

**FAP 120-20-01**  
**PERSONAL PROPERTY AND VEHICLE INVENTORIES**

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1. Each budget unit shall maintain a current fixed asset record of equipment having an original cost of \$500 or more and a useful life of greater than one (1) year.
  - a. In accordance with KRS 45.313, the FAC may conduct physical audits of fixed asset records; therefore, inventory records shall be made available to the FAC at any time.
  - b. Agencies shall enter records into the fixed asset system for non-expendable property that promotes financial reporting, safeguarding of assets and adequate insurance.
  - c. Expendable property shall be accounted for using the statewide inventory control system or another previously approved internal method of accounting for the flow of expendable property.
2. **General Provisions pertaining to Fixed Asset Records:**
  - a. A state agency shall maintain current records of physical properties and equipment and make appropriate additions and deletions to fixed asset records as property is acquired or disposed.
  - b. The administrative head of an agency shall be responsible and accountable for the custody and safekeeping of all personal property assigned to, purchased, or otherwise acquired by the agency. Each agency head shall either serve as, or appoint an employee of the agency to serve as, agency property officer with responsibility for both maintaining the agency's fixed asset records and taking the annual physical inventory.
  - c. Each budget unit shall review its fixed asset records as of June 30 each year to ensure completeness and accuracy.
  - d. If the review process reveals incorrect or inadequate information, the agency shall take the necessary steps to correct the discrepancies.
3. **Personal Property to be Recorded:**
  - a. All non-expendable property valued at \$500 or more shall be recorded as a line item. This record shall include agency number, state property identification tag number, make, description, model number, serial number, quantity, location by building and cost.
  - b. Cost, including freight, installation, auxiliary charges, less discount taken shall be used if purchase price is known. Appraised value, indexed back to acquisition date, shall be used if the purchase price is unknown.
  - c. The property officer of each agency shall affix a property identification tag to all non-expendable property. The property identification tag shall be affixed to the left side of the item when the item is in its normal operating position.
  - d. Furniture and equipment under the control of, but not owned by, an agency shall be listed under the guidelines of non-expendable property and shall note the percentage of state ownership, if any.
4. **Expendable Personal Property:**
  - a. A perpetual inventory record of the receipts and withdrawals of expendable supplies shall be maintained to determine past usage and appropriate stock levels.
  - b. Minimum reorder points for replenishing orders shall be established for each item that shall allow enough lead time for deliveries and prevent "stock-outs".
  - c. The agency supply system shall use economic order quantities for restocking based upon past and anticipated usage. Every effort shall be made to avoid an accumulation of surplus or obsolete stock that reduces storage space.

**5. Vehicle Inventories:**

- a. "Assigned" means any licensed motor vehicle under an agency's control. This includes vehicles owned by an agency of the Commonwealth, excluding motor pool vehicles, which are reported by the Transportation Cabinet; vehicles legally exempt from bearing a state official plate pursuant to KRS 44.045(4), KRS 44.045(5), KRS 186.065(2) and KRS 186.065(3); vehicles whose title is vested in the federal government but on loan to an agency; and vehicles obtained from any other source.
- b. A fixed asset record of all licensed vehicles and licensed trailers assigned to an agency shall be maintained regardless of cost or other equipment mounted on the vehicle. Vehicles not owned by the agency shall be so noted on the fixed asset report.
- c. This report shall include: vehicle license number, agency name, property or commodity code, serial number, make, style, manufacturer's model number, year, date registered during the first year only and original purchase price.

Relates to: KRS 45.313; KRS 44.054; KRS 186.065