

CHAPTER 69I-73
TANGIBLE PERSONAL PROPERTY OWNED BY LOCAL GOVERNMENTS

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69I-73.001 Definitions.

The following terms, as used in Rule Chapter 69I-73, F.A.C., are defined as set forth below:

(1) “Attractive Items” means tangible personal property used in operations that has a cost less than an established capitalization threshold and that requires special attention to ensure legal compliance, protect public safety, and avoid potential liability, or to compensate for a heightened risk of theft.

(2) “Control Accounts” means summary accounts designed to control accountability for individual property records. Unlike individual property records that establish accountability for particular items of property, control accounts accumulate the total cost or value of the custodian’s property and, through entries to the control accounts documenting acquisitions, transfers and dispositions, provide evidence of the change in that total cost or value over periods of time as well as the total cost or value at any time.

(3) “Cost” means the amount paid to acquire or procure property (i.e., invoice price plus freight and installation charges less discounts). In determining cost, the value of property exchanged by the custodian in satisfaction of a portion of the purchase price of new property shall not be deducted from the full purchase price regardless of any property “traded in” on the new property.

(4) “Custodian” has the meaning set forth in section 274.01(2), F.S.

(5) “Custodian’s Delegate” means a person acting under the supervision of the custodian to whom the custody of property has been delegated by the custodian and, from whom the custodian receives custody receipts.

(6) “Financial System” means the fund accounting process used by the local government for recording cash and other financial resources, expenditures and other financial uses, together with all related liabilities and residual equities or balances.

(7) “Governmental Unit” has the meaning set forth in section 274.01(1), F.S.

(8) “Identification Number” means a unique number assigned and affixed to each item of property to identify it as property held by the custodian and to differentiate one item of property from another.

(9) “Property” has the meaning set forth in section 274.02(1), F.S. Data processing software, as defined in section 119.011(6), F.S., is not considered to be property within the meaning of this rule chapter.

(10) “Unaccounted for Property” means property held by a custodian, subject to the accountability provisions of section 274.03, F.S., that cannot be physically located by the custodian or custodian’s delegate, and has not been otherwise lawfully disposed of.

(11) “Value” means the worth or acquisition value at the date of acquisition for donated property.

Rulemaking Authority 274.02 FS. Law Implemented 274.02 FS. History—New 3-25-08, Amended 10-1-20.

69I-73.002 Threshold for Recording Property.

All property with a value or cost of \$5,000 or more and a projected useful life of 1 year or more shall be recorded in the local government’s financial system as property for inventory purposes. For the purpose of this rule chapter, “cost” is used if the property is purchased and represents the purchase price of the property item; “value” is used if the property is donated and represents the worth or acquisition value of the property item at the date of donation. Attractive items with a value or cost less than \$5,000 shall be recorded in the local government’s financial system as property for inventory purposes.

Rulemaking Authority 274.02 FS. Law Implemented 274.02 FS. History—New 3-25-08, Amended 10-1-20.

69I-73.003 Recording of Property.

(1) Maintenance of Property Records – Governmental units shall maintain records of property in their custody that shall contain at a minimum, the information required by this rule.

(2) Individual Records Required for Each Property Item – Each item of property shall be accounted for in a separate property record. Related individual items which constitute a single functional system may be designated as a property group. A property group may be accounted for in one record if the component items are separately identified within the record. Examples of property items that may be accounted for as a property group item include modular furniture, computer components, book sets, and similar association of items. All property group items, the total value or cost of which is equal to or greater than \$5,000 shall be inventoried under this rule.

(3) Content of Individual Property Records – Each property record shall include the following information unless the information listed below does not exist for the property in the record:

- (a) Identification number.
- (b) Description of item or items.
- (c) Physical location (the city, county, address or building name, and room number therein).
- (d) Name of custodian with assigned responsibility for the item.
- (e) In the case of a property group, the number and description of the component items comprising the group.
- (f) Name, make, or manufacturer.
- (g) Year and model(s).
- (h) Manufacturer's serial number(s).
- (i) If an automobile, the vehicle identification number (VIN) and title certificate number.
- (j) Date acquired.

(k) Cost or value at the date of acquisition for the item or the identified component parts thereof. When the historical cost of the purchased property is not practicably determinable, the estimated historical cost of the item shall be determined and recorded. Estimated historical costs shall be identified in the record and the basis of determination established in the governmental unit's public records. The basis of valuation for property items constructed by personnel of the governmental unit shall be the costs of material, direct labor, and overhead identifiable to the project. Donated items, including federal surplus tangible personal property, shall be valued at acquisition value at the date of acquisition. Regardless of acquisition method, the cost or value of a property item shall include ancillary charges. Ancillary charges are costs that are directly attributable to placing the asset into its intended location and condition for use, such as freight and transportation charges, installation costs and professional fees.

- (l) Method of acquisition and, for purchased items, the voucher and check or warrant number.
- (m) Date the item was last physically inventoried and the condition of the item at that date.
- (n) If disposed of, the information prescribed in rule 69I-73.005, F.A.C.

(4) Control Accounts – A governmental unit-wide control account showing the total cost or value of the custodian's property shall be maintained. A governmental unit may keep additional control accounts for property for different funds or sub-funds. Control accounts shall not be established by periodically summarizing the costs or values recorded on the individual property records. Entries to control accounts shall be derived from documents evidencing transactions affecting the acquisition, transfer or disposition of property items and shall be posted contemporaneously with entries to the individual property records.

(5) Depreciation shall be recorded to meet local governments' financial reporting requirements relating to depreciation accounting. However, depreciation shall not be recorded on the individual property records or in control accounts in such a manner as to reduce the recorded acquisition cost or value (i.e., depreciation shall be recorded as an item separate from the acquisition cost).

Rulemaking Authority 274.02 FS. Law Implemented 274.02 FS. History—New 3-25-08, Amended 10-1-20.

69I-73.004 Marking of Property Records.

(1) Marking of Property – Each property item shall be permanently marked with the identification number assigned to that item to establish its identity and ownership by the governmental unit holding title to the item. The marking shall visually display the property identification number of the item and may include an electronic scanning code (“barcode”) to facilitate electronic inventory procedures.

(2) Exemptions for Marking Property – Any item of property whose value or utility would be significantly impaired by the attachment or inscription of the property identification number, is exempt from the requirement for physical marking. However, the custodian's property records shall contain sufficient descriptive data to permit positive identification of such items.

(3) Location of Marking – Items of a similar nature shall be marked in a similar manner to facilitate identification. In determining a marking location, careful consideration shall be given to the intended use of the items; the probability that the marking

could be obliterated by wear, vandalism or routine maintenance functions; and, the appropriateness of the marking method chosen. Additionally, the location of the marking and the marking method chosen shall not mar the appearance of the item. When utilizing an electronic scanning format system, electronic codes shall be placed on property in the same manner as other markings specified in this section.

Rulemaking Authority 274.02 FS. Law Implemented 274.02 FS. History--New 3-25-08.

69I-73.005 Disposition of Property.

(1) Methods of Disposition – Property within the meaning of these rules may be lawfully disposed of, as provided in sections 274.05, 274.06 and 274.07, F.S. Property of the governmental unit which is not accounted for during regular or special inventories shall be subject to the rules regarding unaccounted for property (See rule 69I-73.006, F.A.C.).

(2) Required Information – The following information shall be recorded on the individual property record for each item lawfully disposed of, pursuant to sections 274.05, 274.06 or 274.07, F.S.:

- (a) Date of disposition.
- (b) Authority for disposition (resolution of the governing body properly recorded in the minutes as required by section 274.07, F.S.).
- (c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).
- (d) Identity of the employee(s) witnessing the disposition, if cannibalized, scrapped or destroyed.
- (e) For items disposed of, a notation identifying any related transactions (such as receipt for sale of the item, insurance recovery, trade-in).
- (f) For property certified as surplus, reference to documentation evidencing that such property was disposed of in the manner prescribed by section 274.05 or 274.06, F.S.

(3) Transfer of Property Records – The individual property record for each item lawfully disposed of as described in this rule shall be, upon disposition of the item, transferred to a disposed property file. Destruction of such records shall be governed by the provisions of chapter 119, F.S.

(4) Control Account – The cost or value of items lawfully disposed of shall be removed from the control account at the time of disposition.

Rulemaking Authority 274.02 FS. Law Implemented 274.02 FS. History--New 3-25-08.

69I-73.006 Inventory of Property.

(1) Physical Inventory Required – Each governmental unit shall ensure a complete physical inventory of all property is taken annually and whenever there is a change of custodian or change of custodian's delegate.

(2) Inventory Forms – The form used to record the physical inventory pursuant to section 274.02(2), F.S., shall be at the discretion of the governmental unit. However, the form shall display at a minimum for each property item, the following information:

- (a) Date of inventory.
 - (b) Identification number.
 - (c) Existence of property item (or not).
 - (d) Physical location (the city, county, address or building name and room number therein).
 - (e) Present physical condition.
 - (f) Name and signature of the employee or other individual attesting to the existence of the item.
 - (g) In the case of a property group, the number and description of the component items comprising the group.
- (3) Electronic scanning format used for the identification number is acceptable only if the recorded data is downloadable to a computer and can then be used to generate reports that will include all information required on the hardcopy inventory form.

(4) Unrecorded Property – Any property item found during the conduct of an inventory which meets the requirements for accounting and control as defined in rule 69I-71.003, F.A.C., and which item is not included on the inventory forms described above, shall have an inventory form created for the item when located. After appropriate investigation to establish the ownership of the item, it shall be added to the governmental unit's property records or, if ownership cannot be reasonably established, the item may be disposed of in the manner provided by law as applicable to surplus property, pursuant to section 274.05 and 274.06, F.S.

(5) Custodian Delegate Shall Not Inventory Certain Items – The custodian delegate shall not personally inventory items for which they are responsible.

(6) Reconciliation of Inventory to Property Records – Upon completion of a physical inventory:

(a) The data listed on the inventory forms shall be compared with the individual property records. Noted differences such as location, condition and custodian shall be investigated and corrected as appropriate or alternatively, the item shall be relocated to its assigned location and custodian in the individual property record.

(b) Items not located during the inventory process shall be promptly reported to the governmental unit which shall cause a thorough investigation to be made. If the investigation determines that the item was stolen, the individual property record shall be so noted, and a report filed with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.

(7) Unaccounted for Property – For items identified as unaccounted for and reported to the State’s Chief Financial Officer, recording of the items as dispositions, or otherwise removing of the items from the property records, shall be subjected to approval of the State’s Chief Financial Officer, as provided in section 17.041, F.S., and rule 69I-71.003, F.A.C.

Rulemaking Authority 274.02 FS. Law Implemented 274.02 FS. History–New 3-25-08.