

**SECTION
VIII-A**

SECTION VIII - SPECIAL PROCUREMENT PRACTICES AND MANAGEMENT OF PROPERTY

JUNE 30, 2024

Section VIII-A Procurement Practices for ADP Equipment and Services

A considerable portion of the expenditures of every government is for purchases of supplies and equipment. The purchasing function includes the entire process of securing goods and services suitable to the needs of the governmental unit, when needed and at the most economical price, in accordance with applicable law and regulations.

Organization

1. **The best method of providing for the government's purchasing is to centralize responsibility for this process in one officer whose responsibilities include:**
 - a. Purchasing for all departments according to the rules and regulations established by the General Statutes and the chief executive
 - b. Supervising the delivery of all material
 - c. Supervising or operating central inventory warehouses
 - d. Maintaining a file on price quotations of supplies most frequently purchased by the unit
 - e. Maintaining other supplemental data to assist in making purchases at the best prices possible
2. Using centralized purchasing, more complete accounting control can be obtained and accurate financial reports can be prepared readily. **Vendors are allowed to deliver material for the account of the governmental unit only on the basis of an official purchase order issued through approved channels.**

Prior Approval Requirements

Certain procurements require prior written approval by or through the Division of Social Services in order for the costs incurred to be eligible for state and federal financial participation. Procurement items are mentioned in more detail in the next few pages.

Preaudit Certificate

G.S. 159-28 requires that a preaudit certificate appears on the face of each contract or purchase order, and that it be signed by the county finance officer before it becomes an obligation of the governmental unit.

An agreement that obligates the governmental unit in excess of the amount appropriated is void as to the governmental unit and could become a personal liability of the employee who made the agreement. "An obligation in violation of this employee incurs an obligation...in violation of this section; he and the sureties on his official bond are liable for any sums so committed..."

(G.S. 159.28 (e))

1. ***Requisitions***

A requisition should be initiated by the department requiring purchased commodities and forwarded to the purchasing agent. The requisition shows the quantity and type of commodities needed, the purpose for which they are to be used, and the date required. Two copies are prepared, the original going to the purchasing agent and the duplicate remaining in the department that requisitioned the commodity. Upon receiving the requisitions from the various departments, the purchasing agent notes the commodities needed and where appropriate, solicits bids from various vendors. When price quotations are received, the purchasing agent prepares a purchase order to the vendor offering the best price for the quality and type of commodity required; this is then sent to the finance officer so that he may verify the availability of funds.

2. ***Purchase Orders***

The basic document in the purchasing system is the purchase order. **A purchase order should be issued for all materials or supplies purchased by the agency.** No invoice may be honored for such commodities unless it is supported by a properly signed purchase order. The purchase order should be prenumbered, and should include complete specifications or reference to specifications, as well as shipping and invoicing instructions. The finance officer must determine whether a sufficient balance remains in the budget or appropriation to liquidate the invoice when it is received and may not validate any purchase order unless sufficient funds are available to pay the obligation when it is due. G.S. 159-28 requires a preaudit certificate signed by the finance officer to appear on the purchase order.

3. ***Formal Bidding***

Except in certain cases listed in G.S. 143-129, **contracts for construction or repairs costing \$500,000 or more and contracts for the purchase or lease purchase of supplies, materials, or equipment costing \$90,000 or more require the use of formal bidding and contracting procedures.** Dividing contracts to evade these requirements is prohibited by G.S. 143-133.

4. ***Informal Bidding***

Contracts for construction or repairs costing from \$30,000 to \$500,000 and purchases or lease-purchases of apparatus, supplies, materials, or equipment costing from \$30,000 to \$90,000 require the use of an informal bidding process. Quotations from vendors on price and availability may be solicited by phone, letter, catalog prices, or similar methods. Dividing contracts to evade these requirements is prohibited by G.S. 143-133.

1. *Receiving*

Receipt of all goods and services by the governmental unit should be reported to the purchasing agent so that the status of all purchase orders issued may be monitored and controlled. The purchasing department should ensure that it is provided with sufficient receiving information to enable it to ascertain the date, quantity, description, and condition of receipts.

2. *Payment of Vendors' Invoices*

The purchasing agent should provide to the accounting department, on a timely basis, documents and data needed to consider/approve vendors' invoices. This should include a copy of the purchase order with expected prices when issued, receiving data (if not provided directly from the receiving department), returns/allowances data, and advice of any exceptions or discrepancies noted between goods and/or services ordered and those received.

PRIOR APPROVAL REQUIREMENTS

Procurement of ADP equipment is subject to the standards of competitive selection imposed by Article 8 of General Statute 143. In addition, such procurement is subject to the standards imposed in OMB Circular A-102 (Attachment O) and in 45 CFR 74 (Subpart P) which include a requirement for the maximum degree of practical, open, and free competition, regardless of whether the procurement is made through the use of formal advertising or through negotiation. Acquisitions of automated data processing equipment (hardware and software) and services are also governed by federal regulations of the Department of Health and Human Services (USDHHS) and the Department of Agriculture, Food and Nutrition Service (USDA). Prior written approval must be obtained from both the DIT and the federal government (if USDHHS and/or USDA will be participating in any of the costs) in any of the following circumstances:

- a. The total acquisition cost is \$5 million or greater (45 CFR 95.611, 7 CFR 277.18(c), Policy IIA1). For counties, this threshold is based on annual total costs for the State Fiscal Year.
- b. The total acquisition cost is \$1 million or greater, and is acquired noncompetitively from non-governmental sources (45 CFR 95.611, 7 CFR 277.18(c), Policy IIA2). For counties, this threshold is based on annual total costs for the State Fiscal Year.
- c. Federal Financial Participation (FFP) is being requested at an enhanced rate, regardless of the acquisition cost (45 CFR 95.611, 7 CFR 277.18(c)).
- d. If an acquisition does not require DIT and Federal approval under the three circumstances above, DIT prior written approval is required, regardless of acquisition cost, if the project includes any of the following (Policy IIA4):
 - i. Development of software
 - ii. Custom modification of purchased software
 - iii. Purchase of specialized human services software other than off-the-shelf software commercially available to the public for general business or personal use

DIT and/or federal approval is obtained by submitting an Advance Planning Document (APD) to the Division of Social Services (45 CFR 95.611, 7 CFR 277.18(c), Policy IIA). Prior written approval thresholds for county acquisitions are determined based on the cumulative total for the fiscal year (Policy IIG).

Prior approval is not required for certain types of acquisitions and FFP is available at the regular rates if the acquisition does not require prior written approval by DIT and /or the federal Government as described above. An ADP Equipment Acquisition Plan must be filed with the Division of Social Services prior to the expenditures being claimed for reimbursement. To ensure that expenditures will be eligible for reimbursement, counties may wish to submit their plan

before acquisition of the equipment. Items purchased which are subsequently not approved must be funded with 100% county dollars. Acquisitions in this category are:

- a. Terminals, personal computers, personal computer printers or workstations up to the level of one such device per worker.
- b. System printers up to one per three workers or one per floor or one per site, whichever is greater.
- c. Local area networks or minicomputers when necessary to maximize the benefit of such devices and other devices as required when connecting with the State network.
- d. Off-the-shelf software commercially available to the public for general business or personal use.

Acquisitions by central county data processing facilities of data processing equipment and services from commercial sources that are acquired primarily to support public assistance programs are subject to the prior written DIT and federal approval requirements. Data processing equipment and services are considered to be primarily acquired to support public assistance programs when these programs may reasonably be expected to either be billed for more than fifty percent (50%) of the total charges made to all users of data processing equipment and services during the time period covered by the service agreement or directly charged for the total cost of the purchase or lease of data processing equipment or services (45 CFR 95.605).

Federal regulations allow equipment with a unit cost of \$5,000 or less to be expensed, rather than depreciated, regardless of the total cost of the acquisition. ADP equipment is also subject to the use and disposition requirements that are covered in 45 CFR 74, Subpart O.

**SECTION
VIII-B**

Section VIII-B Management of Inventory

1. Local Government Units

Procedure No. 15 of the North Carolina Local Government Commission Procedure Manual defines and outlines the procedures by which a county purchases, utilizes, and disposes of fixed assets. In addition, the important control over accountability of these fixed assets is the fixed asset inventory. Specifically, G.S. 159-26(b) (8) requires that effective July 1, 1976 **each local government unit establish and maintain "a ledger or group of accounts in which to record the details relating to the general fixed assets of the unit or the public authority."**

2. Other DSS Funded Programs

The programs funded by the Division of Social Services are also subject to Federal regulations. Subpart 0 of 45 CFR 74 allows for similar basic guidelines and includes specific regulations in the areas of program usage and disposition. The North Carolina Administration Procedures Manual for Block Grants Funds (October 1, 1982) sets forth similar standards and procedures applicable to both local and other DSS funded programs or projects.

Procedures for managing equipment until transfer, replacement, or disposition takes place, must meet the following requirements:

1. *Equipment Management Requirements*
 - a. Property records shall be maintained accurately. For each item of equipment, the records shall include:
 - (1) A description of the equipment, including manufacturer's model number, if any.
 - (2) An identification number, such as the manufacturer's serial number.
 - (3) Identification of the grant under which the recipient acquired the equipment.
 - (4) The information needed to calculate the Federal share of the equipment (See paragraph 74.142, 45 CFR Part 74).
 - (5) Acquisition date and unit acquisition cost.
 - (6) Location, use, and condition of the equipment and the date the information was reported.
 - (7) All pertinent information on the ultimate transfer, replacement, or disposition of the equipment.
 - b. **A physical inventory of equipment shall be taken and the results reconciled with the property records at least once each year** to verify the existence, current utilization, and continued need for the equipment. The inventory may be taken during the year but shall be updated in order to be effective on the last day of the fiscal year or project period. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the differences.
 - c. A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.
 - d. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
 - e. Where equipment is to be sold and the Federal Government is to have a right to part or all of the proceeds, selling procedures shall be established which will provide for competition to the extent practicable, and which will result in the highest possible return.

2. *Use of Equipment*

Federal and State regulations require that, unless transferred, equipment shall be used by the recipient in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. Transfer to other similar projects or programs can be made (45 CFR Subtitle Part 74.34).

3. *Replacement of Equipment*

The replacement and disposition of equipment funded by grants subject to 45 CFR 74 are governed as follows:

- a. Equipment may be exchanged for replacement equipment if needed. The replacement may take place either through trade-in, or through sale and subsequent application of the sale proceeds to the acquisition cost of replacement equipment. In either case, the transaction must be one which a prudent person would make in like circumstances.
- b. If an additional outlay to acquire the replacement equipment is charged as a direct cost to Federal funds or is used as required cost-sharing or matching under a Federal award, the replacement equipment shall be subject to whatever property requirements or exemptions are applicable to that award. If the award is a grant from HHS, the full acquisition cost of the replacement equipment shall determine which provisions of Subpart 0 apply.
- c. For any replacement not covered by subparagraph b. of this paragraph, the provisions of this paragraph applicable to the equipment replaced shall carry over to the replacement equipment. However, none of the provisions of this paragraph shall carry over if (1) the Federal share of the equipment replaced was 10 percent or less or (2) the product of that share times the amount received for trade-in or sale is \$100 or less.

4. *Disposition of Equipment*

When original or replacement equipment is no longer to be used in projects or programs currently or previously sponsored by the Federal Government, disposition of the equipment shall be made as follows:

- a. For equipment with a current per unit fair market value of \$5,000 or more, the recipient may retain the equipment for other uses provided compensation is made to the original agency or its successor.

If the recipient has no need for the equipment, the recipient may request disposition instructions from the awarding agency to retain, sell, or otherwise dispose of the equipment. The equipment disposition instructions must be issued to the recipient no later than 120 calendar days after its request. (45 CFR 74.34)

b. *All other Equipment:*

- (1) **The equipment may be retained or sold, and the Federal Government shall have a right to an amount calculated by multiplying the current market value or the proceeds from sale by the Federal share of the equipment (45 CFR 74.34). However, if the equipment is sold the recipient shall be permitted to deduct and retain \$500 or ten percent of the total sales proceeds, whichever is less, from the amount otherwise due for selling and handling expenses.**
- (2) If the recipient's project or program for which or under which the equipment was acquired is still receiving grant support from the same Federal program and if the granting agency approves, the net amount due may be used for allowable costs of that project or program. Otherwise, the net amount must be remitted to the granting agency by check.

5. *SUPPLIES*

If supplies exceeding \$5000 in total aggregate market value are left over upon termination or completion of a grant or subgrant for which they were acquired and the supplies are not needed for any project or program currently or previously sponsored by the Federal Government, the recipient shall retain the supplies for use on non-federally sponsored activities or sell them. In either case, the recipient shall compensate the Federal Government for its share. The amount of compensations shall be computed in the same manner as for equipment. (see 74.34 (g)).

6. *REFERENCES*

- a. Title 45, Code of Federal Regulations, Part 74.
- b. DHHS Administration of Grants, June 9, 1981.
- c. N.C. Administrative Procedures Manual for Federal Block Grants Funds, October 1, 1982.

As a part of the development and installation of our statewide automated information systems, state-owned automatic data processing (ADP) equipment has been and will continue to be purchased and deployed to county departments of social services until all systems are fully implemented. This is to clarify certain issues relating to the state/county responsibilities for such equipment.

Insurance:

As state-owned property, this ADP equipment is automatically insured up to a maximum valuation of \$50,000 per location through the State's routine coverage. However, in the event that the value of equipment exceeds this amount for any given location, the State Division of Social Services will notify the State Department of Insurance so that provisions can be made for additional coverage.

Equipment Safeguards:

Counties are responsible for safeguarding state-owned ADP equipment while is in the county's custody. Although the list is not intended to be all-inclusive, the following measures are provided as guides to assist in the prevention or reduction of theft or damage for which the county could be held accountable:

- Control Access, including the use of personnel identity devices as well as locked and/or electronically-controlled entrances.
- Work area neatness, to include policy that precludes food and beverages from close proximity to ADP equipment. Plants or anything else with liquid in it should not be placed on terminals or printers.
- Compliance with manufacturer's recommendations for care and maintenance of ADP equipment.
- Anti-theft devices on smaller items of ADP equipment (such as microcomputers, printers, terminals, CRT's, etc.) located in open-access areas. Such devices could include physical restraints (chains, cables) or electronic movement detectors.
- Fire protection. This could encompass provisions ranging from portable extinguishers to area inert-gas systems.
- Compliance with manufacturer's recommendations for electric service.

I. EQUIPMENT INVENTORY:

All ADP equipment purchased by the State Division of Social Services (DSS) and deployed to counties is listed on the Division's fixed asset inventory and is a part of the Division's official accounting records. Additionally, the Department of Health and Human Services (DHHS), Division of Information Resource Management (DIT) maintains a control inventory of all ADP equipment owned by DHHS and all of its divisions as well as a network configuration of all DHHS equipment connected to the State Computer Center (SCC) network. Both State agencies must be informed when there are changes regarding the quantity, location, condition, etc., of state-owned ADP equipment in counties. For this purpose, **each county should designate a contact person to be responsible for the county's ADP equipment.** The name of this contact person should be forwarded to the DHHS, Office of the Controller, Accounts Payable, Team A so that the proper person may be contacted concerning inventory matters. This contact person will be responsible for notifying DSS and Division of Information Resource Management of such changes by using the following procedures:

1. Receipt of New ADP Equipment

Under certain circumstances, county departments of social services receive ADP equipment to support existing automated systems or new systems that are being developed.

a. Equipment to Support Existing Systems

Additional equipment for existing systems is usually ordered and delivered as individual items rather than bulk shipments of several items of equipment. This type of purchase is made in response to a specific request from a county and is contingent upon availability of State funding.

When a state-owned item of ADP equipment is received by a county, the following information must be provided to the Telecommunications Office of Division of Information Resource Management:

- (1)* manufacturer and model
- (2)* serial number
- (3)* purchase order number
- (4)* date received
- (5)* A copy of the signed and dated receiving report, along with the packing slip and a letter providing the information in 1.a. and b. above. This must be sent to the following address immediately upon receipt of the equipment.

Department of Health and Human Services
Division of Information
Resource Management
Telecommunications Office
695 Palmer Drive Raleigh, NC 27603

Division of Information Resource Management staff will provide DSS with a copy of the above listed information, along with the original green receiving report, signed and dated, which was previously forwarded to Division of Information Resource Management.

b. *Equipment to Support New Systems*

ADP Equipment to support new automated systems is usually ordered as a package and each county receives several items of equipment. All counties will be notified of the planned delivery and installation schedules for this type of bulk procurement of equipment. Every attempt will be made to notify each county of the equipment delivery date; however, manufacturers delivering the equipment may not always provide a delivery date. Therefore, Division of Information Resource Management may not be able to notify each county of the delivery date. When a county receives a shipment of multiple pieces of equipment, the county should store the equipment in a safe place in the original shipping crates. Division of Information Resource Management staff will uncrate the equipment, verify receipt and get all inventory information for both Division of Information Resource Management and DSS at the time of installation. Counties that do not have room to store the equipment in the shipping crates until installation should discuss alternative handling and storage arrangements with Division of Information Resource Management when installation requirements are being finalized.

c. *Assignment of Fixed Asset Decals*

After Division of Information Resource Management notifies DSS that ADP equipment has been received in counties, **DSS will assign an asset control number to the property.** This asset control number appears on an asset control decal (adhesive tag) that is to be attached to the property to which it is assigned. DSS will send the asset control decal(s) to the county having physical custody of the property with instructions to affix the attached decal(s) to the property. Form DSS-3764 will be used to transmit the decal(s). Further instructions are to sign and date the Form

DSS-3764 when the decal attachment(s) is completed and return a signed copy to DSS (See Exhibit A for a blank copy of Form DSS-3764)

2. Annual Physical Inventory

Property management standards require that an inventory of fixed assets be taken and the results reconciled with fixed asset records at least once each year to verify the existence, location, condition, and continued need for the asset. **The Division of Social Services' annual physical inventory must include the state-owned equipment that has been deployed to local agencies.**

a. *Inventory Worksheet by Assigned RCC (FAZ090)*

The report "Inventory Worksheet by Assigned RCC (FAZ090)" lists all of the fixed assets assigned to a particular Responsibility Cost Center (RCC) in the Division's fixed asset system. An Inventory Worksheet FA 080 is prepared for each county department of social services. For each asset, this report lists the item number (asset control number), control class, description, manufacturer, serial number, acquisition date, cost, date of last inventory, and asset condition, as well as a space for user comments. The Division's annual physical inventory is performed by verifying and revising, if needed, the information on these Inventory Worksheets for all RCC's and counties.

b. *Independent Verification*

The actual physical inventory is to be conducted by an individual that is not assigned to the unit to which the equipment being inventoried is assigned.

c. *Conducting the Physical Inventory*

Each individual item on the inventory worksheet must be physically examined to determine that the asset is properly decal (item number), adequately described, and in the unit's custody. The last digit of the item number as it appears on the listing should be ignored since it is not on the decal. For example, item number 000704-9 would appear as 000704 on the decal attached to the equipment. All equipment must have both a manufacturer's name and a serial number present on the listing, with the exception of items such as tables, desk chairs, and file cabinets that usually do not have the manufacturer's name or serial number present. The location of each asset must be listed. Counties should indicate locations by the county's number.

In the event of any inaccuracies, such as room number, description, serial number, manufacturer or equipment condition, corrections may be penned in on the inventory sheet as long as the corrections are neat and legible.

Inaccuracies such as equipment appearing on the list and not found, or found and not on the list should be addressed to the DHHS, Office of the Controller, Accounts Payable, Team A in memorandum form listing the equipment and the circumstances surrounding its status.

If any equipment has been stolen, a copy of the police report along with a memorandum explaining the circumstances of the theft should be forwarded to the DHHS, Office of the Controller, Accounts Payable, Team A with the completed inventory sheet. (See Section "Theft and Misuse of State Property" for this procedure)

During the actual comparison of the inventory listing with the property, place a checkmark beside of the item numbers to indicate that all of the information has been verified as complete. Any items not found should not have a checkmark beside the item number but should be included as an item in the memorandum previously described.

d. ***Reporting the Results of the Physical Inventory***

After completion of the inventory, the inventory worksheet must be signed by the individual performing the actual verification and by the county director. **The signed inventory worksheet and any attached memorandum(s) are to be forwarded to the DHHS, Office of the Controller, Accounts Payable, Team A, Raleigh, NC 27605.** The completed worksheets will be used to update fixed asset records, if necessary, and retained as supporting documentation to agency financial statements. It is essential that inventory worksheets be checked thoroughly and returned to the Budget and Accounting Section within stated deadlines so that agency records will be complete and accurate at the year-end.

II. RELOCATION OF EQUIPMENT:

ADP equipment may be transferred from one physical location to another within a county department of social services; from one county department of social services to another; from a county department of social services to a State agency (Division of Information Resource Management and DSS); or from a State agency (Division of Information Resource Management and DSS) to a county department of social services. (Property that is no longer functional or no longer needed and therefore needs to be surplus is addressed under the section "Disposition of Property.")

It is the responsibility of the parties involved in the transfer of property to notify the DHHS, Office of the Controller, Accounts Payable, Team A of the transfer so that agency records can be revised. Division of Information Resource Management maintains a network configuration of all DHHS equipment connected to the SCC network. For this reason, it is necessary that Division of Information Resource Management be notified any time that a piece of data processing equipment connected to the SCC network is moved from one location to another. Notices of all transfers are to be made by completion and submission of Form DSS-3768, "Equipment Transfer/Surplus Transmittal" to the Accounts Payable Team A. A copy of the DSS-3768 will also be sent to Division of Information Resource Management. (See Exhibit B for a blank copy of Form DSS-3768.) Individuals to whom equipment is assigned are not relieved of responsibility for that equipment, regardless of whether it has been transferred to others, unless written notice of release of the item and reassignment to another is submitted to the Budget and Accounting.

1. Property Transfers Within a County Department of Social Services

When property is transferred from one physical location to another within a county department of social services and responsibility for and custody of the item(s) is not changing, Form DSS-3768, "Equipment Transfer/Surplus Transmittal" must be completed to notify the Division of Information Resource Management of the location change. Part I - Transferring of DSS-3768 should be completed in accordance with the instructions provided in Section "D" with the following exceptions:

- a. The new physical location of the item should be entered in the "location" column under the heading "receiving unit," and
- b. Since responsibility and custody of the item is not changing, only one signature is required rather than two.

2. Property Transfers Between County Departments of Social Services

When property is transferred from one county department of social services to another and responsibility for and custody of the item is being reassigned, Form DSS-3768, "Equipment Transfer/Surplus Transmittal" must be completed to notify the Division of Information Resource Management of the change. Part I – Transferring of DSS-3768 should be completed in accordance with the instructions provided in Section "D".

3. Property Transferred to a County DSS from Division of Information Resource Management or DSS and Property Transferred from Division of Information Resource Management or DSS to a County DSS

Property transfers of this type must be reported to the Accounts Payable Team A regardless of whether ownership is being transferred or the equipment is just "on loan." Form DSS-3768, "Equipment Transfer/Surplus Transmittal" must be completed to notify the Budget and Accounting Section of the acquisition. Part I - Transferring of DSS-3768 should be completed in accordance with the instructions provided in Section "D" with the following exceptions:

- a. The office receiving the equipment should initiate the DSS-3768 and obtain the required information and signature from the other agency that is giving up or loaning the equipment. Only the name of the other agency needs to be entered in the Transferring Unit Location Column. The Transferring Unit Fund/RCC Column can be left blank.
 - b. If equipment is simply being loaned to an office by another agency, "LOAN" must be entered as a parenthetical note in the description column for items on loan.
4. **Instructions for Completing Equipment Transfer/Surplus Transmittal, Form DSS-3768**

PART I - TRANSFERRING:

The transferring unit is responsible for initiation of the form and for insuring that the following columns are filled in completely and accurately:

Decal Number Enter the asset control number assigned to the piece of equipment which is shown on the asset control decal that is affixed to the item. Since the first four digits on each 10-digit decal number are 4440, which identifies the equipment as being owned by the Division of Social Services, "4440" is preprinted on Form DSS-3768. The last six digits are unique to each individual item of equipment and must be entered by the transferring unit.

Example: 4440-012536

Quantity Enter the number of items being transferred. Each item of equipment *must* have a decal number.

Description Enter a complete description of the equipment being transferred which would include the manufacturer and model number when applicable. If connected to the SCC Network, the Old Terminal or Printer ID and New Terminal or Printer ID must be included in the description.

Example: IBM 3276 Controller

Serial Number Enter the serial number of the piece of equipment if applicable.

Example: B 376 TC 4817

Transferring Unit:

Fund/RCC Enter the Fund Number and Responsibility Cost Center (RCC) Number assigned to the transferring unit. County dss should enter the county number.

Example: 1110/1010

Location

Units located in the Albemarle Building, enter the building name and room number where the equipment is physically located.

Example: Albemarle - 910-A

Units located outside of the city of Raleigh, enter the name of the building, room name or number, the street address, and the city or town.

Example: AAA Glass Building
 Room 73
 930 Robeson Street
 Fayetteville, NC

NOTE: This is a very critical item of information, especially for agencies and units located outside of the Albemarle building and outside of Raleigh. The information in this column is used to ensure that adequate insurance coverage is maintained on the equipment at a given location.

Upon completion of the above items, the head of the transferring unit must sign the form on the line labeled "Signature of Transferring Authority" and enter the current date. The signature of the transferring authority indicates that the information contained on the form is correct and accurate. The pink copy of the form should be detached and kept for the transferring unit's records as documentation of release of custody and therefore responsibility for the asset. The remaining three copies of the form will accompany the piece(s) of equipment being transferred to the receiving unit.

NOTE: The line "Signature of Division of Information Systems Authority" applies: (1) to transfers of DSS owned equipment that is assigned to the Division of Information Resource Management, and (2) to transfers of DSS owned equipment that is assigned to county departments of social services and is being transferred to another location by the Division of Information Resource Management.

If Division of Information Resource Management is handling the transfer of equipment, the Division of Information Resource Management staff person should sign the DSS-3768 on the line "Signature of Division of Information Systems Authority" before the pink copy of the form is detached by the transferring unit. This is necessary for the transferring unit's records to show to whomever custody was transferred.

Receiving Unit:

The receiving unit, upon receipt of the equipment and form, has the responsibility of completing the following items under this column:

Fund/RCC: Enter the Fund Number and Responsibility Cost Center (RCC) Number assigned to the receiving unit. County dss should enter the county number.

Example: 1120/1020

Location: Units located in the Albemarle Building, enter the building name and room number where the equipment is physically located.

Example: Albemarle - 920-B

Units located outside of the Albemarle Building and/or outside of the City of Raleigh, enter the name of the building, the room name or number, the street address, and the city or town.

Example: AAA Glass Building
Room 102
930 Robeson Street
Fayetteville, NC

PART II - SURPLUSING:

Instructions for completing this part are provided in "Disposition of Property." Part II of the form is not to be completed when property is being transferred.

Upon completion of the above items, the head of the receiving unit must sign the form on the line labeled "Signature of Receiving Authority" and enter the current date. The signature of the receiving authority indicates that all of the information relating to the piece(s) of equipment, decal number, quantity, description, and serial number is current and that the information the receiving unit is responsible for filling in is accurate. The receiving unit will detach the blue copy for its records as documentation of assignment of custody and responsibility for the asset. The remaining copy(s) of the form are to be forwarded to the:

DHHS, Office of the Controller
Accounts Payable, Team A
1050 Umstead Drive
Raleigh, NC 27603

NOTE: The line "Signature of Division of Information Resource Management Authority" applies: (1) to transfers of DSS owned equipment that is assigned to the Division of Information Systems, and (2) to transfers of DSS owned equipment that is assigned to county departments of social services and is being transferred to another location by the Division of Information Resource Management.

If Division of Information Resource Management is handling the transfer of equipment, the Division of Information Resource Management staff person should sign the DSS-3768 on the line "Signature of Division of Information Resource Management Authority" before the pink copy of the form is detached by the transferring unit. This is necessary for the transferring unit's records to show whom custody was transferred to.

- 5. Blank DSS-3768 forms are available through the supply requisitioning process from the Supply Room.**

III. DISPOSITION OF EQUIPMENT

State owned equipment that is no longer functional or no longer needed by the office to which it is assigned should be surplusd. County departments of social services are to complete Form DSS-3768, "Equipment Transfer/Surplus Transmittal" and submit it to the General Accounting Section to request disposition of state-owned equipment. **If the item is in good condition, the Accounts Payable, Team A will check with other DSS units to see if they need the equipment. If the item is not functional or is not needed by any DSS offices, it will be transferred to the State Property Office for resale.** The item(s) must be kept in the county department of social services until picked up by the movers.

1. Instructions for Completing Equipment Transfer/Surplus Transmittal Form DSS-3768

PART I - TRANSFERRING:

Instructions for completing this part are provided in "Relocation of Equipment." Part I of the form is not to be completed when property is being surplus.

PART II - SURPLUSING:

The unit surplus the equipment is responsible for initiating this form and providing all of the requested information.

Decal Number Enter the asset control number assigned to the piece of equipment which is shown on the asset control decal that is affixed to the item. Since the first four digits on each 10-digit decal number are 4440, which identifies the equipment as being owned by the Division of Social Services, "4440" is preprinted on Form DSS-3768. The last six digits are unique to each individual item of equipment and must be entered by the surplus unit.

Example: 4440-012536

Quantity Enter the number of items being transferred. Each item of equipment must have a decal number.

Description Enter a complete description of the equipment being transferred which would include the manufacturer and model number when applicable.

Example: IBM 3276 Controller

Condition Enter the condition of the item of equipment using one of the following designations:

Good, Fair, or Poor

The pink copy of the form should be detached for the unit's records and the remaining copies forwarded to the Accounts Payable, Team A. The Accounts Payable, Team A will sign and date the Form DSS-3768 in the space labeled "Signature of Receiving Authority." The Accounts Payable, Team A will return the canary copy of the DSS-3768 to the surplus unit along with a yellow tag that is to be affixed to the surplus equipment by the surplus unit. The surplus unit will be notified by telephone when arrangements are made for the equipment to be picked up and transported to the State Property Office. Division of Information Resource Management will be notified by DSS when the equipment should be removed from Division of Information Resource Management inventory.

2. **Blank DSS-3768 forms are available through the supply requisitioning process from the Supply Room**

IV. THEFT OR MISUSE OF STATE PROPERTY

The Division of Social Services must promptly report incidents of theft or misuse of State property, no matter how minor in nature, through normal channels. The theft or misuse of state-owned property in the custody of county departments of social services must also be reported. North Carolina General Statute 114-15.1 provides for reporting of misuse of State property as follows:

1. North Carolina General Statute 114-15.1

"114-15.1 Department heads to report possible violations of criminal statutes involving misuse of State Property to State Bureau of Investigation.

Any person employed by the State of North Carolina, its agencies or institutions, who receives any information or evidence of an attempted arson, or arson, damage of, theft from, or theft of, or embezzlement from, or embezzlement of, or misuse of, any state-owned personal property, buildings or other real property, shall as soon as possible, but not later than three days from receipt of the information or evidence, report such information or evidence to his immediate supervisor, who shall in turn report such information or evidence to the head of the respective department, agency, or institution. The head of any department, agency, or institution receiving such information or evidence shall, within a reasonable time but no later than 10 days from receipt thereof, report such information in writing to the Director of the State Bureau of Investigation.

Upon receipt of notification and information as provided for in this section, the State Bureau of Investigation shall, if appropriate, conduct an investigation.

The employees of all State departments, agencies and institutions, are hereby required to cooperate with the State Bureau of Investigation, its officers and agents, as far as may be possible, in aid of such investigation.

If such investigation reveals a possible violation of the criminal laws, the results thereof shall be reported by the State Bureau of Investigation to the district attorney of any district if the same concerns persons or offenses in his district."

2. Reporting Theft or Misuse of State Property

The procedures for county departments of social services to report theft or misuse of State property are as follows:

- a. **The employee suspecting an incident of theft or misuse should report the incident to his/her supervisor within three (3) days.**
- b. **The supervisor should notify the County Director of the incident immediately and complete Form SBI-78. (See C. below for instructions for completing this form.)**
- c. **The County Director will report the incident to the State DSS Director who will forward the report through proper channels to the State Bureau of Investigation.**

In the event of potentially serious incidents, immediate reports may be made by telephone to the State DSS Director.

3. Instructions for Using Form SBI-78

The form for reporting incidents of theft or misuse of State property is Form SBI-78. (See Exhibit C for a blank copy of this form.) Supervisors should submit an original and two copies of the form to the County Director for signature and transmittal to the State DSS Director.

Copies of Form SBI-78 may be obtained from the DHHS, Office of the Controller, Accounts Payable, Team A. These forms should only be requested when needed. They are not stocked by the Forms and Supply Branch.