



# State of Arizona Accounting Manual

Topic 25 Long-lived Resources

Issued 07/01/15

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 a Form SP101 – Property Disposal Request – and forward it to the SPMO with a copy of the required incident report detailing circumstances and results of investigation.
    - 2.1.1. The loss, theft or destruction of capital assets is to be reported on a Form SP101 separate from that reporting the loss, theft or destruction of stewardship resources.
    - 2.1.2. The SPMO will record the Form SP101 and forward it with the attached incident report 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.
    - 2.2.1. In the event that a preliminary determination would result in a denial of the request, the GAO will communicate directly with the reporting agency in an effort to resolve those matters preventing an approval of the property disposal request.

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- 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, 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 has been approved by the GAO, the SPMO will forward copies of Forms SP101 to the agency, which then should record the capital asset as disposed of in both the FAM and on any internal listing within five (5) business days of receiving the approved Forms SP101.
  - 2.2.2.1. To record the disposal of a lost, stolen or destroyed fixed asset in FAM, use the disposal method "Loss," which will initiate a workflow requiring the approval of the GAO.
- 2.3. In the case of stewardship resources, the GAO will acknowledge its receipt of the notification on the SP101 and return the SP101 to the SPMO to be, in turn, sent back to the reporting agency.
3. The GAO and the SPMO reserve the right to further investigate reports of lost, stolen or destroyed capital assets or stewardship resources.
4. 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.