



# State of Arizona Accounting Manual

Topic 25 Long-lived Resources

Issued 12/20/21

Section 60 Lost, Stolen or Destroyed Fixed Assets

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## INTRODUCTION

In spite of the best stewardship efforts of agencies, fixed assets are sometimes lost, stolen or destroyed. This section of SAAM deals with the procedures to be followed in reporting the loss of a fixed asset

## POLICY & PROCEDURES

1. The theft or malicious destruction of any capital asset or stewardship resource shall be immediately reported to the appropriate law enforcement agency.
2. Agencies must report lost, stolen or destroyed non-expendable material (accompanied by police reports, if applicable) through the SPMO to the State Comptroller, allowing adequate time for the report to reach the State Comptroller within ten (10) days after discovery of the loss, as required by A.A.C. R2-15-305. Such losses are to be reported, as well, to the Risk Management Section of the ADOA within the timeframes and in the manner prescribed by A.A.C. R2-10-102.
  - 2.1. The reporting agency will prepare an online Surplus Property Removal Request using SPMO's Quickbase tool that can be found at <https://azsurplus.quickbase.com/db/bp5225i9k?a=nwr>. Submit the Request to the SPMO with a copy of the required incident report detailing circumstances, results of any investigation, and reference to the Risk Claim number if applicable. Additional information is available from the SPMO at <https://doa.az.gov/surplus-property> or by calling 602.542.5701.
    - 2.1.1. The loss, theft or destruction of capital assets is to be reported on a separate online Surplus Property Removal Request form from that reporting the loss, theft or destruction of stewardship resources.
    - 2.1.2. The SPMO will record the Surplus Property Removal Request and forward its attachments immediately to the GAO. The GAO will review the documentation and will send its determination to the SPMO, which, in turn, will return the determination to the reporting agency.
  - 2.2. In the case of capital assets, the GAO will review the documentation and will send its determination—approval or denial (pending the receipt of additional information)—to the SPMO, which, in turn, will return the determination to the reporting agency.

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- 2.2.1. In the event that a preliminary determination would result in a denial of the request, the GAO may communicate directly with the reporting agency in an effort to resolve those matters preventing an approval of the property disposal request. A denial will be communicated with a reason to SPMO who will communicate back to the agency.
- 2.2.1.1. The GAO may deny a request based upon, among other reasons, missing or incomplete explanation or documentation of the event.
- 2.2.1.2. The GAO may, in some circumstances, (e.g. requests with a large number or value of assets, ineffective processes, etc.), require an agency to prepare a corrective action plan detailed how the agency intends to prevent recurrences of similar events.
- 2.2.1.3. One reason for requiring an agency's use of a property identification system is to provide control over and accountability for lost or stolen resources or assets and to be able to provide positive identification of such resources or assets in the event of their recovery.
- 2.2.2. If the request is approved by the GAO, the approval will be recorded on the Surplus Property Removal Request. SPMO will attach the GAO's approval, and change the Request status to "Complete" in their online system, which will notify the requesting agency of the status change. The agency should then record the capital asset as disposed of in both AFIS and on any internal listing within ten (10) business days of receiving the approved Surplus Property Removal Request.
- 2.2.2.1. Upon receipt of the approval from GAO and SPMO, record the disposal of a lost, stolen or destroyed fixed asset in AFIS by entering a Fixed Asset Disposition (FD) document with the appropriate disposal method. On the Disposition Authority field, record the Surplus Property Removal Request number using the FY-#### format.
- 2.3. In the case of destroyed assets, Surplus Property will review and approve submitted Surplus Property Removal Requests and return the approval back to the agency. The agency should then record the asset as disposed in both AFIS and on any internal listing within ten (10) business days of receiving the approved Surplus Property Removal Request.
- 2.4. In the case of stewardship resources (memo assets), the GAO will acknowledge its receipt of the notification on the Surplus Property Removal Request. SPMO will attach the GAO's acknowledgement and change the Request status to "Complete" in their online system, which will notify the requesting agency of the status change. If the stewardship resources have been recorded in AFIS, the stewardship resource (memo asset) should be removed from AFIS within ten (10) business days of receiving the approved Surplus Property Removal Request.

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- 2.5. The GAO and the SPMO reserve the right to further investigate reports of lost, stolen or destroyed capital assets or stewardship resources.
3. One should refer to the SPRM at <https://doa.az.gov/state-surplus-property-reference-manual> for additional information concerning the proper disposal of capital assets.