

August 17, 2006

CHIEF FINANCIAL OFFICER MEMORANDUM NO. 02 (2006-07)

SUBJECT: RULES RELATING TO TANGIBLE PERSONAL PROPERTY AND CAPITALIZATION

Chapter 2006-122, Laws of Florida, amended Sections 273.02 and 273.055, Florida Statutes, to require the Chief Financial Officer to establish rules relating to the recording and inventory of certain state-owned property and maintaining records as to disposition of state-owned tangible personal property, effective July 1, 2006. The Law also created Section 273.025, Florida Statutes, to require the Chief Financial Officer to establish rules relating to the capitalization of property for financial reporting.

Prior to July 1, 2006, agencies were required to comply with Chapter 10.300, Rules of the Auditor General, promulgated to promote the control and safeguarding of tangible personal property. The Department of Financial Services (DFS) is in the process of establishing new Florida Administrative Code rules, as required by this law change. DFS intends to substantially adopt the Rules of the Auditor General related to this subject. Agencies should continue to comply with the Rules of the Auditor General and Sections 273.02 and 273.055, 2005 Florida Statutes until these rules are officially established. Agencies must continue to comply with the Statewide Financial Capital Asset Policy, promulgated pursuant to Comptroller Memorandum No. 1 (2001-02) for financial reporting.

Please contact Christina Smith at 850-413-3043, Suncom 293-3043 or Christina.Smith@fldfs.com if you need additional information.