

SUBJECT: INVENTORY

CHAPTER TITLE: SURPLUS, UNUSABLE, STOLEN AND MISSING PROPERTY

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## I. INTRODUCTION

This procedure explains the Department of Transportation (DOT) and Division of Highways (DOH) policies and processes associated with the disposal of surplus and unusable property, and the accounting for stolen or missing property. DOT organizations and managers must adhere to these principles to ensure inventory accuracy and uniformity, and to ensure accountability for Department of Transportation property.

The principles of public trust and effective management demand that surplus or unusable property is disposed of in the most cost-effective manner, that stolen or missing property is properly documented and reported and that DOT inventory records are adjusted accordingly.

**"Surplus"** is defined as property which is in excess of the amount needed for normal operations and that can be feasibly carried in stock.

**"Unusable"** is property which is not usable because of age or condition, or which is obsolete because of technical innovations or changes in an organization's practices or responsibilities.

**"Stolen"** property is property which is *known* to have been physically and illegally removed from the organization's premises, vehicle, or personnel.

**"Missing"** is property that, for whatever reason, cannot be physically located or accounted for.

Fleet vehicles are not included in this chapter. Refer to Volume IV of the DOT Administrative Procedures for guidance on the equipment fleet inventory.

## II. DISPOSAL OF SURPLUS OR UNUSABLE PROPERTY

### A. SURPLUS, UNUSABLE PROPERTY POLICIES

The Division of Highways (DOH), by State Code 17-14-2A, may dispose of any and all surplus or unusable property through the DOH Equipment Division and its "Sale Line" auction. The DOH may dispose of property (other than vehicles and related support equipment) through the Department of Administration (DOA) Surplus Property Unit.

DOT agencies, other than Highways, may **not** dispose of any surplus or unusable property through the DOH Equipment Division auction sale; the DOT agencies must utilize the DOA Surplus Property Unit to dispose of surplus and unusable property.

Following, are general policies applicable to **all** surplus and unusable property:

1. Supervisors may submit documentation to their organization managers, requesting the disposal of inventory as surplus or unusable.
2. Organization managers will, inspect all inventory for which disposal has been requested, decide as to whether disposal is desired, and then submit a listing of items and completed documentation, as specified, to Transportation , Procurement Section.
3. The State Code requires the Division of Highways organizations to perform a semi-annual review of surplus or unusable material March 31<sup>st</sup> and September 13<sup>th</sup>.
4. Surplus property that cannot be used within the DOT, but does have a resale value, will either:
  - a. be offered for sale through the DOA Surplus Property Unit or;
  - b. be offered for auction, if it is Highways' property *and* approved for sale by the Transportation Business Manager and the Equipment Division Director;  
or
  - c. may be traded-in along with the acquisition of a replacement unit (fixed asset items); requires approval of Transportation Procurement.

Transportation, Procurement will compile a master list from the listings of surplus or unusable property submitted by organizational managers. This list will be circulated to all DOT agencies for possible transfer. The availability of the property for transfer will be limited to one calendar month, after which Transportation Procurement will proceed with the recommendation for disposal.

**B. SURPLUS, UNUSABLE PROPERTY PROCESSES : WV-103 Form Surplus Property Retirement****1. Fixed Assets –Office (excluding PCs and peripherals)**

All surplus, unusable office machines, excluding computers and peripherals and office furniture (DOT classified Fixed Assets Inventory, whether tagged or not) must be documented on the Surplus Property Retirement Form. The WV-103 Form must be submitted to Transportation Procurement for further processing. Transportation Procurement will secure the Agency Authorized Signature and submit the WV-103 Form to the DOA Surplus Property Unit for approval. Final disposition of the surplus, unusable fixed assets shall be recorded on the WV-103 Form. The proper disposition of agency surplus or unusable fixed assets is the responsibility of the organizational managers. Upon receipt of the approved WV-103 Form, the recommended disposition of these surplus or unusable fixed assets must be completed. See C. 3 for additional DOT-877 Report requirement for tagged fixed assets.

**2. Computer Equipment**

The disposal of surplus, unusable computers and computer peripherals must be coordinated between the DOT organization and the Office of Technology (OT) as well as the DOA Surplus Property Unit. DOT organizations must first contact OT and request all unusable computers and peripherals be ‘cleaned/wiped’ of data. In addition to tagging the equipment as wiped/cleaned, the OT technician will provide DOT agencies with a memo/spreadsheet document which lists/refers to the equipment asset tag numbers and serial numbers that have been wiped. Once OT has completed cleaning the computers and/or peripherals, the DOT organization may proceed to complete the Surplus Property Retirement Form WV-103. The completed WV-103 Form and the memo/spreadsheet prepared by OT, listing the same asset tags as listed on the WV-103 Form will be submitted to DOT Procurement for further processing.

When preparing the WV-103 Form for computers and peripherals, the ‘Recommended Disposition Method’ shall be marked as #14 – Retire to OT. Upon receipt of the approved WV-103 Form(s), all computer and peripheral disposals must be coordinated and delivered to the OT warehouse location in Charleston, West Virginia for actual disposal through the OT recycle contract vendor. See C. 3 for additional DOT-877 Report requirements for tagged fixed assets.

Additionally, for classified (PMS) inventory property, organizations must prepare and process other required DOT documents, refer to Section C.

### 3. All Other Surplus, Unusable Items

To dispose of surplus, unusable items other than agency classified (PMS) Inventory or Fixed Asset Inventory items (such as non-tagged electric tools), organizations must prepare a Form WV-103, Surplus Property Retirement Form, and mark the appropriate Recommended Disposition Method box on the WV-103. These WV-103 Forms must also be submitted to Transportation Procurement for further processing. Upon approval by the Agency Authorized Signature and the DOA Surplus Property Unit, the approved WV-103 Form will be returned to the originating organization for final disposition of the surplus or unusable property. The proper disposition of agency surplus or unusable fixed assets is the responsibility of the organizational managers. Upon receipt of the approved Form WV-103, the recommended disposition of these surplus or unusable fixed assets must be completed.

## C. SURPLUS, UNUSABLE PROPERTY PROCESSES : DOT-6A, DOT-6, and DOT-877 Forms/Reports

### 1. Classified (PMS) Inventory Property

Removal (from classified PMS Inventory) of surplus or unusable property firstly, requires the completion, approval and processing of the Inventory Write-Off Form DOT-6A. An approved DOT-6A allows classified inventory property to be written off without incurring an expense to the owning organization. Division of Highways district Inventory Write-Off Forms (DOT-6A) must be jointly approved by the District Engineer/Manager and the District Comptroller. DOH division DOT-6A Forms must be jointly approved by the Division Director and the Division manager/supervisor responsible for the division's inventory. A complete and proper justification shall be recorded on each DOT-6A, as well as the planned disposition method. The original DOT-6A Write-Off Forms for surplus or unusable property must be submitted to Transportation Procurement, accompanying the Surplus Retirement Form WV- 103.

The final step to expense PMS classified inventory from the Inventory subsystem requires the preparation and entry of a DOT-6 Materials Usage Form. The DOT-6 Form will be prepared and entered upon receipt of the approved Surplus Property Retirement Form WV-103. The approved WV-103 Form will list the approved method of disposition that must be followed. Organizational managers are responsible for insuring the surplus or unusable, classified inventory items are disposed of per the method listed on the original Surplus Property Retirement Form WV-103.

### 2. Fixed Assets – Tagged Property

Removal (from Fixed Assets - Tagged Inventory) of surplus or unusable property requires

the completion, approval and processing of the Fixed Assets Inventory Field Report, DOT-877. A , DOT-877 Report must be prepared for each tagged fixed asset item listed on DOT/DOH Surplus Property Retirement Form WV-103. The DOT-877 Reports must accompany the WV-103 Forms and be transmitted to Transportation Procurement for all fixed asset retirements. All the required information for each *retired* fixed asset must be recorded on the DOT-877 Report and screen prints of each fixed asset being disposed of must be attached to the DOT-877 Reports.

### 3. Surplus, Unusable Documentation Processing

The Surplus Property Retirement Forms, WV-103 and the DOT-6A Write-Off Forms / DOT-877 Fixed Assets Inventory Retirement Reports should be processed to the Procurement Section together, as a package. Procurement will retain the original DOT-6A and DOT-877 Forms. DOT Procurement will secure the DOT Agency Authorized Signature for the WV-103 Forms and process these to the Administration Division's Surplus Unit for approval. Upon receipt of the original, approved Surplus Unit WV-103 copy, Procurement will match the items listed on the approved WV-103 Report with the DOT-877 Reports, and the required updates will be made to the tagged Fixed Assets Inventory. Organizational managers are responsible for insuring the surplus or unusable, fixed asset items are disposed of, per the method listed on the original Surplus Property Retirement Form WV-103. Additional documentation which supports the disposition of unusable property, i.e. landfill tickets, must be attached to the organization's WV-103 Form file copy.

### 4. DOH Auction Sale of Surplus, Unusable Property – Additional Requirements

The disposition of surplus and unusable inventory property by DOH auction requires additional documentation and controls.

- a. Classified (PMS) Inventory and tagged Fixed Assets Inventory property planned for disposition by DOH auction must have that disposition method disclosed in the Justification part of the DOT-6A/WV-103 Form. The original, pre-auction DOT-6A/WV-103 Forms must be processed to Transportation Procurement a minimum of two (2) weeks prior to the auction date.
- b. Transportation Procurement will provide the DOT Business Manager a complete and concise listing (pre-auction) of all surplus, unusable DOH classified (PMS) Inventory and tagged Fixed Assets items planned for sale at the auction. The DOT Business Manager will review the listing and approve the sale of the listed surplus, unusable inventory items.
- c. Upon approval by the DOT Business Manager, Transportation Procurement will provide the DOH Equipment Division and the DOT Auditing Division

listings of the surplus, unusable inventory property approved by the DOT Business Manager for disposition by auction sale. Additionally, Transportation Procurement will provide both divisions, copies of the applicable DOT-6A Write-Off and WV-103 Retirement Forms approved and submitted by the originating DOH districts/divisions.

- d. In lieu of the districts/divisions preparing a DOT-6 Usage/DOT-877 Form to expense the surplus, unusable property planned for auction, the districts/divisions will prepare a DOT-6 Transfer Form. This DOT-6 Transfer Form will transfer, (pre-auction date) the surplus, unusable classified and/or tagged Fixed Asset inventory property to an Equipment Division Inventory Location specifically established for Sale Line property. It will be the responsibility of the Equipment Division to coordinate these DOT-6 Transfers of surplus, unusable inventory property to the Equipment Division's Sale Inventory Location, **pre**-auction date.
- e. The Equipment Division will prepare the DOT-6 and DOT-877 Forms, post-auction, to expense that surplus, unusable inventory property which was disposed by auction. Copies of these DOT-6 and DOT-877 Forms are an important part of the inventory audit trail, and therefore the DOT-6 and DOT-877 copies must be retained with the auction records file.
- f. Post- auction, all DOH classified (PMS) Inventory and tagged Fixed Assets surplus, unusable property which was approved for disposition by auction sale, but **not** sold, must be documented by the Equipment Division and a listing of each inventory item provided to Transportation Procurement and Transportation Auditing Division within a maximum of three (3) weeks after the official auction date. The listing of unsold inventory property must fully describe the inventory items, define the actual storage location (post-auction), and include a copy of the DOT-6A Write-Off and/or DOT-877 Form originally prepared, approved, and submitted for each unsold inventory property item.
- g. The unsold DOH classified (PMS) Inventory and tagged Fixed Assets property shall be secured by the Equipment Division and labeled as: Approved Disposition by Auction Sale – NOT SOLD (Auction Date). This unsold inventory property shall be stored and securely maintained until the next DOH auction date. The Equipment Division's Inventory Sale Line Location will retain the inventory balances of all unsold surplus, unusable inventory property until the property is sold at a future auction date, or another disposition method is approved, using the previously described disposition requirements in this procedure.

### III. ACCOUNTING FOR STOLEN OR MISSING PROPERTY

This section deals with the policies and processes that are used to report and document stolen and missing property. These policies must be followed and process steps must be completed in order to maintain accurate inventory records and proper accountability of State property.

#### A. STOLEN, MISSING PROPERTY POLICIES

Every loss or theft of DOT property, including non-classified inventory property, must be investigated and reported as thoroughly and completely as possible. **The DOT/DOH has zero tolerance for theft of State property.**

1. The employee responsible for the missing or stolen item must make a complete search for the item and must promptly report the loss to his or her supervisor.
2. The supervisor must also search for the item and must notify local law enforcement if theft is suspected.
3. Transportation Procurement is responsible for maintaining a record of reported stolen and missing DOT property and for securing the approval required to adjust the inventory records for stolen and missing property.
4. If it is determined that a loss is due to the negligence of the employee, or if a pattern of losses or thefts has been established, the supervisor may enact further investigation and/or disciplinary action toward the employee. Any disciplinary action taken will be in accordance with the chapter, "Disciplinary Action, Suspension, and Dismissal". (Note: See DOH Administrative Operating Procedures, Volume IX, Chapter 12. Disciplinary Action, Suspension & Dismissal.)

#### B. STOLEN, MISSING PROPERTY PROCESSES

1. The employee responsible for the item will search and investigate the area of assignment to determine that property has been stolen or is missing, and advise his or her immediate supervisor of the loss.
2. Property valued between \$500 and \$1,000 must be reported to the Legal Division, Claims Unit (304-558-3136). Stolen or missing property valued greater than \$1,000 must be reported to local law enforcement **and** the Claims Unit. DOT inventory property valued in excess of the \$2,500 deductible is reimbursable by BRIM insurance. The supervisor or employee reporting the loss must record the date, time and name of the individual to whom the loss was reported. This information shall be recorded on the agency- required Stolen Missing Property Report, DOT-114.

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3. Stolen or missing DOT/DOH property must be documented and reported accurately, completely, and expeditiously. As soon as the area is searched and it is determined that property is missing, the reporting process must be implemented by the organization owning/assigned the missing property. Form DOT-114- Revised 8-13-13, is the agency-required document for reporting stolen or missing property.
  4. The organization reporting the missing property is responsible for completing Section A of the DOT-114 Report. Section A of the DOT-114 Report shall accurately describe: the type, manufacturer's name and model, and quantity of missing property; approximate value; serial number(s), type of inventory and inventory numbers; assigned DOT/DOH location and employee, if applicable, of the missing property; employee name(s) reporting the loss as well as others that were contacted during the initial search; the information regarding contacts made with the Claims Section and/or local law enforcement authorities; and the organizational supervisor's signature.
  5. The File Number (to be completed by the originating organization) must be the originating organization's organization number followed by a dash and the date of the completion of Part A of the DOT-114 Report. Example: 0170-6-22-13. Copies of police reports **must** be included when processing DOT-114 Reports for property valued greater than \$1,000.
  6. Upon completion of Section A of the DOT-114 Report, the originating organization will submit the DOT-114 Report to the organization's financial office for further completion and processing. The financial officer for DOH districts is the District Comptroller; for DOH divisions, it is the staff person responsible for the division's inventories. After reviewing the DOT-114 Report Section A for accuracy and completeness, the financial officer will complete Section B of the Stolen or Missing Property Report, DOT-114. Additionally, the financial officer and the organizational administrator will jointly sign and date the DOT-114 Reports. The financial officer will forward the original DOT-114 Report to DOT Procurement.
  7. Transportation Procurement will record the date received for each DOT-114 Report, log each DOT-114 Report on a Stolen or Missing Property Report tracking spreadsheet for the appropriate fiscal year, review the report for completeness, and forward the DOT-114 to the appropriate authority for further review/approval. Transportation Procurement may decide to send the DOT-114 to other DOT/DOH offices for further clarification. Example: an expensive unit of highway equipment is reported as missing, DOT Procurement may decide to send this particular DOT-114 Report to the DOH Equipment Division for additional review/clarification. If Transportation Procurement deems a further review is not warranted, the DOT-114 Report is forwarded to the Finance and Administration Director for review. After review and signature by the Transportation Finance and Administration Director,



the DOT-114 Report is forwarded to the DOT Business Manager for final approval to remove the missing property from the agency inventory system, if applicable. The DOT Business Manager will sign the DOT-114 Report and forward the signed document to Transportation Procurement. Transportation Procurement will record and track the processing steps/actions taken for each DOT-114 Report on the tracking spreadsheet.

8. Transportation Procurement will complete the appropriate 'Final Disposition' box and transmit a copy of the signed original DOT-114 Report to the organizational financial officer.
9. The organizational financial officer will coordinate, with the originating organization, the documentation required to remove the missing property from agency inventory system(s). **All** documentation related to a DOT-114 Report, must reference the 'File Number' recorded on the DOT-114 Report by Transportation Procurement.
10. All inventory-system documentation (DOT-6 and DOT-877 Forms) prepared and processed to remove stolen or missing property from an inventory sub-system must be forwarded to Transportation Procurement for inclusion in Procurement's file documentation.
11. All DOT-114 Report-related documentation must be filed together at the originating organization and by the organizational financial officer.