

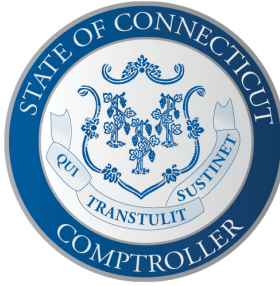
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Hartford, CT 06106

**MEMORANDUM NO. 2022-12**

**May 20, 2022**

**TO THE HEADS OF ALL STATE AGENCIES**

**Attention:** Agency Heads, Chief Fiscal Officers and Business Managers

**Subject:** Annual Inventory Report of all Real and Personal Property

**I. AUTHORITY**

Section 4-36 of the Connecticut General Statutes states: “Each state agency shall establish and keep an inventory account in the form prescribed by the Comptroller, and shall, annually, on or before October first, transmit to the Comptroller a detailed inventory, as of June thirtieth, of all of the following property owned by the state and in the custody of such agency: (1) real property, and (2) personal property having a value of one thousand dollars or more. For audit purposes, each state agency shall establish and keep a list of personal property having a value of less than one thousand as defined as ‘controllable property’ in the Property Control Manual published by the Comptroller.”

The Office of the State Comptroller Memorandum 2015-05 revised the capitalization threshold for personal property as follows:

**Personal property acquired prior to July 1, 2015, will have a capitalization threshold of one thousand dollars. Effective July 1, 2015, the capitalization threshold for personal property is five thousand dollars.**

**II. DUE DATE**

As prescribed by the statute, agencies must transmit this report to the State Comptroller on or before **October 1, 2022**. The Office of the State Comptroller recommends transmitting the completed CO-59 before the October 1, 2022, deadline and will begin accepting the CO-59s on July 18, 2022.

**III. REPORTING REQUIREMENTS**

Refer to the State Comptroller’s Property Control Manual, Chapter 10. The required reporting forms are listed below:

[CO-59 Asset Management/Inventory Report/GAAP Reporting Form \(Rev. 5/2022\)](#)

[CO-648B Summary Motor Vehicle Report \(Rev. 12/2019\)](#)

Both can be found at: <http://www.osc.ct.gov/agencies/forms/index.html>

**A. CO-59 Asset Management/Inventory Report/GAAP/Reporting Form**

All Executive Branch agencies must use the Core-CT Asset Management module to complete the information requested on the CO-59. Agencies with material and goods in process and/or stores and supplies inventory that collectively meet the capitalization threshold must report these inventories on the CO-59.

Agencies not using the Core-CT Asset Management module are still required to report their assets and inventory on the CO-59 form using their asset management and inventory systems.

Executive Branch agencies are expected to use the Statewide Analytical Reporting System (STARS) Asset Management Reports. A detailed Asset Management CO-59 Job Aid ([https://www.core-ct.state.ct.us/financials/asset/pdf/AM\\_FYE\\_CO-59.pdf](https://www.core-ct.state.ct.us/financials/asset/pdf/AM_FYE_CO-59.pdf)) is available to assist agency staff with using STARS to complete the CO-59 Report.

Executive Branch agencies using the Core-CT Inventory Module are to use the EPM Inventory queries listed in Chapter 10 of the Property Control Manual to complete the CO-59 form for fiscal year 2022.

Final balances cannot be run until July 18, 2022, after the Core-CT Asset Management Module has closed. If the values recorded on the CO-59 do not reconcile to the agency's asset and inventory system, or with Core-CT, the agency must provide a written explanation of the discrepancy in an attachment.

Complete the CO-59 form as directed in the Office of the State Comptroller Property Control Manual Chapter 10, Asset Management/Inventory Reporting (<https://www.osc.ct.gov/manuals/PropertyCntl0921/chapter10.htm>).

**B. CO-648B Summary Motor Vehicle Report**

Complete the CO-648B form by indicating the total number of motor vehicles owned by the agency for each category. The form is available at <http://www.osc.ct.gov/agencies/forms/index.html>. The Department of Administrative Services will report all Fleet vehicles. All other agencies will report agency-owned motor vehicles.

**IV. GASB 87**

The Governmental Accounting Standards Board (GASB) Statement No. 87 has established new requirements for state agencies to recognize certain leases as the right-to-use the capital asset (including buildings, land and equipment). Beginning July 1, 2021, all state agencies and component units of the State will no longer record leases, (including rentals), as capital or operating leases. All leasing arrangements as defined by GASB 87 will now be treated as the financing of the right to use the leased asset. Agencies and component units must restate the beginning balances of all their leases and rental agreements. All purchase orders for leases and rental agreements must be changed to the account codes listed on OSC Memorandum 2021-11 before June 30, 2022. If the leases and rental agreements meet the capital threshold and the requirements of GASB 87, they must be reported on the CO-59.

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**V. REVISED CO-59**

Agencies and component units are to use the 2022 revised version of the CO-59 for fiscal year 2022 reporting. Note: The Property Control Questionnaire has been merged into the revised CO-59. Agency staff that wish to request training related to the Core-CT Asset or Inventory Modules should use the link in the instructions of the Revised CO-59. Detailed instructions are included in the Property Control Manual, Chapter 10. Older versions of the CO-59 will not be accepted. Send the completed CO-59 to [osc.assets@ct.gov](mailto:osc.assets@ct.gov).

The CO-59 form is available for reporting assets and inventory by downloading it from the OSC website at <http://www.osc.ct.gov/agencies/forms/index.html>.

**VI. GENERAL INFORMATION**

All agencies are required to conduct an annual physical inventory of their assets and inventories which include material and goods in process and/or stores and supplies inventory prior to June 30, 2022. All Executive branch agencies must reconcile and process their physical inventories in Core-CT by the close of business on **July 11, 2022**, so that the information will be included in fiscal year 2022 Financial Reports and Statements. In preparation for this annual inventory of assets, agencies using the Core-CT Asset Module should create all new scan scopes, extracts and occurrences.

To assist agencies with processing a physical inventory in Core-CT, there are Physical Inventory Job Aids. These job aids are located on the Core-CT website on the Asset Support page (<http://www.core-ct.state.ct.us/financials/asset/Default.htm>) and the Inventory Job Aids page under the Core-CT Financials Inventory User Support page (<http://www.core-ct.state.ct.us/financials/inventory/Default.htm>).

**Below are the links to the required reports which can be found at**  
<http://www.osc.ct.gov/agencies/forms/index.html>.

[CO-59 Asset Management/Inventory Report/GAAP Reporting Form \(Rev. 5/2022\)](#)  
[CO-648B Summary Motor Vehicle Report \(Rev. 12/2019\)](#)

**Submit the completed CO-59 and CO-648B via email to [osc.assets@ct.gov](mailto:osc.assets@ct.gov). The originals must be kept on file at each agency and made available for audit.**

**VII. QUESTIONS**

Questions regarding the completion of the CO-59 or CO-648B should be directed to [osc.assets@ct.gov](mailto:osc.assets@ct.gov). All forms are available to be downloaded from the Comptroller's Forms page under the State Agency Resources tab on the Comptroller's website at <http://www.osc.ct.gov> or by selecting the form link on page one of this memorandum.

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**NB:ED**<http://www.osc.ct.gov>