFS 992-2, Property Transfer Record** (copy attached). A second **CFS 992-2** is then completed to transfer the item(s) back at the end of the loan period; or
2. Developing an internal record of the temporary re-location of inventoried equipment or property, its inventory tag number and the dates of the loan in the files of the loaning and recipient site designees.

The Property Control Unit must be notified of each transaction by means of a single copy of the **CFS 992-2**. The lending location retains responsibility for accounting for the equipment or property.

Section 2.5.0 Intra-Agency Transfer

The transfer of property (other than vehicles) within the Department shall be handled as follows:

1. The transferring Office/Division completes and signs a **CFS 992-2, Property Transfer Record**, which includes the tag number, item description and serial number (when applicable) of the item to be transferred and the specific location (building, room, floor) of both the sending and receiving location.
2. The **CFS 992-2, Property Transfer Record** is signed by the transferring location and forwarded to the receiving location along with the equipment.
3. The receiving location must verify the equipment/location information, sign and send the **CFS 992-2**, in triplicate, to the Property Control Unit.

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4. When the Property Control Unit approves the transaction, the transferring and receiving Offices/Divisions will each receive the second and third copies of the triplicate form approving of the transfer.

Transfers are not valid until **CFS 992-2** is signed by the ASM/Business Manager/Site Designee and Property Control Manager.

Section 2.6.0 Equipment/Property Transaction Recording

At the time equipment/property is received, a copy of the purchase order and/or voucher is provided to the Property Control Unit. The Property Control Unit creates a record in the inventory database maintained by DCFS for each item of equipment purchased, using information from the voucher or purchase order and the inventory tag or label.

Section 2.7.0 Federally Funded Equipment/Property

If the cost of the equipment is paid from a Federal Fund appropriation, the purchase order and/or voucher sent to the Property Control Unit indicates the Federal Project Number and Project Fiscal Year. This will ensure that the record in the DCFS database includes the data needed to comply with federal regulations applicable to federally funded purchases.

PART III MAINTENANCE AND DISPOSITION

Section 3.1.0 Responsibility

Responsibility for the marking, maintenance and disposition of state-owned property rests with the Property Control Manager, with delegated authority to Site Designees.

Section 3.2.0 Loss or Theft of Equipment

In the event that an inventory item is discovered to be missing, the ASM/Business Manager/Site Designee shall take the following steps:

1. Immediately re-examine inventory in the assigned facility;
2. Conduct an on-site investigation regarding any possible transfers, loans, etc. to locate the missing item; and
3. Submit a written explanation to the Property Control Unit documenting the circumstances and the subsequent investigation. If theft is suspected, whether by an employee or other, the ASM/Business Manager/Site Designee or other Department official must file a police report within 24 hours. Tag numbers, item descriptions and serial numbers (when applicable) should be included on the report so that the equipment can be readily identified. An explanatory memo should be sent to the Property Control Unit, along with a copy of the police report.

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The Property Control Unit is responsible for informing DCMS Property Control Division of the suspected theft or loss of state-owned property or equipment. The Property Control Unit will seek permission from DCMS to delete the inventory record(s) from the database for lost or stolen items.

Section 3.3.0 Disposal of Equipment

Prior to the disposal of any equipment/property, approval from the Property Control Unit and DCMS Property Control Division must be secured, in conformance with the following guidelines.

Section 3.3.1 Disposal of Federally Funded Property

Special provisions apply to the disposal of property furnished by the federal government, acquired in whole or in part with federal funds, or whose cost was charged to a project supported by a federal grant. When federally supported property has a value of \$1,000 or more, prior approval must be obtained from the federal government before the property is disposed of as junk, scrap, or as part of a trade-in. To dispose of property purchased with federal funds, the following steps must be taken:

- The requesting Office/Division will send a letter to the Property Control Unit documenting the inventory tag number, the federal funding source and the reason for disposition.
- The DCFS Federal Financial Management and Accounting Section is then contacted by the Property Control Unit to notify the federal grantor agency in writing.
- When approval is granted, the DCFS Property Control Unit will send a memo to DCMS Property Control Division seeking approval to delete the inventory tag number from the DCFS database.
- Only then will the Office/Division be given permission by the Property Control Unit to dispose of the equipment. The inventory record is then deleted from the database.

Section 3.3.2 Trade-In Property

When it is advantageous to the State and to the Department to trade state-owned property rather than dispose of it otherwise, the Deputy Director or Office Chief/Administrator responsible for the property shall send a memo to the Property Control Unit recommending the trade-in. The memo shall include a description of the property to be traded, the inventory tag and serial numbers, a full description of the new property to be purchased, the name of the business accepting the trade, the purchase price of the new item and the value allowed on the trade-in property. The Property Control Unit will secure DCMS approval and forward notification to the

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requesting Office/Division. **DCMS approval must be obtained prior to the trade-in taking place.**

Section 3.3.3 Removing Damaged or Obsolete State-Owned Property from Inventory Records

When inventoried property becomes damaged beyond repair or is no longer useful, it may be disposed of as scrap or parted out **with prior approval from DCMS Property Control Division.** A memo from the requesting Office/Division along with a Request for Deletion from Inventory Form (IL 401-1353; copy attached) must be completed and sent to the Property Control Unit. The form shall include the following: a description of the property to be disposed of, inventory tag number, serial number, justification and intended disposition of the property. The Property Control Unit will secure approval and forward notification to the requesting Office/Division.

Section 3.3.4 Property Available for Transfer

In addition to inventory records, the Property Control Unit also maintains a list of property and equipment needs throughout the DCFS offices. Offices/Divisions that have usable property items or equipment that they no longer use must contact the Property Control Unit. The Property Control Unit will attempt to place the property at a location where it is needed.

Offices/Divisions that have state or federal computer equipment that they no longer use must contact the Information Services Division (ISD). ISD will determine if the computer equipment can be used elsewhere in the Department. Appropriate property transfer procedures will be followed if it is determined that another location can use the property and/or computer equipment.

Section 3.3.5 Transfer to Storage

Inventoried property may be transferred to a storage facility only when the Property Control Unit determines that the property or equipment is not useful to any DCFS Office/Division. Property sent to the storage facility requires proper signature of the Property Control Manager or his or her designee. A Region may store properly inventoried items or equipment in a temporary storage facility within Region for a period of up to one year. The Property Control Manager shall be notified of such storage by submission of one copy of the CFS 992-2. The CFS 992-2 shall be used for such transaction regardless of whether the property is newly acquired or previously used by the Region. A follow-up CFS 992-2 shall be completed when the property is removed from storage and assigned to another building, floor and room.

Section 3.3.6 Transfer to DCMS Surplus

When the Property Control Unit determines that inventoried property is obsolete or in such condition as not to be useful to any Department Office/Division, the property may be transferred to DCMS to be disposed of as surplus. If the inventory is to be sent to DCMS Surplus, it is the responsibility of the Property Control Unit to arrange transport of the items to the DCMS

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Warehouse. Approval of the Property Control Unit is required to send equipment or property to the DCMS warehouse. The Office/Division must contact the Property Control Unit to request a DCMS Surplus Property Delivery Form which documents the tag number, item description, purchase date, purchase price and voucher number. The Surplus Property Delivery Form provided by DCMS must accompany the item(s) to be taken to surplus.

Section 3.3.7 Transfer of Computer Related Equipment to DCMS Surplus

All computer related equipment (PC's, servers, laptops etc.) will be processed through the Office of Information Systems (OIS) for cleaning of all hard drives in accordance with the Data Security on State Computers Act (PA 93-0306). OIS will then notify the Property Control Unit for disposal of the equipment.

Section 3.4.0 Equipment Repair

On occasion, inventoried property may need repairs that cannot be performed on-site. In cases where equipment is taken off Department premises for repair by an outside vendor, a **CFS 992-3, Equipment Repair Tracking Form** must be filled out. The tracking form identifies the equipment being moved, the vendor who is performing the repairs and the dates of service. A Department employee must sign the form when the equipment is removed and again when it is returned. The tracking form is sent to the Property Control Unit immediately after the repair vendor has removed the equipment. The Office/Division to which the equipment is assigned retains a copy until the equipment is returned, then it is signed and a copy forwarded to the Property Control Unit, indicating completion of the repair.

PART IV INVENTORY AND REPORTING

Section 4.1.0 Responsibility

Responsibility for documenting the location and status of all property under the Department's jurisdiction and for seeing that an annual physical inventory is conducted for all property assigned to Department locations rests with the Property Control Unit. The ASM/Business Manager/Site Designee at each Facility is accountable for all equipment assigned to their Facility and will conduct the actual physical inventory under the direction of the Property Control Unit.

Section 4.2.0 Annual Physical Inventory

All state agencies are required to conduct an annual physical inventory of equipment in their possession. Agencies are required to maintain control over all property under their jurisdiction, regardless of acquisition cost, including property not required to be carried on inventory records and reported to DCMS. This internal property control must be sufficient to meet the requirements of agency internal auditors. Under the direction of the Property Control Unit, each responsible Department ASM/Business Manager/Site Designee shall complete an annual physical inspection and enumeration of all property assigned to the location. During the inventory, the inventory tag and serial number of all reportable inventory items must be verified.

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Records of all investigations conducted and explanations for all lost or stolen inventory items must be properly documented. After the annual physical inventory has been completed, the responsible ASM/Business Managers/Site Designees must submit their reports to the Property Control Unit for aggregation into a report to be submitted to the Property Control Division of DCMS.

In the event property is discovered to be missing during the annual physical inventory, the procedures described in Section 3.3.0, Loss or Theft of Equipment, shall be followed.

Questions regarding Administrative Procedure #19 or Property Control may be directed to the Property Control Unit at 1-217-785-2588.

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APPENDIX A

DISTRIBUTION AND CONTROL OF CHILD SAFETY SEATS

1. All field offices must maintain on hand at least one child safety seat of each category. Every six months, all child safety seats within each field office must be checked by the field office designee to ensure that they are in good condition and have not reached their expiration date. If it is determined that a child safety seat(s) has reached its expiration date, it must be removed from inventory.
2. All expired child safety seat(s) must be disposed of by removing the cover and by cutting and destroying the harness. The plastic shell of the child safety seat may either be recycled at an “Inorganic Dry Collection Center” or if not available, the plastic shell can be disposed with normal trash removal.
3. When the field office designee removes a child safety seat(s) from inventory a notice must be sent to the Regional Business office with the type of child safety seat and the date the child safety seat(s) was removed from the field office inventory. Regional Business offices will maintain a separate spreadsheet inventory of child safety seats for each of their field offices. Regional Business office’s inventory will allow the movement of child safety seats from one field office to another as the need arises.
4. If the field office designee determines that additional child safety seats are needed, the field office designee must complete order form **CFS 992, Request for Purchase of Goods and Services form**, and direct the completed **CFS 992** to the Regional Business office.
5. To request additional child safety seats for their region, the Regional Business Manager must complete and forward the order form **CFS 992** to the Office of Procurement for approval and purchase. Regional Business Managers will review the need for replacement child safety seats at a minimum every six months. Generally, child safety seats of each category are ordered on a bi-annual basis.
6. All child safety seats are delivered to the Regional Business offices where they are logged into inventory by the Regional Business Manager for distribution to field offices.
7. The Regional Business office managers will register one model of each child safety seat at the time of delivery so that the business office can receive notifications of all important product information including recalls. When appropriate, all product recalls will be forwarded to the field offices.
8. Field offices will secure new child safety seats from the Regional Business offices. Staff picking up child safety seats for their field office will be required to verifying the number and type of child safety seats received.

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9. Each field office designee must log and number each child safety seat received in order to maintain a current inventory of available child safety seats within their field office. Each Regional Business office will conduct an annual inventory of all child safety seats in their region.

10. Field office designees must keep a log for sign in and sign out of inventoried child safety seats to staff members.

Staff may access additional information concerning child safety seat laws or other related information by visiting the National Highway Traffic Safety Administration website at <http://www.nhtsa.gov/Safety/CPS>.