Massachusetts Department of Correction **POLICY**		Effective Date 7/24/2026 Annual Review Date 7/24/2026	Responsible Division Deputy Commissioner, Administration
Policy Name 103 DOC 343 FIXED ASSETS INVENTORY AND CONTROL		Regulation Reference: Chapter 7A §§ 8; Chapter 124, § 1(c) and (q) Comptroller's Fixed Asset Policy/Procedure	
		DOC Policy Reference: 103 DOC 104; 103 DOC 238; 103 DOC 346; 103 DOC 476; 103 DOC 660	
		ACA/PREA Standards: 1-CTA-1B-08; 5-ACI-1B-13; 2-CO-1B-08	
Attachments Yes ☒ No ☐	Library Yes ☒ No ☐	Applicability: All Staff	
Public Access Yes ☒ No ☐		Location: Department Central Policy File Each Institution's Policy File	

PURPOSE:
The purpose of this policy is to establish Department of Correction (Department) policy for inventorying and control of fixed assets.

RESPONSIBLE STAFF FOR IMPLEMENTATION AND MONITORING OF POLICY:
Deputy Commissioner, Administration
Executive Director, Administrative Services
Superintendents
Fiscal Officers

CANCELLATION:
103 DOC 343 cancels all previous Department policy statements, bulletins, directives, orders, notices, rules and/or regulations regarding physical property which are inconsistent with this policy.

SEVERABILITY CLAUSE:
If any part of 103 DOC 343 is, for any reason, held to be in excess of the authority of the Commissioner, such decision shall not affect any other part of this policy.

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343.01 DEFINITIONS

Generally Accepted Accounting Principles (GAAP): Those accounting principles promulgated by the bodies designated by the American Institute of Certified Public Accountants' code of professional ethics and otherwise recognized as generally accepted. For Governments the primary standard setting body is the Governmental Accounting Standards Board (GASB). Generally Accepted Accounting Principles (GAAP) - A set of standard accounting principles established and recommended for use by the National Council of Governmental Accounting and the American Institute of Certified Public Accountants.

Non-GAAP Fixed Asset: Non-GAAP fixed assets are defined as singular assets (including infrastructure) with the following characteristics:

- Vehicles, equipment, furniture, computer software, and all electrical and computer components with (1) a useful life of more than one year and (2) with an original cost between $1,000 and $49,999
- Buildings and other infrastructure with an original cost between $1,000 and $99,999
- Road infrastructure with a cost of less than $99,999 per lane mile for roads and bridges.
- Software costs below $50,000. It is important that software be inventoried for license purposes. Departments are subject to liability if they install non-purchased or non-licensed software. Therefore, departments should maintain close scrutiny on software that is installed on every computer.

Non-GAAP Fixed Assets shall be recorded in a Department's inventory and reconciled at least annually. This inventory may be either electronic or on paper, as long as it records the date of purchase, amount, description, location and disposition of an item. Non-GAAP Fixed Assets Inventory are subject to review in the audit process by the State Auditor's Office or the Commonwealth's independent auditors.

GAAP Fixed Asset: GAAP Fixed Assets are defined as singular assets (including infrastructure) with the following characteristics:

- All land, regardless of cost. The cost at which a fixed asset is entered in MOSAIC is either the historical acquisition cost, or the appraised, fair market value at date of donation.
- All works of art and historical treasures, regardless of cost, acquired or donated to a department after July 1, 2001. The cost at which it is entered is either the historical acquisition cost or the appraised value at date of donation.
- Vehicles, equipment, furniture, computer software, and all electrical and computer components with a useful life in excess of one (1) year and with a historical cost in excess of $49,999.

- Buildings purchased or constructed (and all other infrastructure assets such as Dams, Boardwalks, Fishing, Boating and Shipping Piers, Beaches, Seawalls, Paved Bike Trails and Pedestrian Paths, Other Recreational Infrastructure, Dam and Lock Systems, Water Systems, Sewer Systems, Other Utilities) with an historical cost of greater than $99,999.
- All road infrastructures with a historical cost in excess of $99,999 per lane mile for road assets. These include interstate roads and bridges, arterial roads and bridges (major non-interstate roads), collector roads and bridges (major non-limited access roads), local roads and bridges, parkways.
- All computer software, whether internally or externally developed, should be capitalized depending on its cost. It is important that software be inventoried for license purposes. Departments are subject to liability if they install non-purchased or non-licensed software. Therefore, departments should maintain close scrutiny on software that is installed on every computer. Software costs above $50,000, but below $1,000,000, are considered a GAAP fixed asset, and shall be reported on the Fixed Assets component of MOSAIC, as Asset Type K. This software is depreciated over three (3) years. Software costs above $1,000,000 are also a GAAP fixed asset, and should be recorded as Asset Type S. This software is depreciated over seven (7) years.

All activities in these groups and other long-lived assets shall be capitalized for GAAP purposes. All activity for infrastructure shall be recorded in the Fixed Assets Subsystem, if the Commonwealth retains ownership of the infrastructure. If the infrastructure is deeded over to another government, authority or municipality, the activity is an expenditure as a grant. All costs, from initial design and permitting to point of in-service shall be included in the cost of the infrastructure asset.

343.02 GENERAL INFORMATION

In accordance with M.G.L. c. 7A, § 8, the Comptroller "shall establish in each such department, office, commission, and institution a proper system of accounts, which shall be uniform so far as is practicable and a proper system of accounting for supplies, materials, and fixed assets". Accordingly, both GAAP and Non-GAAP fixed assets are to be maintained in accordance with the Comptroller's Fixed Asset Policy and Procedure which may be found on the Comptrollers web site utilizing the following link: https://www.macomptroller.org/policies

Assets that are listed on the Armory Inventory or Tool Control inventory are not to be additionally recorded on the Non-GAAP inventory.

343.03 MAINTAINING PERPETUAL INVENTORY FOR NON-GAAP FIXED ASSETS

A. Non-GAAP fixed assets inventory records shall be kept on a perpetual basis utilizing a Microsoft Excel spreadsheet in the same format as Attachment #4. Perpetual inventory means any additions, deletions, or location changes are recorded as they occur.

B. Each piece of equipment shall be properly described and shall include a tag number, item, location, serial number, model number, purchase or obtained date, purchase price (cost), and notes. All acquisitions of Non-GAAP fixed assets (whether by purchase, transfer, or other means) shall be affixed with a property tag. The property tag shall be attached in a visible position and recorded on the Non-GAAP fixed assets accounting records immediately upon receipt.

C. Tag numbers shall be assigned in sequential order and shall be accounted for on the Non-GAAP fixed assets perpetual accounting records (Attachment #4) indefinitely. This includes tags that are damaged prior to affixation to a property item. If a tag is damaged prior to being affixed, the tag number shall be listed on the Non-GAAP fixed asset perpetual accounting record spreadsheet with the location column annotated as "unassigned tag damaged". If a tagged property item is transferred out of the institution or disposed of, it shall remain on the Non-GAAP fixed asset perpetual accounting spreadsheet and the location column of the Non-GAAP fixed asset perpetual accounting record shall be annotated with the date and place of the transference.

D. The status column of the Non-GAAP fixed asset perpetual accounting record shall be primarily utilized when performing annual physical inventories but may be used to track pending disposition of items, i.e. "Item pending disposal".

E. Each institution's Superintendent shall designate a Physical Property Officer who shall account for Non-GAAP fixed assets property and its safeguarding.

F. The designated Physical Property Officer shall maintain all perpetual inventory records on site.

G. A purchase price shall be assigned to each item listed on the perpetual inventory. If the purchase price is not known, reasonable estimates or appraisals shall be used.

343.04 ANNUAL PHYSICAL INVENTORY OF NON-GAAP FIXED ASSETS

A. Each Superintendent or Division Head shall ensure that a physical inventory of Non-GAAP fixed assets is taken by June 30th of each year.

B. A hard copy of the Non-GAAP fixed asset perpetual accounting record shall be printed and utilized when conducting the physical inventory. The status column of the printed perpetual record shall be initialed by the individual who physically verified that the item was on hand.

C. A copy of the completed annual inventory shall be forwarded to Support Services by June 30th of each fiscal year. The completed physical inventory package shall consist of:

1. A hard copy of the Non-GAAP fixed asset perpetual accounting record that was used to conduct the physical inventory.

2. A cover letter affixed to the inventory hard copy stating when the inventory was completed. The cover letter shall also list as well as contain the signature(s) of the individual(s) who conducted the inventory.

3. Any Report of Unaccounted for Variances, Losses, Shortages, or Thefts of Funds or Property (Attachment #1) that shall be submitted as a result of the inventory taken pursuant to section 343.04.

4. A financial summary of the inventory consisting of the value of the inventory at the beginning of the fiscal year (this should match the previous years ending inventory value), the total value of assets added to the inventory during the year, the total value of assets removed from inventory during the year, and the value of the inventory at the end of the fiscal year.

D. The person(s) performing the physical inventory shall be someone other than the staff member assigned to maintain the perpetual inventory.

343.05 INVENTORY DISCREPANCIES

A. Differences between quantities determined by physical inspection and those shown on the accounting records shall be investigated by the Physical Property Officer to determine the cause of the surplus or deficiency and to identify improvements in procedures to prevent errors or losses.

B. Losses of physical property shall be reported utilizing the Report on Unaccounted for Variances, Losses, Shortages, or Thefts of Funds or Property (Attachment #1). This form shall be completed and forwarded to Support Services for transference to the Office of the State Auditor as required.

343.06 SURPLUS PROPERTY

A. All institutions/programs shall examine their inventories of equipment periodically to determine which is surplus. All equipment determined to be surplus shall be reported to Support Services. Support Services shall instruct the reporting institution on how to proceed.

B. Support Services shall approve all transfers of Non-GAAP fixed assets between Department sites. The approval shall be documented and retained by both the donating and receiving institution for audit purposes.

C. Physical property requests initiated from the State Surplus Property Officer's (SSPO) publication; Memorandum of Surplus and Salvage Property as distributed to state agencies shall be made in writing and in letter form. Sites receiving property via this mode shall acknowledge same by sending a copy of the authorization letter to the SSPO within thirty (30) days of receipt.

D. All transferred surplus property that may be defined as a Non-GAAP asset shall be properly accounted for on the Non-GAAP fixed asset perpetual inventory.

E. Non-GAAP fixed assets shall not be transferred to or acquired from another state agency or correctional institution unless first approved by the Department's Director of Support Services. All correspondence with the State Office for Surplus State Property shall be sent through the Director of Support Services or designee, who shall coordinate all such approved transactions.

343.07 DISPOSAL OF NON-GAAP FIXED ASSETS

A. All requests to dispose of Non-GAAP fixed assets shall be made to the Director of Support Services or designee. Requests shall be submitted on an OSD 25 form (Attachment #2). All property items determined to be worthless shall be listed on the OSD 25 form with a condition code of W assigned. A three-member property disposal team, which shall consist of the Superintendent, Fiscal Officer or a Deputy Superintendent, and a third party shall be required to personally inspect and determine the value of the property. If determined to be worthless, each member shall sign a certification (Attachment #3) to that effect and forward the certification

with the OSD 25 form to the Director of Support Services or designee for a disposition from the State Surplus Property Officer (SSPO). Upon approval by the SSPO the requesting institution shall be notified that they may dispose of the property.

B. Prior to destruction, the institution may remove any part of an assembly that can be used or stocked for the repair of other articles.

C. Supporting documentation authorizing disposal or transfer of Non-GAAP fixed assets shall be systematically filed to facilitate later retrieval for audit purposes.

343.08 FIXED ASSETS

A. Each Superintendent or Division Head shall ensure that a physical inventory of fixed assets is taken by June 30th of each year. Support Services shall distribute a listing of all fixed assets documented in the MOSAIC system as being in the possession of each institution to the designated Physical Property Officer by April 15th. Physical Property Officers shall verify that each item listed is still in the possession of the institution and shall place their initials next to the asset as verification that the asset is accounted for. Any unaccounted for assets shall be documented by annotating the inventory list with "not located". The inventory list with aforementioned annotations next to each asset shall be returned to Support Services by June 30th.

B. The Department shall manage fixed assets in compliance with the State Comptroller's "Fixed Assets" policy. The complete Comptroller's policies regarding fixed assets which include accounting and management, acquisition and impairment of fixed and other assets and insurance recoveries may be found at https://www.macomptroller.org/policies.

343.09 RETENTION OF ACCOUNTING RECORDS/SOURCE DOCUMENTS

The Department (facility/institution) copy of all fiscal documents shall be systematically filed to facilitate later retrieval for audit purposes.

343.10 RESPONSIBLE STAFF

A. The Executive Director of Administrative Services, under the supervision of the Office of the Deputy Commissioner of Administration, shall implement and monitor this policy throughout the Department.

B. The Executive Director of Administrative Services or designee shall have access to all institutions and their fiscal records for audit purposes to ensure compliance with this policy.

C. In the event of a department wide loss of computer infrastructure; a contingency plan for Continuity of Operations Plan (COOP) is located in the Administrative Services Division Office.

Attachment #1

Report on Unaccounted for Variances, Losses
Shortages, or Thefts of Funds or Property

TO: Office of the State Auditor

From: _____

Date: _____

Agency: _____

Address: _____

Agency Contact (Name, Title, Phone #): _____

Date Detected: _____

Explanation of Condition:

_____

_____

Cause of Condition:

_____

_____

Amount of Funds Involved:

_____

_____

Appropriation Accounts, Trust Funds, Checking Accounts, etc. involved (List all the particulars, i.e., account numbers, banks, amounts, etc.)

_____

_____

Agency Division or Section Involved:

_____

_____

_____

Individual (s) Aware of Incident:

_____

_____

_____

No. of Individuals Having Access to Accounts / Funds Affected:

_____

_____

_____

Other Pertinent Information:

_____

_____

_____

_____

Report Completed By (Name, Title, Phone #): _____

_____

_____

Send To: Director of Support Services

Attachment #2

Page ____ of ____

DECLARATION OF SURPLUS STATE PERSONAL PROPERTY

Operational Services Division
State Surplus Property Office
One Ashburton Place, Room 1017
Boston, MA 02108

Date: _____

Dept. Code _____ Org Number _____

Agency Name: _____

Contact Person: _____

Telephone: _____

Mailing Address: _____

_____

_____

Storage Address: _____

_____

Description	Quantity	Age	Condition Code	Original Value	Dept. Inventory #

This Form may be Reproduced OSD 25

Condition Code	Definitions
A-1	New or unused property in excellent condition. Ready for use and identical or interchangeable with new items delivered by a manufacturer or normal source of supply.
A-2	New or unused property in good condition. Does not quite qualify for A-1 (because slightly shopworn, soiled, or similar), but condition does not impair utility.
A-3	New or unused property in fair condition. Soiled, shopworn, rusted, deteriorated, or damaged to the extent that utility is slightly impaired.
E-1	Used property, but repaired or renovated and in excellent condition.
E-2	Used property which has been repaired or renovated and while still in good condition, it has become worn form further use and cannot quality for excellent condition.
E-3	Used property which has been repaired or renovated, but has deteriorated reconditioning and is only in fair condition. Further repairs or renovation required or expected to be needed in near future.
O-1	Property which has been slightly or moderately used, no repairs required and still in excellent condition.
O-2	Used property more worn than O-1, but still in good condition with considerable use left before any important repairs would be required.
O-3	Used property which is still in fair condition and usable without repairs; however, somewhat deteriorated, with some parts (or portions) worn and which should be replaced.
R-1	Used property still in excellent condition, but minor repairs required. Estimated cost of repairs would cost no more than 10% of the acquisition cost.
R-2	Used property in good condition, but considerable repairs required. Estimated cost of repairs would be from 11% to 25% of acquisition cost
S=Salvage	Personal property that has some value in its basic material content, but which is in such condition that it has no reasonable prospect for use for any purpose as a unit and its repair or rehabilitation for use as a unit is clearly impractical.
W=Worthless	Property that has no value at all.
*Estimated Cost:	Actual acquisition cost (original cost) or the agency surplus officer's best estimate of the acquisition cost.
Please Note:	If you code items using the S or W condition code, please list this property on a separate DPGS-25 form

Attachment #3

TO: State Surplus Property
Operational Services Division

FROM: Department of Correction

THRU: Gary C. Temple, Director of Support Services

DATE: _____

In accordance with State Surplus Property Policies and Procedures, the attached items have been deemed worthless and of no value to the Commonwealth by a three (3) member panel consisting of the following individuals:

_____
Name/Title

_____
Name/Title

_____
Name/Title

In retrospect of the aforementioned, we are requesting to properly dispose of these items as junk. Please advise when these items may be disposed via Gary C. Temple, Director, Support Services Department of Correction, 50 Maple Street, Milford MA 01757

Institution: _____

Non-GAAP Fixed Assets Inventory

Tag #	Item Description	Manufacturer	Model #	Serial #	Location	Acq. Date	Acq. Cost	Status