

**STATE OF RHODE ISLAND
DEPARTMENT OF ADMINISTRATION**

OFFICE OF ACCOUNTS AND CONTROL

FACTS

**FIXED ASSETS
CONTROL
AND
TRACKING SYSTEM**

POLICY AND PROCEDURE MANUAL

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FIXED ASSET CONTROL AND TRACKING SYSTEM (FACTS)

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FIXED ASSET CONTROL AND TRACKING SYSTEM (FACTS)

OVERVIEW OF THE FIXED ASSET CONTROL AND TRACKING SYSTEM (FACTS)

GENERAL

The State has a significant investment in fixed assets such as land, land improvements, buildings, building improvements, machinery, equipment, furniture, and motor vehicles. The State established a Statewide Fixed Asset Control and Tracking System (FACTS) to assist with the financial reporting, accountability, and operational efficiencies in managing these assets.

The primary purpose of FACTS is to maintain auditable information concerning the State's fixed assets, in addition to detailed information concerning location and inventory control. This assists the State in complying with Generally Accepted Accounting Principles (GAAP) and increase the accountability for fixed assets.

Complete and accurate fixed asset records provide additional benefits such as assisting management to identify underutilized buildings and equipment. Furthermore, surplus assets can be reassigned for more productive use. Accurate records will also help identify replacement and renovation needs of existing assets. This type of information is useful in making budgetary decisions for specific requests, as well as in long term capital planning.

Finally, State agencies apply for a variety of grants; these funds are often used for the construction or purchase of fixed assets. To comply with grantor requirements, the State must maintain adequate records to support disposition of grant funds. Use of FACTS will ensure compliance with these requirements

SCOPE

The FACTS is statewide in scope, except for the following entities: 1) component units of the State (such as the University of Rhode Island, Rhode Island College, the Community College of Rhode Island, the Rhode Island Public Transportation Authority, the Rhode Island Airport Corporation, and others), and 2) the Lottery Division of the State Department of Revenue. FACTS is designed to capture information from all non-exempt State departments and agencies responsible for equipment and space. The cooperation of all personnel with equipment and space responsibilities is required to ensure the accuracy of FACTS.

It is the agency's responsibility to assist the Office of Accounts and Control in maintaining accurate fixed asset information using FACTS. The Fixed Asset Unit of the Office of Accounts and Control will monitor and coordinate input to FACTS, maintain the statewide fixed asset database records, distribute reports generated by FACTS, report fixed assets as they are inventoried by all agencies, and provide barcode labels for fixed asset identification.

FIXED ASSET COORDINATOR

The Fixed Asset Coordinator(s) shall be appointed by the Chief Financial Officer (CFO) of each agency. The CFO shall notify the Fixed Asset Unit of the Office of Accounts and Control, in writing, of the employee(s) [name, title, telephone number and email address] in each

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department or agency who shall serve in this capacity, and of any changes. The Fixed Asset Coordinator shall act as a contact person with the Fixed Asset Unit in all matters related to FACTS. The Fixed Asset Coordinator shall assist the Fixed Asset Unit in ensuring that data maintained in FACTS is accurate and timely and shall assist with any physical inventory of fixed assets of their department.

A Fixed Asset Coordinator should not function as an Authorized Agent for the approval of Fixed Asset Invoice Vouchers, as keeping these two activities separate enhances internal control.

When a Department or Agency owns a building, but does not occupy it, the following policy applies: The Fixed Asset Coordinator of the department or agency that is the owner is responsible for accounting for the building. The Fixed Asset Coordinator for the department or agency that occupies the building is responsible for accounting for its contents.

FIXED ASSET UNIT

The Fixed Asset Unit of the Office of Accounts and Control will maintain the fixed asset system database. This includes, but is not limited to, monitoring and coordinating input from the various fixed asset forms, reconciling perpetual records with physical assets, and monitoring the annual physical count of fixed assets by State departments and agencies. The Fixed Asset Unit will, upon written request, distribute periodic reports generated by the database.

The Fixed Asset Unit can address any questions or concerns a State department or agency may have; please contact 401-222-6403.

CRITERIA FOR INCLUSION FOR FACTS

CAPITALIZATION POLICY

Fixed assets are defined as tangible or intangible property with a useful life of more than one year and a certain cost or value. Another important characteristic of a fixed asset is its intended use. These assets are not intentionally acquired for resale, nor are they readily convertible to cash. Fixed assets are capitalized and included in FACTS for management control and/or financial reporting purposes. Depreciation expense calculations will be computed for applicable assets. These calculations can be used for determination of an indirect cost rate or for determination of program costs for revenue analysis.

In general, assets included in FACTS are either owned by the State or Federal Government or leased with the various characteristics of ownership present. Frequently the State purchases or constructs assets meeting the criteria described in the above paragraph, but the State is not the owner of the asset. In that case, the transaction is either a transfer to component units or a grant.

The basis amount of a fixed asset is capitalized (refer to the basis section under Depreciation on page 12 for more information). The State has assigned a capitalization threshold and useful life to fixed asset based on category. The following paragraphs provide detailed information on each category. Additionally, Appendix III, Summary of Fixed Asset Thresholds, is provided for a quick reference guide.

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- BUILDINGS, BUILDING RENOVATIONS AND IMPROVEMENTS

All buildings and other structures owned by the State shall be recorded in the FACTS, regardless of cost. When a building is purchased, the agency responsible for the management and operation of the building shall submit the Form SFA-12. The insurance form, which is included in the Excel version of the Form SFA-12 on the Controller's website, **must** be submitted with the SFA-12. Once the Form SFA-12 is accepted, the Office of Accounts and Control will assign the building code.

Renovations made to buildings shall be recorded in FACTS if they meet the criteria established; a cost of \$1,000,000 or more and a useful life of more than one year. A renovation enhances an already existing asset to a condition beyond that which results from normal maintenance or repairs, and/or increases the useful life of the asset. Replacing a roof or installing a better electrical system in a building are examples of renovations. Refer to the Construction in Progress section on page 14 for more information on the necessary steps required for building renovations.

Improvements are defined as the addition of a new building component or section where one did not previously exist, costing \$1,000,000 or more, with a useful life of more than one year. Examples of building improvements would include installation of an air conditioning system in a building or the addition of floor space to an existing building. Refer to the Construction in Progress section on page 14 for more information on the necessary steps required for improvements.

- COMPUTER SOFTWARE

The State of Rhode Island considers computer software that exceeds a cost of \$2,000,000 and has an estimated useful life greater than one year to be an intangible asset. This policy shall apply both to software that is internally developed and to software purchased from a vendor. Computer software that is developed internally shall be included in FACTS as one asset if the cost of labor and material to develop the asset equals or exceeds the capitalization threshold. Refer to the Construction in Progress section on page 14 for more information on the necessary steps required for development of software.

Cloud-based computer software that meets the \$2,000,000 threshold but is not internally developed and no licensed software for use on State servers is purchased will be considered Software-as-a-Service (SaaS). Pre-implementation costs for SaaS will be accumulated as a deferred outflow of resources, and will not be included in FACTS.

Computer software maintenance fees paid annually to the same vendor from whom the original application software was purchased shall not be capitalized.

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- COMPUTER USER LICENSES

Computer software vendors may sell users a license to use their software; they do not sell users their software per se. Therefore, it shall be the policy of the State of Rhode Island to account for computer software user licenses for “major” computer applications, i.e., those computer systems capitalized under the above policy, as an intangible asset.

If the cost of initial acquisition of the computer network system software and licenses equals or exceeds \$2,000,000, a Form SFA-12 will be submitted for both. The Form SFA-12 will report the cost assigned to the software and the cost assigned to the licenses, separately.

- CUSTODIAL ASSETS

Capital assets acquired with funds held in custody for an inmate, patient, client, or ward will not be recorded in FACTS and will not be assigned a barcode label. This policy also applies to a capital asset(s) donated for use only by a specific inmate, patient, client, or ward.

The State agency responsible for the care, custody, and control of these assets should affix a plain mailing label (no barcode labels should be used in this circumstance) indicating the owner of the asset as the inmate, patient, client, or ward.

- DONATIONS

All donations, gifts, or bequests shall comply with the applicable State Statutes before the State can claim title and the receiving agency can deem it as a fixed asset. Refer to Appendix VII, General Laws Pertaining to Fixed Assets, for details. When an agency receives a fixed asset that has been donated, the agency receiving the asset should first determine the fair market value of the fixed asset and its remaining useful life. The Depreciation Method section on page 12 has additional information on how to assign a basis to a donation. A Form SFA-12 should be completed if 1) its value equals or exceeds the dollar amount criteria qualifying it for inclusion in FACTS and 2) it has a useful life of more than one year. State on the Form SFA-12 that the asset was donated and indicate by whom.

- FORFEITURE

“Forfeited property” consists of (1) monetary instruments, real property, and tangible personal property acquired through forfeiture proceedings; (2) property acquired by the government to satisfy a tax liability; and (3) unclaimed and abandoned merchandise.

The property shall be valued at its fair market value at the time of forfeiture. A valuation allowance shall be established for liens or claims from a third party. This allowance shall be credited for the amount of any expected payments to third-party claimants.

Revenue from the sale of property shall be recognized when the property is sold.

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Property not held for sale may be placed into official use, transferred to another State government agency, or distributed to a local enforcement agency.

Property acquired by the government in satisfaction of a taxpayer's liability shall be recorded when title to the property passes to the State. The property shall be valued at its fair value less any third-party liens. Upon sale of the property, revenue shall be recognized in the amount of the sale proceeds, and the property and the third-party liens are removed from the accounts.

Unclaimed and abandoned merchandise shall be valued at its fair value. Upon sale of the merchandise, revenue shall be recognized in the amount of the sales proceeds.

When a law enforcement or regulatory agency receives a fixed asset that has been forfeited, the agency receiving the asset should first determine the fair market value of the fixed asset and its remaining useful life, then complete a Form SFA-12 if its value 1) equals or exceeds amounts material meets or exceeds the capitalization threshold and 2) the asset has a useful life of more than one year. State on the Form SFA-12 that the asset was forfeited and from whom. Any subsequent transfer or sale of the fixed asset shall comply with these accounting policies and procedures.

- FURNITURE AND EQUIPMENT

Equipment is defined as any vehicle, piece of machinery, or other device that meets the fixed asset criteria. Examples of equipment and furniture include, but are not limited to:

- Appliances and household furniture
- Autos
- Buses
- Computers
- Construction machinery
- Landscaping equipment
- Office equipment and furniture
- Telecommunications equipment
- Tractors
- Trucks

All machinery, equipment, and furniture that costs \$5,000 or more, and has a useful life of more than one year, will be included in FACTS. Any computer equipment or lawn, landscape, and grounds maintenance equipment items costing between \$500 and \$4,999, and has a useful life of more than one year, will be tracked in FACTS, but not capitalized. A form SFA-12 is still required to be submitted in this situation. Note, the \$500 threshold should not include the cost of the following items, if they are sold separately (i.e., unbundled): license agreements, maintenance contracts, training manuals, and software.

For modular furniture, the **total** purchase price must equal or exceed \$5,000 to be

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included in FACTS.

Internally constructed assets, also known as fabricated assets, are those constructed by a State department or agency using its own labor and purchasing the components. The asset shall be included in FACTS, as one asset, if the cost of labor and material meets or exceeds the capitalization threshold.

Any repairs to furniture and equipment that cost \$5,000 or more, and that will increase the useful life of the asset by one year or more, will be included in FACTS.

Assets which are purchased as a component group, such as a personal computer system (including a central processing unit, monitor and keyboard, and any pre-installed software), shall be recorded in FACTS as one asset. Additionally, any type of "kit" classified as furniture and equipment, that costs between \$500 and \$4,999, should be treated as one asset.

If several components of a group are lost, stolen, destroyed, or sold and the disposition of these components causes the asset's useful life to cease, report the disposition of the total asset; refer to the Disposition of Fixed Assets section on page 17 for instructions. If these components are replaced and all of the replacement components cost more than \$5,000 (\$500 for computer equipment or lawn, landscape, and ground maintenance equipment) and will increase the asset's useful life to more than one year, then a new asset group will be recorded in FACTS; the basis of the asset should include the component(s) of the previous asset group that was not lost, stolen, destroyed or sold. If only one component, to which a barcode label was affixed, is lost, stolen, or destroyed, and it is replaced, a new barcode is required regardless of replacement cost.

- **INFRASTRUCTURE**

Assets in this category will be included in FACTS if they exceed the capitalization threshold; a cost of \$1,000,000 or more and a useful life of more than one year. These include roads, bridges, curbs and gutters, streets and sidewalks, water, sewage and drainage systems, lighting systems, dams and levees, telecommunications systems, water distribution, gas and electric utilities, solid waste disposal, waste water treatment, and similar assets that are immovable. Any real property that becomes part of infrastructure will be entered into FACTS but will retain its identity.

- **LAND AND LAND IMPROVEMENTS**

All land owned by the State shall be recorded in FACTS, regardless of cost.

Each parcel of land owned by the State is initially recorded as a separate asset. Land improvements made to each parcel, such as parking lots, sidewalks, retaining walls, yard lighting, fencing, etc., are also recorded as separate assets in FACTS. For example, a parking lot would be recorded as a separate asset from the land underneath. It should be noted that although land assets are included in FACTS regardless of cost, land

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improvements are only included if they cost \$1,000,000 or more and have a useful life of more than one year.

Since land is acquired on a parcel basis, it is recorded in FACTS as such, so that, for example, each purchase of contiguous lots is recorded in FACTS as a separate asset.

- **LEASED ASSETS**

The two major categories of leases are:

1. **Lease/Purchase (Capital Lease)** - A contract entered into by an agency to make periodic payments to the owner of a fixed asset for the right to use it. Included in the contract is a provision that transfers ownership of the asset to the State at some time during or at the end of the lease.

This type of lease agreement is classified as a capital lease when substantially all of the risks and benefits of ownership are assumed by the State. A capital lease is, for the most part, viewed as an installment purchase of property rather than the rental of property.

If any one of the following four criteria is a characteristic of the lease transaction, the lease will be recorded in FACTS:

1. The lease transfers ownership of the property to the lessee by the end of the lease term.
2. The lease contains a bargain purchase option (BPO).
3. The lease term is equal to 75% or more of the estimated useful life of the leased property.
4. The present value of the minimum lease payments at the inception of the lease equals at least 90% of the fair value of the leased property.

Assets acquired under lease/purchase arrangements are included in FACTS and shall be reported on Form SFA-12; copies of all contracts must be forwarded to the Fixed Asset Unit in addition to the Form SFA-12. Each asset acquired via a lease/purchase contract shall be recorded in FACTS upon initial use of the asset, after the contract receives all necessary approvals and signatures.

A RIFANS payment document or other appropriate document must be prepared to initiate payment to the vendor. Assets acquired under a Master Lease Program and a Certificate of Participation Program are included in this category.

2. **Operating Lease (Rental)** - Periodic payments made to the owner of a fixed asset for the right to use the asset. The asset remains the property of the owner

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throughout the rental period, and is returned to the owner at the end of the lease term. Assets acquired under leases of this type are not included in FACTS.

- LEASEHOLD IMPROVEMENTS

Leasehold improvements made to buildings leased by the State shall be included in FACTS if they meet the criteria established; a cost of \$1,000,000 or more, have a useful life of more than one year, and the remaining term of the lease is more than one year.

- SEIZURE

As a consequence of various laws, certain property is seized by authorized law enforcement agencies, and much of it is subsequently forfeited to the government through abandonment or administrative and judicial procedures. The forfeited property is ultimately sold, converted for use by the government, or transferred to other governmental entities. Because this property is first seized, then all or a portion of it is forfeited, this standard separately addresses the accounting for seized property.

Seized property includes monetary instruments, real property, and tangible personal property of others in the actual or constructive possession of the seizing agency.

Seized property shall be accounted for in an agency's property management records when an agency has gained actual or constructive possession of it under statutory and/or regulatory authority.

The value of the seized property shall be accounted for in an agency's property management records until the property is forfeited, returned, or otherwise liquidated. No record of any capital assets acquired through seizure shall be maintained in FACTS until legal title passes to a State agency through administrative or judicial proceedings.

Seized monetary instruments shall be recognized as seized assets of the entity as of the time they are seized. In addition, a liability shall be established in an amount equal to the seized asset value. Seized monetary instruments are recognized upon seizure due to (1) the fungible nature of monetary instruments and (2) the high level of control over the assets that is necessary.

Seized property shall be valued at its fair value when seized or, if fair value cannot be readily determined, as soon thereafter as reasonably possible. Fair value shall be based on the value of the property assuming an active market exists for the property. If no active market exists for the property in the general area in which it was seized, a value in the principal market nearest the place of seizure shall be used. Seized monetary instruments shall be valued at their market value.

Agency accounting policies, procedures, and records shall contain the following minimum requirements:

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- Explanation of what constitutes a seizure and a general description of the composition of seized property.
- Method(s) of valuing seizures.
- Changes from prior year's accounting methods, if any.
- Analysis of change in seizures, including the dollar value and number of seizures that are:
 1. on hand at the beginning of the year,
 2. made during the year,
 3. disposed during the year, and
 4. on hand at the end of the year, as well as known liens or other claims against the property. This information should be presented by type of seizure and method of disposition.

- WORKS OF ART, HISTORICAL TREASURES, AND MEMORABILIA

Works of art, historical treasures, and memorabilia are defined as one or more items 1) on public display, 2) used in furtherance of historical education, or 3) involved in advancement of artistic or historical research. These assets will be included in FACTS, regardless of cost, whether they are held as individual items or in a collection if the conditions of ownership are as follows:

- Held for public exhibition, education, or research in furtherance of public service, rather than financial gain.

- Protected, kept unencumbered, cared for, and preserved.

Restorations of works of art, memorabilia, and historic treasures, the cost of which equal or exceed \$5,000, will be included in FACTS as a separate asset.

Administrative type buildings not considered part of a collection of historic buildings (for example, a visitor's center or a storage facility at a historical site) will be capitalized using the FACTS general policies as guidance.

REPORTING FIXED ASSET ACQUISITIONS

GENERAL

Each agency, when acquiring a fixed asset, shall submit a Capital Asset Acquisition Report, Form SFA-12, **in excel format only**, to the Office of Accounts and Control. If the Form SFA-12 is not completed according to the procedures set forth in this section, the payment will not be processed. The payment document will then be returned to the agency requesting the additional information required to properly process the Form SFA-12. A Form SFA-12 must be submitted for all expenditures that are charged to the natural accounts for capital assets.

The Fixed Asset Unit of the Office of Accounts and Control will use the Form SFA-12 to record the new asset into FACTS. Providing correct and descriptive information on the Form SFA-12

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is vital in ensuring the accuracy of FACTS. Instructions for completing the Form SFA-12 are included as part of the document found on the Controller's website. Specific fields of the Form SFA-12 that require special attention are reviewed below.

- DOCUMENT NUMBER

The vendor invoice number should be entered in the document number square of the Form SFA-12.

- PURCHASE ORDER NUMBER

The purchase order number is a key identifier, this field **must** always be completed.

- LOCATION

All assets on a Form SFA-12 must be situated at the same location and have the same line item assigned. The location of asset(s) section of the Form SFA-12 must include the agency name and the address of where the asset is located. Do not provide the address of the agency's headquarters if that is not where the asset will be physically located.

- TRANSACTION CODES

There are two categories of transaction codes that are used on the Form SFA-12 to identify the location of an asset:

1. Building Code

The building codes are located on a tab of the Excel version of Form SFA-12. The code must be entered in the cost center square on Form SFA-12 and as part of the account structure on requisitions, purchase orders, and payments related to building improvements or renovations. The building code must be entered in the cost center square on Form SFA-12 as the location for assets in order to identify what building the asset is in or associated with. Leased building and/or space will have a building code assigned for this purpose.

2. Land Code

The land codes are located on a tab of the Excel version of Form SFA-12. The code must be entered in the cost center square on Form SFA-12 and as part of the account structure on requisitions, purchase orders, and payments related to land improvements. The land code must be entered in the cost center square on Form SFA-12 as the location for assets where the land is the location of an asset rather than a building.

- SERIAL NUMBER

Serial numbers are designated by manufacturers. Each individual asset should have its

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own serial number, and **must** be listed as such on the Form SFA-12. If the asset being purchased is as a component of a system and does not have an individual serial number, list the serial number of the main system.

- **DESCRIPTION OF ASSETS**

The Fixed Asset Unit will use the description on vendor invoices, along with what is listed on the Form SFA-12, to gauge what is being purchased. If the technical name, as listed on the vendor invoice, is not self-explanatory, be sure to provide a more detailed description on the Form SFA-12.

- **BARCODE LABEL NUMBER**

Barcode labels will be assigned by the Fixed Asset Unit of the Office of Accounts and Control. If the newly acquired asset is an add-on to an existing piece of equipment, list the existing barcode label number on the SFA-12. Refer to the Labeling Instructions section on page 14 for additional information.

DEPRECIATION

INTRODUCTION

Depreciation shall be calculated on all assets costing at least \$5,000, except for land, land rights, and works of art. Depreciation will provide another gauge for budget maintenance and program cost analysis purposes. Also, it will serve the agencies that have depreciation requirements for grant or reimbursement purposes.

DEPRECIATION CONVENTION

One half year's depreciation will be calculated in the fiscal year an asset is acquired. This convention shall be used regardless of when, during the fiscal year, an asset is acquired.

DEPRECIATION METHOD

The straight-line method of depreciation will be utilized. Straight-line depreciation is computed by establishing the basis of an asset then dividing by the number of years of useful life to arrive at an annual depreciation charge. The following criteria are used to determine the annual depreciation amount:

1. **Basis**

Basis is the dollar amount capitalized and included in the fixed asset system as the book value of the fixed asset. Basis should be assigned to fixed assets based on actual historical costs (purchase price), which should be obtained from the vendor invoice. Charges to prepare a capital asset for use, such as installation and delivery, should be included in the basis of the asset. These charges should always be classified in the same natural account as the related asset. For example, if a piece of capital furniture was purchased the natural

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account number 661605 would be used; therefore, the cost of delivery and installation of that furniture would also be charged to 661605.

For construction projects, basis should be the total of all payments for each contract, including architect, management, and planning fees.

For assets acquired through contribution, donation, or forfeiture, basis should be the fair market value on the date of acquisition. Fair market value is the estimated amount at which the fixed asset might be exchanged between a willing buyer and a willing seller, neither being under compulsion, and each having reasonable knowledge of all relevant facts. All donations, gifts, or bequests shall comply with the applicable State statutes before the State can claim title and the receiving agency can deem it as a fixed asset. Use the guidelines following this paragraph to estimate fair market value of assets if the cost of obtaining an independent appraisal exceeds the benefit of such. The cost of an appraisal would exceed its benefits if the asset is to be held by the State for only a short time before being disposed of or if the apparent condition of the asset were to reveal a relatively low value.

Land, buildings, and/or motor vehicles:	Property tax assessment value
Furniture, machinery, and equipment with a 5-year estimated remaining useful life:	100% of replacement cost of same asset purchased new
4-year estimated remaining useful life:	80% of replacement cost of same asset purchased new
3-year estimated remaining useful life:	60% of replacement cost of same asset purchased new
2-year estimated remaining useful life:	40% of replacement cost of same asset purchased new
1-year estimated remaining useful life:	20% of replacement cost of same asset purchased new

If the estimated value meets the capitalization threshold, the asset will be recorded in the system and depreciated over its remaining useful life.

2. Useful Life

An estimate of how long one can expect to use an item. The State as has assigned a useful life of an asset based on asset category; refer to Appendix III, Summary of Fixed Asset Thresholds, for useful life based on asset category.

SALVAGE VALUE

The State has elected not to estimate salvage value for its assets in the FACTS system.

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LABELING INSTRUCTIONS

GENERAL

The primary purpose of labeling is to maintain a positive identification of assets owned by the State. Labeling is important for:

- Providing an accurate method of identifying individual assets;
- Facilitating the physical inventory process on a periodic basis;
- Controlling the location of all physical assets;
- Assisting in maintaining fixed assets;
- Providing a common ground of communication for both the fiscal staff and the asset users.

The Fixed Asset Unit of the Office of Accounts and Control will provide barcode labels for the fixed assets reported on the Form SFA-12 received from the agency. **Agencies shall not purchase bar code labels.** All fixed assets, other than the categories of assets listed in Appendix IV, Fixed Assets Not Required to be Labeled, must be physically labeled with a State barcode label. Fixed assets for the categories listed in Appendix IV, such as works of art, will still have a barcode label number recorded in FACTS for each asset. However, the label will be kept in the Fixed Asset Unit's records and will not be affixed to the asset, as to not diminish or destroy the physical integrity of the asset.

If a barcode label has fallen off a fixed asset, a new barcode label can be provided. Contact the Fixed Asset Unit for a replacement. It is imperative FACTS is updated with the new barcode label so the fiscal staff and asset users can effectively communicate about the asset.

If part of a fixed asset is stolen that has the barcode label affixed to it, a new label will be assigned to the replacement part, regardless of its cost.

PLACEMENT

The placement of the label is very important. Refer to Appendix V, Placement of Barcode Labels, for the guidelines concerning the placement of the labels on various categories of assets.

CONSTRUCTION IN PROGRESS (CIP) CONTROL PROCEDURES

OVERVIEW

The following procedures apply to all construction projects controlled by any Rhode Island State agency except for the Lottery Division of the State Department of Revenue. They do not apply to construction projects controlled by any component unit of the State. While they do apply to building projects of the Rhode Island Department of Transportation (RIDOT), they do not apply to RIDOT infrastructure projects.

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A requisition or purchase order is considered to be associated with a capital project or capital asset if the total cost of the project or asset is expected to exceed \$1,000,000, or \$2,000,000 for software. This threshold applies to the overall cost of the project, not to the amount of an individual encumbrance. Additionally, a project will **not** be considered a capital project if it is for ordinary repairs and maintenance, regardless of cost. Finally, all commissioned artwork is considered a capital project, regardless of cost. All commissioned artwork must have its own project code, even if it is part of a greater project.

REPORTING A NEW CIP PROJECT

Each agency is responsible for preparing a separate Construction/Project Code Request Form for each of their projects that are expected to have a cost of at least **\$750,000** for construction in progress, and \$2,000,000 for computer system development. It is important to note that although the capitalization threshold of CIP is \$1,000,000, a Project Request Form is required for all projects expected to cost at least **\$750,000**. This will ensure the Fixed Asset Unit is aware of all projects that have the potential of meeting the capitalization threshold.

If a construction project consists of a set of subprojects that meet the capitalization threshold individually, a separate Project Code Request Form should be completed for each separate subproject, and not for the parent project. Specific fields of the Project Code Request Form that require special attention are reviewed below.

- **PROJECT NAME**

For each project, the project name must be listed on the Project Code Request Form as listed in the capital budget.

- **PROJECT DATES**

The expected start date and the expected end date assist the Fixed Asset Unit in monitoring CIP projects.

- **ESTIMATED TOTAL COSTS OF PROJECT**

The estimated cost listed should generally match what was in the approved budget. When variations occur, the updated breakdown of budget should be attached to the Project Code Request Form.

- **PROJECT DESCRIPTION**

A brief description of the nature and scope of the project must be provided to assist the Fixed Asset Unit in determining if the project qualifies for CIP status.

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- ACCOUNTING

If already determined, provide a complete list of the RI-FANS account code combinations, except for the natural accounts and project code, that will be used to account for the (sub)project. Note that in the case of asset protection projects, a separate line item sequence (LIS) number should be assigned to the capital asset component and to any normal operating repair and maintenance component.

The agency shall forward the Project Code Request Form to their agency budget analyst and the State Budget Officer for review. Upon approval, the hard copy of the signed form will be forwarded to the Supervisor of the Fixed Asset Unit of the Office of Accounts and Control. The Supervisor of the Fixed Asset Unit will review the information on each Project Code Request Form received and make a determination as to whether or not the (sub)project in question qualifies for construction in progress status.

If the Supervisor of the Fixed Asset Unit determines that the (sub)project qualifies for CIP status, a unique RIFANS project code will be assigned. A valid project code will begin with two letters, which will identify the agency, followed by three numbers. **The assigned project code must be used on every encumbrance related to the project.**

There are three specific natural account numbers that have been reserved in RIFANS for CIP projects;

- **661302** Construction in Progress
- **661351** Architecture and Engineering - Construction in Progress
- **661361** Consultant Services - Computer Systems Development/Software

The Supervisor will also assign which of the RIFANS expenditure natural account numbers may be linked to the LIS numbers associated with the project. **Only the natural account numbers assigned by the Supervisor may be used on any encumbrance documents related to the project.** If the overall cost of a project is expected to be less than \$750,000, then these three natural accounts must **not** be used on any encumbrance document.

Upon completion, the Supervisor will sign the Project Code Request Form, scan it, and forward it electronically to the CFO of the requesting agency and project manager listed on the form. The Supervisor will retain the original Project Code Request Form in the Fixed Asset Unit records.

Once a CIP project is complete or placed into service, a final Form SFA-12 must be submitted to the Office of Accounts and Control. The final Form SFA-12 should report the total costs of the project and the date placed into service. The Fixed Asset Unit will then make the necessary accounting entries to create the capitalized asset in FACTS.

FIXED ASSET CONTROL AND TRACKING SYSTEM (FACTS)

DISPOSITION OF FIXED ASSETS

GENERAL

There are two forms that are available, depending on the circumstances, to report disposition of fixed assets. Both forms are available on the Controller's website. Instructions concerning the proper completion of both forms are included in the Excel version of the form, either in a separate tab or within the form.

FORM SFA-70, REPORT OF RETIRED FIXED ASSETS

Property and/or components with an original basis that qualifies for inclusion in FACTS that are disposed in the following circumstances will be reported on Form FA-70:

- CASUALTY LOSS

Casualty Loss includes items which are destroyed through catastrophe or natural disaster.

- LOST

If an asset is lost and cannot be located.

- SALE

Items of significant value can be sold by the Division of Purchases via public auction or bid.

The Division of Purchases will report the items sold to the declaring (reporting) agency, which will then prepare and process Form FA-70 in accordance with procedure. They will then report sales, proceeds, and disposition of funds in accordance with established procedures.

- SCRAP

Assets having no disposal value may be discarded as scrap or scrapped for parts with written permission from the Department of Administration, Division of Facilities Maintenance.

- STOLEN

Stolen assets should be reported to the police. If after investigation they cannot be located, Form FA-70 should be submitted with a copy of the police report.

- SURPLUS

Once an asset is no longer needed for an agency's operations, the agency should declare

FIXED ASSET CONTROL AND TRACKING SYSTEM (FACTS)

it surplus.

In the case of surplus computer equipment, the agency must certify that all data on said equipment has been permanently erased. To initiate the surplus of an asset, contact the State Buildings & Grounds Coordinator from DCAMM at 462-3101.

The Form FA-70 shall be submitted to the Fixed Asset Unit of the Office of Accounts and Control. All information relative to the fixed asset, including the original cost and label number, shall be included on the form. Items having no utilization potential by State agencies will be sold by the Division of Purchases to potential buyers in order to obtain the best possible market value.

FORM FA-80, REPORT OF FIXED ASSET TRANSFERS

An asset which is no longer needed by one department or agency may be transferred within the same department or agency or to another State agency or department (i.e., Internal Service Fund to General Fund). Assets can also be transferred between buildings and line items. Assets being transferred should be reported on Form FA-80. Form FA-80 should be initiated by the releasing agency. Upon completion by the releasing agency, the Form FA-80 is sent to the receiving agency for additional information. Upon completion by the receiving agency, the Form FA-80 is submitted to the Fixed Asset Unit.

TRADE-IN

A trade-in occurs when the item is given to the vendor that is supplying a new item to replace the old one as part of the purchase price paid for the new one. The item traded is to be reported on Form SFA-12 when reporting on new asset acquisition. Please include any identifying numbers such as serial numbers or vehicle identification numbers.

CONDUCTING FIXED ASSET INVENTORIES

OVERVIEW

Physical inventories are conducted to verify the existence and activity status of the assets, and confirm the accuracy of the State's records. The Fixed Asset Unit of the Office of Accounts and Control will schedule and coordinate an agency's inventory. An inventory report, listing all assets that require inventory, will be provided to the agency's Fixed Asset Coordinator. It is the agency's responsibility to conduct the actual inventory. The agency will complete the inventory report, as instructed, and return it to the Fixed Asset Unit. **It is important to note that commenting on this report is the only acceptable form of response, no additional report should be created or submitted.** Upon receipt, the Fixed Asset Unit will reconcile the inventory worksheet report to FACTS.

As with most tasks, preparation is a key factor to the success of the inventory process. In collaboration with the Fixed Asset Unit, an agency should follow some routine steps to ensure the inventory process moves smoothly, with minimal errors.

FIXED ASSET CONTROL AND TRACKING SYSTEM (FACTS)

- Ensure all new assets are reported with a Form SFA-12
- Properly affix all barcode labels to assets
- For assets located offsite, keep an updated spreadsheet that, at minimum, lists barcode label numbers, serial numbers, description, and location of the asset
- For laptops, keep an updated worksheet that, at minimum, lists barcode label number, serial number, description, location of the asset, and assigned user information
- Regularly report any surplus, transferred, or lost assets to the State Building & Grounds Coordinator from DCAMM.

INVENTORY, TIMING, AND PROCEDURES

A physical inventory will be scheduled for each agency at least once every four years. All items which have a basis at least \$5,000 and all laptops will be included in the inventory. The inventory will be conducted as follows:

- All of the Agency's equipment will be reviewed by the Fixed Asset Coordinator for tag number, condition of the item, availability of the item, and any other physical characteristics recorded on the Inventory Report.
- If untagged items meeting the capitalization criteria are identified during the inventory, these items will be tagged and appropriate data for each such asset recorded on the Inventory Report.
- The agency director will be required to sign an asset certification form confirming all data submitted on the Inventory Report is accurate.
- On occasion, the Fixed Asset Unit will randomly select a sample of assets to physically verify; the Fixed Asset Coordinator will physically show the asset to the Fixed Asset Unit representative.
- After reconciling the inventory responses, the Fixed Asset Unit will obtain agency authorization to resolve discrepancies identified between recorded and actual fixed asset inventories. This includes, but is not limited to, making appropriate additions and deletions to FACTS.

SPECIAL INVENTORIES

A special inventory will be performed prior to an elected General Officer leaving office and after the newly elected General Officer assumes his/her position.

Another circumstance that would warrant a special inventory is when an agency/department changes location. Any assets no longer needed should be reported as surplus before the move. The results of the inventory should be sent to the Fixed Asset Unit. The Fixed Asset Unit will reconcile the inventory to what is listed in the fixed asset database. The Agency will sign off on asset discrepancies that surface.

APPENDIX I

ASSET DEFINITIONS

Aircraft: An airplane, helicopter, or other machine capable of flight.

Boat: A small vessel propelled by oars, paddles, sail or by an internal combustion engine.

Building: A roofed and walled structure acquired or constructed for permanent use as a dwelling, for storage, or for commercial use.

Building and Plant Equipment: Tangible property other than land and buildings used for the operation of a building or plant (heating, air conditioning, fire safety, lighting, etc.) and in servicing buildings or plants (snow blowers, snow plows, cherry pickers, street sweepers, etc.).

Casualty Loss: Items which are destroyed through catastrophe or natural disaster.

Computer Equipment: Programmable electronic devices that can store, retrieve, process, and send data and information.

Personal Computers: A device that is used for the above purposes at a person's desk (a personal computer consists of one or more monitors, one central processing unit [CPU], one keyboard, one mouse, etc.).

Laptop/Notebook/Tablet Computer: A device used for the above purposes that is portable and can be used outside of the office.

Mainframe Computer: A programmable device that can perform the above tasks on a larger scale for more than one user.

Computer Network: A system of computers, terminals, servers, and databases connected by communications hubs.

Construction Equipment: Tangible equipment and machinery used to assemble/improve land, buildings, and/or infrastructure assets.

Construction in Progress: Cost of construction work undertaken but not yet completed, which could also include software development projects.

Education and Recreational Equipment: Furniture, equipment, and tangible property used for educating/teaching in a classroom; and/or furniture and equipment used for rest and relaxation or social activities.

Fixed furniture, machinery or equipment: A piece of equipment that is attached, but not permanently affixed to, a room or building and is used as furnishings, decorations, or for specialized purposes. Such equipment is considered not to be permanently affixed to the building if it can be removed without the need for costly or extensive alterations or repairs to the building to make the space useable for other purposes.

Household Furnishings and Equipment: Furniture, property, and accessories used in and around living quarters.

Infrastructure: Long-lived capital assets that are normally stationary in nature and can be preserved for a greater number of years than most capital assets. Most infrastructure assets are attachments or annexations to land designed for public use, health, and welfare.

Land: A portion of the earth's solid surface distinguishable by boundaries or ownership.

Medical, Surgical and Lab Equipment: Furniture, implements, and tangible property used for medical treatment and/or experimental testing and analysis.

Modular Furniture: A series of standardized units of furniture for use together.

Motor Vehicles and Motor Vehicle Service Equipment: 1) Motor Vehicles: A self-propelled vehicle powered by an internal combustion engine used to transport people and other items. 2) Motor Vehicle Service Equipment: Equipment such as implements and tangible property used to test, diagnose, and repair motor vehicles.

Movable furniture, machinery or equipment: An item of equipment, not affixed to any part of a building or room.

Office Furnishings and Equipment: Furniture, equipment, and tangible property used in rooms within a building(s) for the conduct of a trade, business, profession or government service.

Renovation or improvement-Extensive attachments and annexations which are intended to be permanent and remain attached or annexed. The attachment or annexation increases the asset's useful life and/or increases its value.

Scrap: Items having no salvage or disposal value.

Trade-In: An item that is given to a vendor who is supplying a new item to replace the old as part of the purchase price paid for the new item.

APPENDIX II

WORKSHEET

How to Identify a Fixed Asset

If you are uncertain whether the acquisition is a fixed asset, answer each of the following questions to make this determination. If the State is not going to own the asset, do not complete this form. The transaction is either a transfer to component unit or a grant. If the asset is acquired with the intention being resold, do not complete this form.

Are you acquiring or constructing:	<u>YES</u>	<u>NO</u>
(a) Land?	<input type="checkbox"/>	<input type="checkbox"/>
(b) A Building?	<input type="checkbox"/>	<input type="checkbox"/>
(c) A renovation that costs over \$1,000,000 and extends the useful life of the component which involves the enhancement of a major part or component of a building?	<input type="checkbox"/>	<input type="checkbox"/>
(d) An improvement at a cost of over \$1,000,000 involving the addition of a building component or section that did not previously exist?	<input type="checkbox"/>	<input type="checkbox"/>
(e) Equipment having a unit cost of over \$5,000 (\$500 for computers) and a useful life of one year or more?	<input type="checkbox"/>	<input type="checkbox"/>
(f) An equipment improvement which costs over \$5,000 (\$500 for computers) and extends the useful life by one year or more?	<input type="checkbox"/>	<input type="checkbox"/>
(g) A road, street, or highway?	<input type="checkbox"/>	<input type="checkbox"/>
(h) A bridge?	<input type="checkbox"/>	<input type="checkbox"/>
(i) A sidewalk, curb, or gutter?	<input type="checkbox"/>	<input type="checkbox"/>
(j) A water, sewage, or drainage system?	<input type="checkbox"/>	<input type="checkbox"/>
(k) A dam or levee?	<input type="checkbox"/>	<input type="checkbox"/>
(l) A monument or lighting system?	<input type="checkbox"/>	<input type="checkbox"/>
(m) Purchase or development of computer software over \$2,000,000	<input type="checkbox"/>	<input type="checkbox"/>

If you answered **YES** to any one of questions (a) through (m), then you are acquiring a fixed asset. Therefore, you must follow the procedures in your handbook for acquiring a fixed asset that has to be accounted for under State policy.

If you answered **NO** to all of these questions, you are not acquiring a fixed asset.

If you are unsure about the correct answer to any of the questions above, please review your handbook or contact the Fixed Asset Unit of the Office of Accounts and Control at 222-6403.

APPENDIX III

SUMMARY OF FIXED ASSET THRESHOLD with natural account number information

<u>Asset Category</u>	<u>Life</u>	<u>Threshold</u>	<u>Natural</u>
Aircraft & Boats	10 years	≥\$5,000	661601
Buildings	50 years	no minimum	661201
Building Improvements & Renovations	20 years	≥\$1,000,000	661302
Computer Equipment	5 years	≥\$5000	661711
	5 years	≥\$500<&\$5000	661701
Furniture & Equipment	5 years	≥\$5,000	661605
Lawn, Landscape, and Grounds			
Maintenance Equipment	5 years	≥\$500<&\$5000	660101
Infrastructure Acquisitions or Improvements			
CIP Infrastructure - DOT & DEM only		≥\$1,000,000	661902
RIDOT Infrastructure		≥\$1,000,000	661910
RIDEM Infrastructure		≥\$1,000,000	661911
Intangibles			
Computer Software (one time purchase)	10 years	≥\$2,000,000	661831
Computer User Licenses (one time purchase)	10 years	≥\$2,000,000	661821
Land Rights	n/a	no minimum	661801
Land	n/a	no minimum	661101
Land Improvements	20 years	≥\$1,000,000	661302
Leasehold Improvements	term of lease	≥\$1,000,000	661302
Motor Vehicles			
Automobiles & Light Trucks	5 years	≥\$5,000	661501
Heavy Equipment	10 years	≥\$5,000	661522
Trailers	10 years	≥\$5,000	661521
Works of Art, Historical Treasures, and Memorabilia	n/a	no minimum	661402
Construction in Progress (CIP)			
CIP Construction in Progress		≥\$1,000,000*	661302
CIP Architecture and Engineering			661351
CIP Computer Systems Development		≥\$2,000,000*	661361

* refer to Construction in Progress section, page 14, for CIP project code requirements

APPENDIX IV

FIXED ASSETS NOT REQUIRED TO BE LABELED

The following items should not be labeled due to their physical characteristics, general use, or location of the item. If an asset is not listed below but affixing a barcode label may negatively impact its use or effectiveness, contact the Fixed Asset Unit to discuss label requirements.

Information concerning all items in these categories shall be reported on a Form SFA-12 and shall be included in FACTS, should they meet the established criteria to be included in FACTS. The barcode label will be retained in the Fixed Asset Unit's records.

- Antennae
- Books
- Building Improvement and Renovations
- Buildings
- Computer Equipment installed internally within a computer (i.e., expansion board)
- Computer Software
- Handguns and Rifles
- Historical Treasures
- Infrastructure
- Land
- Land Improvements
- Memorabilia
- Modular Work Stations
- Monuments
- State Police Vehicles
- Statues
- Works of Art

ASSETS NOT INCLUDED IN FACTS

The following assets should not be recorded in FACTS:

- Blinds
- Carpeting
- Curtains
- Hearing Aids, Contact Lenses, Eye Glasses

APPENDIX V

PLACEMENT OF LABELS

GENERAL

The following are instructions for the placement of State property identification barcode labels. These instructions describe the location of labels for various fixed assets from the vantage point of facing the front of the asset, unless specifically noted otherwise. When placing the label, press firmly to ensure complete adhesion.

OFFICE FURNITURE AND EQUIPMENT

1. Cabinets -- File: Place at upper left corner on front. Lateral: Place at upper left corner on front. Storage: Place inside of right door at upper right corner.
2. Computers -- Place on side of Central Processing Unit (CPU) near manufacturer's serial number.
3. Computer Terminals -- Place on front of terminal base.
4. Laptop or Notebook -- Place underneath near manufacturer's serial number.
5. Servers -- Place on the front corner of the rack in which they reside.
6. Copiers -- Place at upper left corner on front.

OPERATING & MAINTENANCE EQUIPMENT

1. Air Compressors -- By manufacturer's I.D. plate.
2. Autos -- On front door jamb of driver's side door.
3. Band Saws -- On front in a visible location.
4. Boats -- Alongside registration sticker. For unregistered boats, place where sticker would be located.
5. Buses -- Same as auto.
6. Construction Heavy Equipment -- Same as auto or on control column.
7. Drill Presses -- On front in a visible location.
8. Generators -- By manufacturer's I.D. plate.
9. Heavy Metal Cutters -- By manufacturer's I.D. plate.

10. Hydraulic & Mechanical Presses -- By manufacturer's I.D. plate located on frame.
11. Jointers -- On front in a visible location.
12. Lathes -- On front in a visible location.
13. Mobile Radio Units -- Upper left corner on front.
14. Mowers -- By manufacturer's I.D. plate.
15. Planers -- On front in a visible location.
16. Pumps -- By manufacturer's I.D. plate.
17. Radial Arm Saws -- On front in a visible location.
18. Street Sweepers -- Same as auto or on control column.
19. Table Saws -- On front in a visible location.
20. Trailers -- Place near registration plate.
21. Trucks -- Same as auto.
22. Weed Eaters -- By manufacturer's I.D. plate.
23. Welders -- Upper right hand corner on front panel.

AUTOMOTIVE SERVICE EQUIPMENT

1. Battery Chargers -- By manufacturer's I.D. plate.
2. Brake Service Equipment -- By manufacturer's I.D. plate.
3. Distributor Tester -- By manufacturer's I.D. plate.
4. Engine Analyzers -- By manufacturer's I.D. plate or main unit.
5. Generator, Regulator Tester -- By manufacturer's I.D. plate.
6. Lubrication Equipment -- By manufacturer's I.D. plate.
7. Paint Spray Booths -- Outside in a conspicuous location.
8. Power Lifts -- By manufacturer's I.D. plate.
9. Service Jacks -- By manufacturer's I.D. plate.

10. Tire Changers -- By manufacturer's I.D. plate.
11. Valve Refacers -- By manufacturer's I.D. plate.
12. Wheel Alignment Units -- By manufacturer's I.D. plate.
13. Wheel Balancers -- By manufacturer's I.D. plate.

LABORATORY AND TEST EQUIPMENT

1. Centrifuges -- by manufacturer's I.D. plate on base.
2. Electronic Equipment -- on front.
3. Hardness Testers -- by manufacturer's I.D. plate located by controls.
4. Meters -- on back panel.
5. Oscilloscopes -- by manufacturer's I.D. plate.
6. Ovens and Dryers -- by manufacturer's I.D. plate located on lower front panel.
7. Power Supplies -- by manufacturer's I.D. plate located on back.
8. Sound Generators -- by manufacturer's I.D. plate.
9. Spectrophotometers -- by manufacturer's I.D. plate.
10. Stills -- by manufacturer's I.D. plate.

APPENDIX VI

PORTABLE COMPUTER EQUIPMENT SECURITY POLICY

OBJECTIVE

Laptop and notebook computers are highly mobile technological devices which allow for greater employee efficiency. Due to the ability to transport the computers freely from site to site, these business tools are at greater risk of being damaged or stolen. Beyond the hardware and software loss that may result from theft or damage, the business interruption that occurs and the loss of valuable data or information can be devastating. Liability may result from the abstraction, misuse, or release of confidential information.

The following policy is intended to provide a basis by which State agencies may reduce the likelihood of property loss, business interruption, and unauthorized release of confidential information.

POLICY

State agencies will inventory and maintain a current list of laptop, desktop, and notebook computers and tablets. The inventory of the data processing equipment will include the make, model, serial number of the device, and assigned barcode label.

State agencies must keep a list of employees authorized to take portable computer equipment out into the field. The State agency should also record when equipment is released to and returned by employees. Employees assigned portable computers will be held accountable for the safety and security of the State equipment released to their care, custody, or control.

The following practices should be adhered to when a portable computer is released to an employee:

- Office

Laptop computers and other mobile computer devices used within the office should not be left unattended for extended periods of time (i.e., overnight). Depending upon the accessibility of an agency's offices to the general public, and the security of the facility, it may be necessary to secure portable computers during lunch breaks or other periods of time when the devices will be left unattended.

Secured closets of substantial construction with no internal window, or cabinets, protected by a locking mechanism that has limited keys should be designated for portable equipment storage when the computers are left in the office.

In the event that more than one employee may have access to the same computer equipment, a checkout protocol needs to be instituted to ensure that the assignment and location of the units can be tracked.

- Travel

Mobile electronic computer equipment utilized in field operations should be transported in nondescript padded cases that do not identify the units as portable computers.

Portable computer equipment should not be left inside vehicles where a passersby can see them. Laptop computers and other forms of mobile data processing equipment should only be stored within trunks when it is absolutely necessary to leave them in the vehicle.

Due to heat considerations, computer equipment should not be left where direct sunlight or temperatures in excess of 80 degrees Fahrenheit will occur.

Computers taken on business trips should not be checked as luggage. Computers taken through airport security check points should be removed from the case and handed to the security guard while the State employee walks through metal detectors.

Portable computers should not be left unattended while traveling to or while in attendance at a business meeting.

Computers should not be left visible in a hotel room.

Portable computers at luncheon meetings or breaks should be secured within the function room. A request to security at the meeting to lock the meeting room during breaks should be made.

- Home

A surge protector, as part of the power pack or as a separate unit, should be included with the equipment released. Do not plug the computer directly into the wall outlet.

Computers should not be left where liquids or beverages can be spilled on them.

Portable computers should be stored in an area the home in which they are not readily visible. This way, the chances of the computer being stolen during a break-in will be reduced.

Confidentiality:

Employees who are privy to confidential information should be required to attest to the fact that they will not release the information within their custody to any unauthorized individual.

Unique passwords should be assigned to those individuals allowed use of portable computers.

Data encryption may be warranted in certain circumstances.

Periodic testing of portable computers for software viruses should be part of the maintenance of these devices. This is especially important if the portable devices are accessing the Internet or a network system in which other State agency computers may become infected with rogue data or programs.

APPENDIX VII

GENERAL LAWS PERTAINING TO FIXED ASSETS

The following is a partial list of Rhode Island General Laws that pertain to fixed assets:

GL 30-24-6. Acceptance of gifts -- Veterans' home fund.

GL 30-24-9. Property of deceased residents.

GL 35-4-6. Acceptance of gifts and bequests.

GL 35-4-7. Sale of gifts and bequests - Deposit of proceeds.

GL 37-1-1. Acceptance by director of administration - Report to general assembly.

GL 37-2-45. Supply disposition process.

GL 37-2-54. Chief Purchasing Officer – Purchases.

GL 37-7-6. Transfer of land between departments and agencies.

GL 37-7-7. Filing, publication, and recording of transfers between departments
and agencies -- Costs.

GL 42-75.2-4. Allocation for Art for Public Facilities.

GL 42-75.2-5. Establishment of Fund.

GL 42-75.2-6. Administration.

GL 42-75.2-7. Selection of works of art and artists.

APPENDIX VIII

FEDERAL RULES, REGULATIONS AND GUIDELINES PERTAINING TO FIXED ASSETS

2 CFR Part 225 – COST PRINCIPLES FOR STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS

Paragraphs 15 (equipment and other capital expenditures), **18** (gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs), and **21** (idle facilities and idle capacity)

[https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/federal_register/
FR2005/083105_a87.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/federal_register/FR2005/083105_a87.pdf)

APPENDIX IX

CITY/TOWN CODES FOR USE IN FACTS LOCATION CODE

<u>CODE</u>	<u>CITY OR TOWN</u>
01.....	BARRINGTON
02.....	BRISTOL
03.....	BURRILLVILLE - CHEPACHET
04.....	CENTRAL FALLS
05.....	CHARLESTOWN
06.....	COVENTRY
07.....	CRANSTON
08.....	CUMBERLAND
09.....	EAST GREENWICH
10.....	EAST PROVIDENCE
11.....	EXETER
12.....	FOSTER
13.....	GLOCESTER
14.....	HOPKINTON
15.....	JAMESTOWN
16.....	JOHNSTON
17.....	LINCOLN
18.....	LITTLE COMPTON
19.....	MIDDLETOWN
20.....	NARRAGANSETT
21.....	NEWPORT
22.....	NEW SHOREHAM – BLOCK ISLAND
23.....	NORTH KINGSTOWN
24.....	NORTH PROVIDENCE
25.....	NORTH SMITHFIELD
26.....	PAWTUCKET
27.....	PORTSMOUTH – PRUDENCE ISLAND
28.....	PROVIDENCE
29.....	RICHMOND – HARMONY, HOPE VALLEY
30.....	SCITUATE
31.....	SMITHFIELD
32.....	SOUTH KINGSTOWN - WAKEFIELD
33.....	TIVERTON
34.....	WARREN
35.....	WARWICK
36.....	WESTERLY
37.....	WEST GREENWICH
38.....	WEST WARWICK
39.....	WOONSOCKET

Source: Department of Administration, Office of Municipal Affairs

APPENDIX X

FIXED ASSET FORMS

All forms referenced in this manual can be found on the Controller's website; <http://controller.admin.ri.gov>. Using the menu on the left-hand side of the website, navigate to Capital Assets. Below are samples of each for; **all forms must be downloaded from the Controller's website, do not use the below to submit information.**

CONSTRUCTION/PROJECT CODE REQUEST FORM:

Construction/Project Code Request Form

Project Name:

Subproject (if applicable):

Project Address:

Project Manager Name: Dept:
Contact Phone Number:

Expected Start Date: (mm/dd/yy)

Expected End Date: (mm/dd/yy)

Expected Total Cost of Project: \$

Mark "X" on one of the following categories:

- New construction and/or land acquisition
- Renovation extending the useful life of an existing building component
- Improvement involving the addition of a building component or section that did not previously exist
- Ordinary repairs and maintenance (only if a component of a capital project in the enacted budget and not funded solely with Asset Protection money)
- Asset Protection project expected to cost in excess of \$750,000
- Software Projects/Development (including SaaS modification projects)
- Other (ie; Art Work or other projects not described as above)

Provide a brief description of the nature and scope of this (Sub) project.

If you have any questions, please call Fixed Asset Section, Accounts & Control at 222-6403. Thank you.

If already determined, please list all RI-FANS account code combinations, including fund number, agency number, line item sequence source (LISS) number to be used to account for this (sub) project.

For Office of Accounts and Control use only:

RI-FANS Project Code assigned to this (Sub) project is 00000. Natural account numbers 661302, 661351, and 661361 may not be used.

RI-FANS Project Code assigned to this (Sub) project is . Only the following Expenditure natural account numbers may be used with it:

A&C-F/A please check the natural(s) that can be used for this project:

- 661302 Construction in Progress
- 661351 Architecture & Engineering-CIP
- 661361 Consultant Services-Computer Systems Development

Signatures:

Chief Financial Officer

Agency Budget Analyst

State Budget Officer

Supervisor of Fixed Assets

pg. 2

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