

DATE: April 30, 2024

TO: Agency Addressed (No. 23, 2023-24)

FROM: Renée Hermeling, Division Director  
Division of Accounting and Auditing  
Department of Financial Services

SUBJECT: STATE-OWNED TANGIBLE PERSONAL PROPERTY AND PROPERTY  
RECORD RETENTION

The purpose of this memorandum is to provide guidance related to the proper inclusion and removal of tangible property acquired and recorded in the Florida Accounting Information Resource (FLAIR) Property Subsystem.

The primary objectives of property control generally pertain to efficiency, effectiveness, and safeguarding of assets. For example, controls designed to prevent or promptly detect a loss of a small value asset, while important operationally, are not necessarily relevant for financial reporting purposes. Because of the objective differences, this memorandum should not be used for financial reporting purposes related to property. Agencies are encouraged to refer to Department of Financial Services (DFS) Rule Chapter 69I-72, Florida Administrative Code (F.A.C.), titled *State-owned Tangible Personal Property*, for guidance on property control.

Chapter 273, Florida Statutes (F.S.), defines the requirements to ensure all tangible property owned by the state are recorded and safeguarded.

DFS Rule Chapter 69I-72, F.A.C., defines the requirements for recording property in the FLAIR Property Subsystem; marking the property; certification of surplus property and property disposition; inventory of property; and capitalization of property. Property required to be capitalized or defined as an attractive item may only be removed from the FLAIR Property Subsystem in accordance with section (s.) 273.055, F.S., and DFS Rule Chapter 69I-72.005, F.A.C.

An asset still in use (active), regardless of the asset's depreciated value or age, must be retained in the FLAIR Property Subsystem and included in annual inventory records.

An agency may submit a request to the property custodian to surplus and dispose of an asset no longer useful or active. The property custodian must comply with s. 273.055, F.S., and DFS Rule Chapter 69I-72.005, F.A.C., to surplus and dispose of an asset that is no longer useful or active.

For questions regarding these updates, please contact the Division Director's Office:  
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