

## Title 34

# GOVERNMENT CONTRACTS, PROCUREMENT AND PROPERTY CONTROL

## Part VII. Property Control

### Chapter 1. General Provisions

#### §101. Definitions

*Agency* Any state office, department, board, commission, institution, division, officer, or other person, or functional group, heretofore existing or hereafter created, which is authorized to exercise, or that does exercise any function of the government of the state, excluding, however, any governing body or officer of any local government or subdivision of the state or any parochial officer who exercises functions coterminous with the municipality in which he performs those functions.

*Agency Property Manager* Cthe officer or employee designated by the head of the agency as property manager for the agency.

*Charitable Organization* C an organization authorized and doing business in the state of Louisiana with its primary purpose being the providing of help and assistance to the needy, by providing direct assistance or indirect assistance through an institution, organization, or fund established to help the needy. Said organization must have and maintain an IRS Section 501 status.

*Commissioner* C the commissioner of the Division of Administration.

*Division* C the Division of Administration.

*Educational Organization* C an organization authorized and doing business in the state of Louisiana with its primary purpose being the imparting of knowledge or skill through systematic instruction by the teaching of structured courses at regularly scheduled intervals.

*Head of the Agency* C the individual responsible for the administration and operations of the agency.

*Louisiana Property Assistance Agency Director* C the individual in the Louisiana Property Assistance Section of the Division of Administration who has been designated by the commissioner as the person responsible to the commissioner for the administration of the State Property Control regulations. The responsibility of the director is to develop and organize the agency units necessary to carry out the requirements and functions of R.S. 39:321 et seq.

*Property* C all tangible nonconsumable moveable property owned by an agency with the exception of property specifically exempted by the commissioner. The commissioner hereby designates that state-owned timber should be considered to be moveable and state-owned pecans shall be considered to be nonconsumable for purposes of the Louisiana Property Control Law (R.S. 39:321 et seq.).

1. Timber and pecans are considered moveable and nonconsumable for the purpose of sales and are not to be included in the agency's inventory of moveable property.

*Religious Organization* C an organization authorized and doing business in the state of Louisiana with its primary purpose pertaining to or teaching a generally accepted and practiced religion within the state.

*Surplus Property* C any moveable state property which is deemed to be of no further use to an agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321, R.S. 39:326, R.S. 39:331-332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:227 (August 1976), amended LR 7:71 (March 1981), LR 7:265 (May 1981), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:92 (February 1986), LR 15:831 (October 1989).

#### §103. Inventory Classification Codes

A. A listing of items of state property alphabetized by their commonly used names will be developed and maintained by the Louisiana Property Assistance Agency director or his designee. A code number representing each item will be designated. These codes and only these codes are mandated for use in inventorying moveable property by all state agencies subject to the provisions of Title 39 of the Louisiana Revised Statutes.

B. The agency property manager shall use the mandated classification code when completing the classification code field on the Louisiana Property Control Transmittal form and the classification code section of the BF-11 form.

C. When an Item has not been Assigned an Inventory Classification Code. The agency property manager must contact the Louisiana Property Assistance Agency for assignment of a new code number before submitting the Louisiana Property Control Transmittal form.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:241 (August 1976), amended LR 8:144 (March 1982), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:93 (February 1986), LR 15:831 (October 1989).

#### §105. Agency Numbers

A. The agency number and sub-number are numbers assigned to the agency by the Louisiana property assistance agency director or his designee. This same number is the first five digits on all of the agency's state of Louisiana identification tags. Requests for new or additional agency

numbers should be directed to the Louisiana Property Assistance Agency director or his designee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 15:831 (October 1989).

## Chapter 3. State Property Inventory

### §301. Appointment of Property Managers

A. The head of the agency shall designate one of its officers or employees as agency property manager. In cases where an agency owns a large amount of property situated in more than one location. The Louisiana Property Assistance Agency director or his designee may authorize the appointment of more than one agency property manager within an agency. This authorization shall be in writing and granted only upon the request of the head of the agency. The head of the agency shall notify the commissioner, through the Louisiana Property Assistance Agency director or his designee, in writing, of the appointment of each agency property manager giving his name and domicile. The agency property manager's signature shall be placed on this letter.

B. The head of the agency shall notify the Louisiana Property Assistance Agency director or his designee in writing prior to the date any agency property manager ceases to function in that position. The Louisiana Property Assistance Agency director or his designee shall conduct an examination of the property inventory records under the jurisdiction of the agency property manager. On the basis of the report of this examination and the next accepted certification of moveable property inventory by the agency, the Louisiana Property Assistance Agency director or his designee shall approve the release of the agency property manager from responsibility and liability or shall make a written report of any defects in the records or damage to or shortages of property. In cases of damage to or shortages of property, the commissioner shall take steps as necessary to satisfy the claims of the state, as provided by R.S. 39:330.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:322, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by office of the Governor, Division of Administration, Property Control Section, LR 2:228 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:93 (February 1986), LR 15:831 (October 1989).

### §303. Faithful Performance of Duty Bond

A. Where the Louisiana Property Assistance Agency director or his designee has approved the appointment of one or more property managers within an agency, each property manager shall be covered by the Faithful Performance of Duty Bond.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326, R.S. 39:330 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:228 (August 1976), amended by Office of the Governor, Division of

Administration, Louisiana Property Assistance Agency, LR 12:93 (February 1986), LR 15:831 (October 1989).

### §305. Responsibility for Property

A. Each agency property manager shall be the custodian of and shall be responsible for all the property within his agency until his release from responsibility is approved by the Louisiana Property Assistance Agency director or his designee.

B. Each agency property manager shall maintain for three years past, the following files:

1. copies of all transmittals submitted for which no record of acceptance has yet been received;
2. annual printout of inventory used for certification (§313.C and §313.G.2);
3. letters of certification of moveable property inventory and subsequent letters of acceptance or rejection (§313.F.11 and §313.G.12);
4. sequentially dated copies of all property acquisition/ change transaction listings received (§317.A);
5. sequential copies of BF-11s submitted, and responses received (§501).

C. When any property is entrusted to any other officer or employee of the agency, the agency property manager shall secure a receipt for such property from the person receiving the property, and in such event, the agency property manager shall be relieved of responsibility for the property but shall continue to maintain accountability for the property. Upon the return of the property to the agency property manager, he shall return the person's receipt or issue acknowledgement of the return of the property and resume responsibility.

D. Whenever an agency property manager has knowledge or reason to believe that any property of the agency is lost, stolen, damaged, or destroyed through vandalism, fire, wind-storm, or other acts of God, he shall immediately notify the head of his agency. The head of the agency shall immediately notify the commissioner, through the Louisiana Property Assistance Agency director or his designee and follow up with a written report. The Louisiana Property Assistance Agency director or his designee shall make an investigation and take necessary action as provided for in R.S. 39:330.

E. The agency property manager and each person to whom property is entrusted and receipted for as provided in these regulations shall be liable for the payment of damages whenever his wrongful or grossly negligent act or omission causes any loss, theft, disappearance, damage to or destruction of property of his agency for which he is responsible as provided herein, and such damages shall be recoverable in a civil suit, therefore, prosecuted on behalf of the state by the attorney general.

F. The head of the agency shall allow the agency property manager(s) the necessary time and provide them with the necessary supplies and assistance for performance of their duties under these regulations, and the head of the

agency shall be responsible for seeing that the provisions of these regulations are carried out.

G. The agency property manager shall submit, within the week it becomes known, each idle or surplus item within his agency for disposition request utilizing a State Property Transaction Form BF-11.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:322, R.S. 39:326, R.S. 39:330 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:228 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:93 (February 1986), LR 15:831 (October 1989).

### **§307 Items of Property to be Inventoried**

A. All items of moveable property having an "original" acquisition cost, when first purchased by the state of Louisiana, of \$1000 or more, all gifts and other property having a fair market value of \$1000 or more, and all weapons, regardless of cost, with the exception of items specifically excluded in §307.E, must be placed on the statewide inventory system. The term "moveable" distinguishes this type of equipment from equipment attached as a permanent part of a building or structure. The term "property" distinguishes this type of equipment from "supplies" with supplies being consumable through normal use in no more than one year's time. All acquisitions of qualified items must be tagged with a uniform state of Louisiana identification tag approved by the commissioner of administration and all pertinent inventory information must be forwarded to the Louisiana Property Assistance Agency director or his designee within 60 calendar days after receipt of these items. In instances when equipment must be installed and/or tested before acceptance by the agency, the calendar days will begin upon official acceptance by the agency.

B. Gifts of moveable property must be given a fair market value as agreed upon between the donor and head of the receiving agency and recorded in the inventory if the fair market value is \$1000 or more.

C. Agencies manufacturing moveable property for use within the agency must determine the estimated cost based on the cost of labor and materials and include such items in the inventory provided that estimated cost is \$1000 or more.

D. Agencies which are eligible to receive federal surplus property must place on inventory all items acquired from Federal Surplus which would ordinarily be classified as moveable property and which have an acquisition cost of \$1000 or more. The acquisition date will be the date of acquisition by the state agency and the acquisition cost will be the actual cost incurred by the state agency.

NOTE: There are federal regulations regarding accountability for federal surplus property. State agencies should contact the Federal Surplus Property section for information regarding these regulations.

E. Livestock acquired for breeding, dairy, and experimental purposes are classified as property and, with the exception of fowl, and rodents, and any other similar

type small mammals, must be recorded in the inventory regardless of the value per animal. Animals acquired for slaughter need not be placed on inventory. When an agency acquires livestock by birth and determination is made that such animals will be used for breeding, dairy, or experimental purposes, the animals shall be included in the inventory and noted as having been acquired by birth and given an appraised fair market value. At each annual inventory, the value of livestock acquired by birth and used for breeding, dairy, or experimental purposes will be re-appraised by the agency property manager and the acquisition cost will be adjusted on the inventory in accord with current fair market value. When an agency acquires livestock by birth and determination is made that such animals will be slaughtered for food, the animals shall not be included in the inventory.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321 et seq.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Property Control, LR 2.241 (August 1976), amended LR 8.144 (March 1982), amended by the Office of the Governor, Division of Administration, Property Assistance Agency, LR 12:103 (February 1986), LR 26:2005 (September 2000), repromulgated LR 26:2284 (October 2000), LR 26:2788 (December 2000), LR 27:49 (January 2001), amended LR 28:481 (March 2002).

### **§309. Marking and Identifying Items of Property on Inventory**

A. Each item which meets the definition of items of property to be inventoried (§307) must be identified with an identification tag approved by the commissioner of administration which shall bear a unique identification number.

B. Agencies shall submit their requests for state of Louisiana identification tags directly to Louisiana Property Assistance Agency.

C. The agency property manager shall be responsible for the tagging of property, location, identification of property, and maintenance of property identification tags as prescribed in these regulations.

D. Livestock may be tagged in the ear with a metal tag provided that tag number is set aside. If there is any type of identification mark or tag already on the animal, such as bangs, brucellosis, etc., such identification shall be entered as the tag number provided the number has not been used before.

E. If the item cannot have a state of Louisiana identification number placed on it for physical reasons, the identification number should be set aside and the identification number written on the item with indelible ink (in case of items of cloth), or the number inscribed on the item with a small engraving tool. Authorization must be given in writing by the Louisiana Property Assistance Agency director or his designee for any inventoriable item which does not have a state identification mark due to extenuating circumstances.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:323, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:229 (August 1976), amended LR 7:71 (March 1981), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:94 (February 1986), LR 15:832 (October 1989).

### **§311. Inventory of Property**

A. The agency property manager shall establish and maintain a property location index which shall be used to keep track of the location of property of the agency. The agency property manager shall keep the property location index for the agency current and shall submit to the Louisiana Property Assistance Agency director or his designee an up-to-date index each time a change or modification is made in the index.

B. The agency property manager shall submit all pertinent inventory information on items acquired by the agency and defined in these regulations as items to be inventoried. The means of submitting the information shall be the Louisiana Property Control Transmittal form. These forms may be obtained from the Forms Management Section of the Division of Administration. This form shall be sent monthly to the Louisiana Property Assistance Agency director or his designee listing the transactions of the agency for the month. The data submitted on the transmittal form will be forwarded to the Baton Rouge Computer Center by the Louisiana Property Assistance Agency director or his designee, where it will be keypunched into the agency's inventory master file.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:324, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:229 (August 1976), amended LR 7:71 (March 1981), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:94 (February 1986), LR 15:832 (October 1989).

### **§313. Annual Inventory Requirements**

A. The agency property manager shall conduct a complete physical inventory of the property owned by the agency each fiscal year and not more than 12 calendar months since the last physical inventory. The agency property manager is responsible for recording the true and actual results of the physical inventory.

B. The agency property manager shall notify the commissioner through the Louisiana Property Assistance Agency director in writing 30 days prior to the date(s) inventory is to begin. Agencies inventorying on a rotation basis shall submit their schedule and shall notify the commission through the Louisiana Property Assistance Agency director of any changes to be made in that schedule. The commissioner, Louisiana Property Assistance director, or their representatives, may supervise or observe all or any part(s) of any inventory.

C. Each agency property manager whose head of the agency elects to use Inventory Procedure I (§313.F) shall

utilize the second half of the Notification of Inventory/Request for Printout to also request an annual printout of the agency's inventory master file. Additional requests will result in the assessment of a fee to cover costs.

D. The commissioner shall cause periodic observations of inventories and examinations of records to be made and shall cause reports submitted to the Louisiana Property Assistance Agency to be compared periodically with records of the agencies and with the physical property of the agencies for the purpose of testing the completeness and accuracy of inventories, records, and reports.

E. The head of the agency shall determine which of the two methods of inventory shall be used by the agency property manager in the annual physical inventory of the agency's property. The agency property manager shall be responsible for using the method determined by the head of the agency to be the best for the operations of his agency. Any procedure used other than the ones prescribed in these regulations (§313.F and G) must have prior written approval of the Louisiana Property Assistance Agency director or his designee.

#### **F. Inventory Procedure**

1. The agency property manager shall, under the direction of the head of the agency, select the date(s) most convenient to the operations of the agency, but not more than 12 months since the last annual physical inventory.

2. The agency property manager shall complete and submit to the Louisiana Property Assistance Agency director or his designee the Notification of Inventory/Request for Printout at least 30 days prior to the date(s) inventory is taken.

3. The agency property manager, under direction of the head of the agency, shall designate the personnel who will conduct the inventory by areas indicated in the agency's property location index (§311.A).

4. A copy of the property location index shall be provided to each of the persons participating in the physical inventory. It shall describe the areas and the property location code each person is to inventory.

5. The agency property manager shall provide each person participating in the physical inventory a copy of the state master file listing printout of inventory for the agency covering the area or location to be inventoried.

6. The agency property manager shall instruct the persons participating in the inventory on the method to be used to:

a. identify and mark on the inventory listing the items located;

b. mark clearly on the inventory listing the items not located; and

c. conspicuously mark and report to the agency property manager those items found without a property tag. The agency property manager shall make a determination that the items should or should not be tagged and submitted

to the state master file listing of inventory for the agency based on these regulations.

7. The physical inventory shall be taken on the date(s) pre-selected. The agency property manager shall notify Louisiana Property Assistance Agency director or his designee if, for some unforeseen reason, it is necessary to alter the date(s).

8. The agency property manager shall compile the true results of the physical inventory and shall submit a discrepancy report, (if applicable), to the Louisiana Property Assistance Agency director or his designee with a copy to the legislative auditor, containing all exceptions or discrepancies found in relating physical inventory results with the state master file listing of inventory for the agency.

9. The discrepancy report shall list each of the missing items by agency, tag number, description, location, acquisition date and acquisition cost, along with an explanation of what is believed to have happened to the items not located. The commissioner may cause an investigation to be made upon receipt of a discrepancy report, according to §301.B of these regulations.

10. Items not located during inventory for which there is no explanation available as to their disappearance must be retained on inventory and placed in a suspense location for three years. The location must indicate the year in which the item was first not located, (e.g., "9989"). During these three years, efforts must continue to locate the missing items. If items are relocated, the proper location is to be transmitted for inventory purposes. If, after the third year missing items are still not located, a request to remove from inventory as "not located" may be submitted on a DABF-11 form (§501).

11. The agency property manager shall submit the Certification of Annual Property Inventory to the Louisiana Property Assistance Agency director or his designee with a copy to the legislative auditor, after the physical inventory and the state master file listing of inventory for the agency have been reconciled according to the regulations.

#### G. Inventory Procedure II

1. The agency property manager shall, under the direction of the head of the agency, select the date(s) most convenient to the operations of the agency, but not more than 12 months since the last annual physical inventory.

2. The agency property manager shall complete and submit to the Louisiana Property Assistance Agency director or his designee the Notification of Inventory/Request for Printout of the state master file listing of agency inventory at least 30 days prior to the date(s) inventory is to be taken.

3. The agency property manager, under the direction of the head of the agency shall designate the personnel who will conduct the inventory by areas indicated in the agency's property location index (§311.A).

4. A copy of the property location index shall be provided to each of the persons participating in the physical inventory. It shall describe the areas and the property location code each person is to inventory.

5. The agency property manager shall provide each of the persons participating in the inventory with the Inventory Procedure II form and instruct each concerning its use.

6. The agency property manager shall also instruct those persons participating in the inventory on the method to be used to enter the agency number, tag number, and property location number of each item of property physically located and to conspicuously mark and report to the agency property manager those items found without a property tag. The agency property manager shall make a determination that the item should or should not be tagged and submitted to the state master file listing of inventory based on these regulations.

7. The physical inventory shall be taken on the date(s) selected. The Louisiana Property Assistance Agency director shall be notified by the agency property manager if, for some unforeseen reason, it is necessary to alter the dates.

8. The agency property manager shall reconcile each of the completed true results on the Inventory Procedure II forms with the state master file listing of inventory for the agency.

9. The agency property manager shall submit a discrepancy report (if applicable) to the Louisiana Property Assistance Agency director or his designee with a copy to the legislative auditor, containing all exceptions or discrepancies found in relating physical inventory results with the state master file listing of inventory for the agency.

10. The discrepancy report shall list each of the missing items by agency tag number, description, location, acquisition date, and acquisition cost, along with an explanation of what is believed to have happened to the items not located. The commissioner may cause an investigation to be made upon receipt of a discrepancy report, according to §301.B of these regulations.

11. Items not located during inventory for which there is no explanation available as to their disappearance must be retained on inventory and placed in a suspense location for three years. The location must indicate the year in which the item was first not located, (e.g., "9989"). During these three years, efforts must continue to locate missing items. If items are relocated, the proper location is to be transmitted for inventory purposes. If after the third year missing items are still not located, a request to remove from inventory as "not located" may be submitted on a DABF-11 form (§501).

12. The agency property manager shall submit to the Louisiana Property Assistance Agency director or his designee the Certification of Annual Property Inventory after the physical inventory results and state master file listing of inventory for the agency have been reconciled in accordance with these regulations. The agency property manager shall submit a copy of the certification of annual property inventory to the legislative auditor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:324, R.S. 39:325, R.S. 39:326, R.S. 39:327, R.S. 39:328 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:232 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:96 (February 1986), LR 15:832 (October 1989).

**§317. Reports from Louisiana Property Assistance Agency**

A. The agency property manager submits the Louisiana Property Control Transmittal Form each month to the Louisiana Property Assistance Agency listing the transactions for the month. At least once each month, the agency property manager will receive from Louisiana Property Assistance Agency a report listing the property acquisitions and changes submitted for the month (if any). Eventually, this report will also include a listing of property dispositions recorded for the agency on the state master file listing for the respective month. This monthly report will show the change in total acquisition value of inventory accomplished for the agency by accepted transactions.

B. Agency Inventory Master File Report. This report contains all the current and updated items on the state master file listing of inventory for an agency and is received upon request from the agency property manager to the Louisiana Property Assistance Agency director. If many transactions have occurred during a period of time, a special request may be submitted for this report other than annually.

C. Inventory Classification Codes. The Louisiana Property Assistance Agency director or his designee will send, as deemed necessary by said director, an updated listing of approved classification codes for items of moveable property to all agency property managers of record. Upon special request from the agency property manager for this listing, a fee sufficient to cover costs will be assessed to the agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:324, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:234 (August 1976), amended LR 7:71 (March 1981), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:97 (February 1986), LR 15:834 (October 1989).

**§319. Agency Reporting Requirements: Summary**

A. Reports from Head of Agency

1. New agency or agency reorganization notification of new property manager and domicile, §301.A.
2. Request for more than one agency property manager, §301.A.
3. Notification when agency property manager ceases to function/replaced, §301.B.
4. Notification when property is not located or destroyed, etc., §305.D.

B. Reports from Agency Property Manager

1. Request for agency code numbers, §105.

2. Request for new classification code number, §103.C.
3. Requisitions for state of Louisiana identification tags, §309.B.
4. Request for authorization not to tag an item, §309.E.
5. Copy of current agency property location index, §311.A.
6. Louisiana Property Control Transmittal form - month, §311.B.
7. Request for Louisiana Property Control Transmittal forms, §311.B.
8. Thirty days notice prior to annual inventory, §313.B.
9. Request for state master file listing of inventory using Inventory Procedure I, §313.C.
10. Discrepancy report using Inventory Procedure I, §313.F.8 and 9.
11. Certification of annual property inventory using Inventory Procedure I, §313.F.11.
12. Request for state master file listing of inventory using Inventory Procedure II, §313.G.2.
13. Discrepancy report using Inventory Procedure II, §313.G.9 and 10.
14. Certification of annual property inventory using Inventory Procedure II, §313.G.12.
15. Certification of annual property inventory using Inventory Procedure II, §313.G.12.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:324, R.S. 39:325, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:235 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:100 (February 1986), LR 15:834 (October 1989).

**§321. Acquisition by Transfer from State Surplus Property**

A. Surplus property from state agencies is normally retained for the inspection of state agencies at least 45 days before it is sold at public bid or auctioned or scrapped.

B. The purpose for displaying surplus and idle items at the state surplus property warehouse is for transferring those items to an agency where a need exists, thereby reducing expenditures for additional items.

C. The agency property manager or his designated representative shall select the item which the agency needs. A value less than the expected price from public sale of the item shall have been established for each item in the possession of the State Surplus Property Unit of the Louisiana Property Assistance Agency and the receiving agency shall be billed for that value when the item has been

received by the receiving agency. Payment to the Louisiana Property Assistance Agency shall be within 30 days.

D. The agency property manager shall use the Louisiana Property Control Transmittal form to input acquisitions by transfer from State Surplus Property into the state master file listing of agency inventory.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:324, R.S. 39:326, R.S. 39:330 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:235 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:100 (February 1986), LR 15:834 (October 1989).

**§323. Responsibility of the Division of Administration Budget Office**

A. The Division of Administration Budget Section shall provide the Louisiana Property Assistance Agency with the name and number of each new agency, each abolished agency, and information concerning consolidation or other change of status of any agency. The status change of an agency shall also include those agencies that operate with revolving funds as nonbudget units. This information shall be provided on a timely basis so that the inventory of state-owned property can be kept accountable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:236 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:100 (February 1986), LR 15:834 (October 1989).

**§325. Regulations and Orders by the Commissioner**

A. The commissioner shall have power and authority to make necessary and reasonable regulations and orders to carry out the provisions of these regulations when it serves the best interest of the state, in addition to specific authorization contained in this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:236 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:101 (February 1986), LR 15:835 (October 1989).

**Chapter 5. State Property Disposition**

**§501. Inventory Disposition Authority**

A. No property of any agency shall be sold to any person or legal entity or otherwise alienated, or be transferred, assigned or entrusted to any other agency or to any officer or employee of any other agency without the written permission of the commissioner through an approved State Property Transaction Form BF-11.

B. The BF-11 is the request from an agency property manager and is not, in any case, to be considered an

approval for any action until a copy is received by the agency property manager with Section IIC Division of Administration Use Only, completed and signed as approved. Entries are to be made in type or print only, except for signatures.

C. An approved State Property Transaction form BF-11 shall be used as the authority to sell, transfer, scrap, dismantle, loan out or otherwise remove an item from the state master file listing of agency inventory.

D. The disposition of the request is binding upon the agency property manager. If it is different than that requested by the agency property manager, the manager may proceed to dispose of the item in the manner prescribed in Chapter 3 or request that the BF-11 be voided. Disapproval of the BF-11 will require resubmittal of the item in the manner prescribed by the Louisiana Property Assistance director or his designee under the "Remarks" section.

E. The State Property Transaction form BF-11 must be approved by the Louisiana property assistance agency director or his designee prior to any transfer or disposition of state owned property. The BF-11 is the request from an agency property manager and is not, in any case, to be considered an approval for any action until a copy is received by the agency property manager with Section II-Division of Administration Use Only, completed and signed as approved. Entries are to be made in typed or print only, except for signatures. In no case shall property be destroyed prior to this approval. Requests to transfer or dispose of computer equipment must be approved by the director of State Purchasing or his designee prior to approval by the Louisiana Property Assistance Agency director. Requests to transfer or dispose of telecommunications equipment must be approved by the director of the Office of Telecommunications or his designee prior to approval by the Louisiana Property Assistance Agency director.

F. No agency property manager or head of the agency shall authorize the transfer of any items of surplus property to the State Surplus Property Unit of the Louisiana Property Assistance Agency without a prior approved BF-11 for each item and a scheduled delivery date from the state surplus property director or state auto delivery/maintenance/operations director or their designees. Items which arrive with unapproved BF-11s at the state surplus property or state auto delivery/maintenance/operations warehouses for disposition will be returned to the shipping agency for proper compliance to these regulations.

G. The agency property manager must either see to the delivery to the designated state surplus property warehouse of items approved for transfer to surplus or contact the state surplus property director or state auto delivery/maintenance/operations director to schedule pickup of these items. In either case, the property manager must clearly mark each item with the BF-11 number by which the item was approved for transfer. Items scheduled for pickup must be located in an easily accessible area.

H. Whenever an agency property manager has knowledge or reason to believe that any property of the agency is lost, stolen, damaged, or destroyed through vandalism, fire, windstorm, or other acts of God, he shall immediately notify the head of the agency. The head of the agency shall immediately notify the commissioner, through the Louisiana Property Assistance Agency director or his designee, and follow up with a written report. The Louisiana Property Assistance Agency director or his designee shall make an investigation and take necessary action as provided for in R.S. 39:330.

I. A fee may be assessed to the receiving agency in accord with established policies approved by the commissioner governing the operations of the Louisiana Property Assistance Agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:200.C, R.S. 39:326, R.S. 39:330, R.S. 39:330.1-2 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:236 (August 1976), amended LR 7:71 (March 1981), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:101 (February 1986).

**§503. State Property Transaction Form DABF-11 (Revised 4-85)**

A. The BF-11 is the means of an agency receiving written approval for the disposition of any and all items of state property from the agency. Use only the latest revision of the form BF-11.

B. The BF-11 is the request from an agency property manager and is not, in any case, to be considered an approval for any action until a copy is received by the agency property manager with Section II-Division of Administration Use Only, completed and signed as approved. Entries are to be made in type or print only, except for signatures.

C. The agency property manager shall enter the originating date of the request.

**D. Section I-Report and Evaluation**

1. The agency property manager shall complete (check) one of the boxes indicating his recommendation for disposal of the item.

2. The agency property manager shall enter the complete title and mailing address of the reporting agency and the agency control number consisting of the five digit agency number, a fiscal year number (e.g., "00,01,02,03,04,05,06, 07,08, or 09"), and the proper sequence number of the respective BF-11 for that agency (the first BF-11 for each fiscal year will be "00001," the second will be "00002," etc.).

3. The common name of the article, the make and model, and the manufacturer (if known) shall be completed. The quantity of items for which disposition is requested on this BF-11 must be noted. See §501.D concerning number of items allowed per BF-11. When preparing one BF-11, listing multiple items for disposition, the agency property

manager must prepare an attachment indicating sub-numbers for each item listed (exhibit 8). The first item listed should be shown with the BF-11 number only (e.g., BF-11 Number 189171); the second item should be shown with the BF-11 number plus "01" (e.g., BF-11 Number 18917101); the third item should be shown with the BF-11 number plus "02" (e.g., BF-11 Number 18917102), etc.

4. The agency property manager shall enclose with the BF-11 request for transferring vehicles and trailers to the Louisiana Property Assistance Agency director or his designee the following items.

a. Motor vehicle condition report DA121, revised 6-76 (exhibit 9).

b. Certificate of title (endorsed and notarized).

NOTE: Do not enter the receiver of title. The registration certificate must be delivered with the vehicle when transferred.

5. The agency property manager shall enter additional remarks giving justification for requests to scrap, dismantle, make an inventory adjustment, or remove as not located, and identifying the condition of items to be transferred to surplus or sold "as is, where is." Pictures must be attached for sale "as is, where is" items, a police report for stolen items, and a memorandum of justification for trade-ins.

6. The five digit agency number and tag number must be entered in the required section. If the item(s) to be disposed of is (are) not active on agency inventory, this must be indicated in the remarks section of the BF-11 and an appropriate classification code must be listed for each item.

7. The following headings on the information form shall be completed for items active on agency inventory utilizing the state master file listing of agency inventory:

- a. serial number (up to 22 digits);
- b. property location;
- c. acquisition date; and
- d. acquisition cost.

8. The description of the physical storage location of the item shall be explicit. The contact person and his telephone number for pickup of transfer items shall be entered by the agency property manager.

9. The section entitled "Reimbursement Request" must be checked if applicable. Note: Specific documentation may be required by Louisiana Property Assistance Agency director or his designee showing the specific item was purchased with participating federal funds and the percentage, or with other funds requiring reimbursement, prior to release of the reimbursement to the agency. Normally, state agencies are not eligible for any reimbursement for surplus property proceeds.

10. The designated section must be signed by the agency property manager with his name and title typed or printed.

**E. Section II-Division of Administration Use Only**



1. The disposition stated in this section is binding upon the agency property manager. If it is different than that requested by the agency property manager, the manager may proceed to dispose of the item in the manner prescribed in Chapter 3 or request that the BF-11 be voided. Disapproval of the BF-11 will require resubmittal of the item in the manner prescribed by the Louisiana Property Assistance Agency director or his designee under the "Remarks" section.

2. Approval of a BF-11 form will constitute grounds for deactivation of the listed property item(s) on the state master listing of the agency's inventory. The item will be deactivated on-line by Louisiana Property Assistance Agency personnel. However, if property items designated for transfer to surplus are later not available for such transfer or if the agency property manager requests and approval is given for voiding a BF-11, the affected property items will be reactivated on the agency inventory.

F. Section III. This section is completed when the item is received at the State Surplus Property warehouse. The agency property manager must keep on file all BF-11s completed in this section as evidence that responsibility for the items listed has been transferred to State Surplus Property.

#### G. Section IV-Receiving Agency

1. For all BF-11s with disposition of interagency transfer, the agency property manager for the reporting agency must enter the name, full address (attention: property manager) and agency property control number of the receiving agency in Section IV of the BF-11. Once the BF-11 has been approved and the receiving agency property manager has acknowledged receipt of the item, Louisiana Property Assistance Agency personnel will remit a copy of the receipted BF-11 to the reporting agency property manager to be kept on file as evidence of transfer of responsibility for the item. A fee may be assessed to the receiving agency in accord with established policies approved by the commissioner governing the operations of the Louisiana Property Assistance Agency.

2. For every BF-11 with disposition of transfer to surplus or sale "as is, where is," this section is completed by the State Surplus Property Unit of the Louisiana Property Assistance Agency when the item is transferred to another agency. The receipt of the receiving agency is completed by the agency representative responsible for pickup of the item where he physically receives the item on behalf of the receiving agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326, R.S. 39:330 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:237 (August 1976), amended LR 7:71 (March 1981), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:101 (February 1986).

#### **§505. Disposition of State Moveable Property**

A. These regulations of the commissioner shall govern the condemnation and disposition of state property when it is

determined that certain items of property are of no use to the agency or to the state.

B. Property transferred to the Louisiana Property Assistance Agency of the Division of Administration may be assigned for use in other agencies in accord with established policies of the Division of Administration when the commissioner deems it to be in the best interest of the state. A fee may be assessed to the receiving agency in accord with established policies approved by the commissioner governing the operations of the Louisiana Property Assistance Agency. Said property may, in accord with Division of Administration policies and R.S. 39:330(b), be sold to political subdivisions, municipalities, or religious, charitable, or educational organizations when the commissioner deems it to be in the best interest of the state. To purchase such property, said subdivisions, municipalities and/or organizations must:

1.a. follow agency listing procedures established by the Louisiana Property Assistance Agency director with the approval of the commissioner;

b. place purchased items in use within the subdivision, municipality, and/or organization within 90 days of purchase; and

c. maintain purchased items in use for subdivision, municipality, and/or organizational purposes for at least 18 months from date of purchase.

2. Exceptions to this regulation in individual instances require written approval from the Louisiana Property Assistance Agency director or his designee. Purchasing subdivisions, municipalities, and/or organizations shall make available to Louisiana property assistance auditors upon request all necessary records and documentation supporting compliance with these requirements.

C. Property owned by the state for more than six months and of no use to the state or agencies may be considered for disposition to the public.

D. The Louisiana Property Assistance Agency director or his designee may sell property "as is, where is" when it is determined to be in the best economical interest of the state.

E. The Louisiana Property Assistance Agency director shall deposit the proceeds from transfer or sale of property at public bid to the Louisiana Property Assistance Agency revolving fund.

1. Originating Purchase from any Percentage of Participating Federal Funds. For equipment with a unit acquisition cost of less than \$1,000, the Louisiana Property Assistance Agency will retain 20 percent of the proceeds received from sale of the item and the percentage of the remainder which corresponds to the percentage of federal funding in acquisition of the item will be refunded to the agency if the program is still active. There will be no refund if the program has been discontinued. For equipment with a unit acquisition cost of \$1,000, or more, \$100, or 10 percent of the total sales, whichever is greater, will be retained by the Louisiana Property Assistance Agency for handling

expense and the remainder will be refunded to the agency. Unless contractual or legal disposition requirements specify otherwise, agencies will be reimbursed 80 percent of the proceeds received by the Louisiana Property Assistance Agency for any item originally purchased by other grants, funds, etc., which require reimbursement.

NOTE: The agency's use of the reimbursed percentage of federal funds must be documented for the legislative auditor.

2. **Originating Purchase from State Revolving Fund.** The agency transferring the item shall be reimbursed at least 80 percent of the proceeds received by Louisiana Property Assistance Agency for the item.

3. **Sale of Farm Produce.** The cost to the agency for bid services rendered by Louisiana Property Assistance Agency shall be up to five percent of the proceeds of the sale.

4. **Sale of State-Owned Timber.** The cost to the agency for bid services shall be up to five percent of the proceeds of the sale.

5. As an exception to the general state property disposition regulations, state agencies may sell their livestock at any authorized public auction or sale. A BF-11, any documentation pertaining to the sale, and a check for the full amount of the sale proceeds, should be sent to the Louisiana Property Assistance Agency immediately after the sale. The livestock will then be removed from the state master listing of inventory for the agency if such is required.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326, R.S. 39:330 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:239 (August 1976), amended LR 7:71 (March 1981), LR 7:265 (May 1981), LR 9:412 (June 1983), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:102 (February, 1986), LR 15:835 (October 1989).

**§507. Regulations and Orders by the Commissioner**

A. The commissioner shall have power and authority to make necessary and reasonable regulations and orders to carry out the provisions of these regulations when it serves the best interest of the state, in addition to specific authorizations contained in this Part.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:240 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:103 (February 1986), LR 15:836 (October 1989).

**Chapter 7. Agencies with Integrated Inventory Control Systems and Miscellaneous Exceptions**

**§701. Qualifications**

A. The commissioner shall have the authority to allow certain agencies which have utilized their own data processing facilities for their inventory control systems and

those agencies which initiate data processing facilities for this purpose to maintain and use those systems provided those inventory systems can meet the requirements of R.S. 39:321-332 and these State Property Control regulations.

B. A prerequisite to receive written permission from the commissioner through the Louisiana Property Control Assistance Agency director is that the existing system must be integrated into other systems within the agency through data processing interfaces and not be a "stand alone" system. "Stand alone" inventory systems shall be converted to the state Property Control System. The Office of Information Services of the Division of Administration shall make that determination through an examination of those agencies which apply to the commissioner through the Louisiana Property Assistance Agency director for permission to continue to use their own data processing facilities for agency inventory control.

C. Those agencies which receive written permission to utilize their own data processing facilities for inventory control are excluded from utilizing the Louisiana Property Control Transmittal form.

D. These regulations must be met in full unless the head of the agency applies to the commissioner through the Louisiana Property Assistance Agency Director for a specific exclusion from a requirement and receives written permission from the commissioner when he deems it to be in the best interest of the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:240 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:103 (February 1986), repealed and repromulgated, LR 15:836 (October 1989).

**§703. Agency Inventory Master File Interface**

A. Those agencies which receive written permission from the commissioner through the Louisiana Property Assistance Agency director to utilize their own data processing facilities for inventory control shall coordinate through the Office of Information Services of the Division of Administration and complete the following conversion programs for transferring the agency master file information.

B. If the agency has not previously listed inventory on the Louisiana Property Assistance System, the agency shall transfer to the Division of Administration, Louisiana Property Assistance Agency Inventory Control System at the Baton Rouge Computer Center the agency's inventory master file with the same data and field length as required when using the Louisiana Property Control Transmittal form through a computer tape-to-tape conversion. If the agency has previously listed inventory on the Louisiana Property Assistance System, Louisiana Property Assistance Agency will provide the agency with a computer tape of inventory to be used in establishing the agency system.

C. Each subsequent month, the agency shall submit a like formatted computer tape showing all acquisition and

change transactions for the preceding month involving the agency inventory master file. Each acquisition/change transaction tape must be submitted in the format approved by Louisiana Property Assistance Agency.

D. Disposition and removal of items from inventory may only be accomplished by submission and approval of a BF-11. (§501)

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:241 (August 1976), amended LR 8:144 (March 1982), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:103 (February 1986), repealed and repromulgated, LR 15:836 (October 1989).

#### **§705. Inventory Classification Code System**

A. All state agencies shall utilize the inventory classification code system established by the Louisiana Property Assistance Agency director or his designee for the coded numbers which identify each item of inventory. Any agencies currently not utilizing the Louisiana Property Assistance Agency inventory classification code system shall convert the items on the agency inventory master file to said classification code system. This conversion shall be coordinated by the Office of Information Services between the agency and the Louisiana Property Assistance Agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:241 (August 1976), amended LR 8:144 (March 1982), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:103 (February 1986), repealed and repromulgated, LR 15:836 (October 1989).

#### **§707. Reporting Requirements**

A. The head of the agency and the agency property manager(s) shall comply with the reporting requirements of these regulations with the exception of §311.B, §319.B.6.-7, which relate to the use of the Louisiana Property Control Transmittal form. This form will not be used when an agency has received permission in writing to utilize their own data processing facilities. Computer tapes will be submitted on a monthly basis instead of the transmittal form.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:241 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:104 (February 1986), repealed and repromulgated, LR 15:836 (October 1989).

#### **§709. Nonexclusion from State Property Control Regulations**

A. These regulations, effective February 20, 1986, Chapters 1-7, (§§101-709) supersede all previous regulations and exceptional permissions, both written and verbal. Any exclusion request shall be submitted to the commissioner, through the Louisiana Property Assistance Agency director,

for consideration. Any exclusion from these regulations must be approved in writing by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S.321, R.S. 39:326 and R.S. 39:332.

HISTORICAL NOTE: Promulgated by Office of the Governor, Division of Administration, Property Control Section, LR 2:241 (August 1976), amended by Office of the Governor, Division of Administration, Louisiana Property Assistance Agency, LR 12:104 (February 1986), repealed and repromulgated LR 15:837 (October 1989).

## **Chapter 9. Noncompliance**

### **§901. Penalties**

A. The commissioner shall have power and authority to make necessary and reasonable regulations and orders to carry out the provisions of these regulations when it serves the best interest of the state. The commissioner shall have the authority to invoke any and all of the following actions when agencies are found to be in noncompliance with these regulations.

1. Call in the good faith performance bonds of the respective property managers.

2. Take action to restrict or require acquisition of movable property only on approval of the commissioner until compliance with the movable property regulation is completed.

3. Revoke or restrict purchasing authority for movable property.

4. Contract, at the expense of the agency in noncompliance, the resources necessary to resolve the compliance problem.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:321 et seq.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Property Control, LR 2:241 (August 1976), amended LR 8:144 (March 1982), amended by the Office of the Governor, Division of Administration, Property Assistance Agency, LR 12:103 (February 1986), LR 12:677 (October 1986), LR 15:830 (October 1989), LR 17:266 (March 1991).

