 <p>CD-020200</p>	<p align="center">NEW MEXICO CORRECTIONS DEPARTMENT</p> <p align="center"><small>"We commit to the safety and well-being of the people of New Mexico by doing the right thing, always." Courage Responsibility Ethics Dedication - CREDibly serving the public safety of New Mexico</small></p>	
	<p>ISSUE DATE: 04/16/84</p> <p>EFFECTIVE DATE: 01/01/84</p>	<p>REVIEWED: 09/29/17</p> <p>REVISED: 06/01/14</p>
	<p>TITLE: Capital Assets</p>	

AUTHORITY:

- A. NMSA 1978, Sections 9-3-1 through -12 as amended.
- B. NMSA 1978, Section 12-6-10 as amended.
- C. NMSA 1978, Sections 13-1-28 to 13-1-199 and 13-6-1 to 13-6-2 as amended.
- D. NMSA 1978, Section 33-1-6 as amended.
- E. NMSA 1978, Section 15-3B-16 as amended.
- F. NMSA 1978, Section 33-2-5 as amended.

REFERENCES:

- A. NMAC 2.20.1, *Accounting and Control of Fixed Assets of State Government, Accounting for Acquisitions and Establishing Controls.*
- B. ACA Standards 2-CO-1B-08, *Standards for the Administration of Correctional Agencies*, 2nd Edition.
- C. ACA Standard 4-4037, *Standards for Adult Correctional Institutions*, 4th Edition.
- D. ACA Standard 2-CI-6E-3, *Standards for Correctional Industries*, 2nd Edition.
- E. Governmental Accounting Standards Board, *Codification of Governmental Accounting and Financial Reporting Standards.*
- F. *Capital Assets Manual*, NMCD, May 2008.

PURPOSE:

To establish minimum inventory requirements and procedures for the control and accounting of all Capital Assets belonging to the Corrections Department (NMCD), to comply with state statutes and generally accepted accounting principles (GAAP) applicable to State governments. [2-CI-6E-3]

APPLICABILITY:

All organizational units within the NMCD.

FORMS:

None

ATTACHMENTS:

None

DEFINITIONS:

- A. Disposition of Capital Assets: Disposition is the removal of a capital asset from the capital assets records by methods allowed under statutes, the State Auditor's Rule, and NMCD Capital Asset Manual.
- B. Capital Assets: Any property or equipment which has an initial cost, whether in cash or trade value, of over \$5,000.00 and which is expected to be used or held beyond the fiscal year in which it was acquired and which is not consumed in its use. Capital Assets include assets acquired under lease-purchase agreements. Such assets shall be included in inventory at the time of acquisition, and the cost listed for such items shall be the total contract price, excluding interest expense. Capital Assets include those assets constructed by Department personnel. A construction cost shall be determined for such assets, which shall include direct labor, materials, equipment usage and overhead that can be distributed on the basis of direct labor such as employee benefits.
- C. Capital Assets Coordinator: The person designated by the Business Manager, the Area/District Supervisor, or Chief Fiscal Officer as responsible for controlling and accounting for the Department's Capital Assets. This delegated responsibility is not to be construed as diminishing the responsibility of executive management.
- D. Proprietary Funds: Funds acquired by the Department from user charges designed to recover all costs (including depreciation) of providing goods or services. Enterprise and internal funds used to account for the Department's on-going organization and activity (Corrections Industries) similar to those found in the private sector.

POLICY:

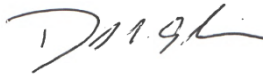
- A. Capital Asset records shall be maintained to achieve the following objectives:
 - 1. Protect property, physical plant and equipment from theft, misuse or subjected to excessive wear and tear.
 - 2. Assign stewardship responsibility for particular assets to individual NMCD officials.
 - 3. Provide for on-going capital asset repair and preventive maintenance programs, within budget resources.
 - 4. Appropriately insure through the Risk Management Division of General Services Department in case of loss and to provide a process to verify losses when claims are filed.
 - 5. Provide input into the budget request for the NMCD's Capital Improvement Plan and its capital outlay appropriation's request.
 - 6. Permit financial reporting in conformity with GAAP for state governments.

- 7. Ensure compliance with Federal and State laws, rules and regulations.

- B. Facility and Training Academy Business Managers or designees (Capital Assets Coordinators) are responsible for performing a complete physical count of all capital assets at their location, regardless of which organizational unit purchased the capital asset. The ASD Director shall ensure such counts are done in the Central Office Administration Building, except for the Probation and Parole Division and the Corrections Industries Division, which shall be the responsibility of the applicable Business Managers.

- C. A Capital Assets Manual shall be reviewed and up-dated (if necessary) by the Financial Management Bureau, subject to the approval of the ASD Director, on an annual basis to provide accountability procedures. The NMCD Capital Assets Coordinator shall ensure that copies of the manual are provided to personnel responsible for capital assets.

- D. Physical inventories for control of property, plant and equipment costing more than \$5,000 shall be conducted annually. **[2-CO-1B-08] [4-4037]**



David Jablonski, Secretary of Corrections
New Mexico Corrections Department

09/29/17
Date

PROCEDURE:

1. Acquisition of capital assets will be in accordance with the NMCD Capital Assets Manual. [2-CO-1B-08] [4-4037] [2-CI-6E-3]
2. **Disposition of Property (Capital Assets):**
 - A. No sale or disposition of any capital asset with a value of \$5,000 or greater shall be made without notification to the ASD Financial Management Bureau, attention Accounting Section. The **Capital Asset Disposition Request** form (*CD-020200.1*) must be used to notify the Accounting Section of any proposed dispositions of asset.
 - B. The Accounting Section will process all disposition requests and notify or seek approval from the appropriate authorities as listed in NMSA 1978, Sections 13-6-1 to 13-6-2. *Do not actually dispose of any items until instructed to do so by the Accounting Section.*
 - 1). For capital assets with a current estimated value of more than \$5,000, 30-day notification to the State Auditor and compliance with the process per NMCD Capital Asset Manual are to be followed.
 - 2). The Surplus Property Bureau of the Transportation Services Division of the General Services Department shall be given the right of first refusal when disposing of any obsolete, worn-out or unusable tangible personal property (excluding computer software).
 - 3). A copy of the transmittal letter which was submitted to the State Auditor will be sent to the Facility/Division by the Accounting Section.
 - C. The **Capital Asset Disposition Request** form (*CD-020200.1*) shall contain an official finding (for example, a statement that the item is damaged, unusable or obsolete) and the proposed disposition of the capital asset (for example, transfer to another NMCD organizational unit). A description of the item, the part number (if applicable), the cost or current estimated value of the item and the funding source used to acquire the item (for example, general fund) shall be included on the form.
 - D. The **Capital Asset Disposition Request** form (*CD-020200.1*) shall be signed by the Facility Warden or a designee, PPD Region Manager or the appropriate Business Manager at Central Office location.
 - E. All NMCD capital assets shall be disposed of in the following order:
 - a. Internal transfer within the NMCD to a Facility/Division in need of such an item;

- b. Donation to the Surplus Property Bureau of the Transportation Services Division of the General Services Department;
 - c. Competitive sealed bids for sale through the Central Purchasing Office;
 - d. Given to other state agencies, local governments or non-profit organizations by direct donation from the NMCD;
 - e. Discarded at the local landfill.
- F. Documentation of the disposition of capital assets shall be maintained on location for a minimum of three years from the date of disposition. Documentation shall include, but is not limited to, sales receipts, bills of sale and a copy of the disposition approval letter.
- G. With the exception of proper disposition of canines in accordance with (*CD-131600*), no employee of the NMCD will be allowed to purchase or receive any personal property belonging to the New Mexico NMCD.
- H. Disposition of canines shall be handled in accordance with NMSA 1978, Section 33-2-5B and CD Policy *CD-131600 K-9 Unit*.



David Jablonski, Secretary of Corrections
New Mexico Corrections Department

09/29/17
Date

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"We commit to the safety and well-being of the people of New Mexico by doing the right thing, always."

TO: Accounting Section
Financial Management Bureau, ASD

FROM: _____
(Warden/PPD Region Manager/Division Director/Business Manager)

DATE:

SUBJECT: Capital Asset Disposition Request

The following capital assets are scheduled for disposition:

<u>Description of Item</u>	<u>PART #</u>	<u>COST</u>	<u>SOURCE</u>	<u>Proposed Method of Disposition</u>
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The asset or assets listed above need to be disposed of for the following reasons:

The following procedures have been followed according to the disposition checklist in Procedure CD-020200:

		Yes or No
1.	Internal transfer within the Corrections Department.	
2.	Competitive sealed bids for sale through the Central Purchasing Office.	
3.	Sold through a State-sanctioned auction.	
4.	Given to other State Agencies for Local governments through the Surplus Property Bureau of GSD.	
5.	Given to other State Agencies, Local governments or non-profit.	
6.	Discarded at the local landfill.	

The proposed disposition of capital asset(s) is approved:

Accounting Manager

Date