

NWF Health Network Policy & Procedure

Series: 1300: Financial Management

Policy Name: Equipment, Real Property and Inventory

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Policy

It is the policy of NWF Health Network, Inc. (NWFHN), to establish and implement inventory control procedures to protect the agency from loss of equipment, data or financial resources.

Procedure

A. Asset Control.

1. All purchases of equipment must follow Purchasing Procedures such as the submission of a Purchase Order, proper approvals and written bids as required.
 - a. All purchases of computer software over the amount of Five Thousand Dollars (\$5,000.00) with an expected useful life of one (1) year or more are capitalized and depreciated.
 - b. All purchases of other assets, including computer hardware, furniture, equipment and leasehold and building improvements, over the amount of Five Thousand Dollars (\$5,000.00) with an expected useful life of one (1) year or more are capitalized and depreciated.
 - c. The property custodian will attach a property tag to property and equipment assets greater than One Thousand Dollars (\$1,000.00) with a useful life in excess of one year and computers.
 - d. NWFHN will track both capitalized assets and property equipment greater than One Thousand Dollars (\$1,000.00) and computers via a NWFHN Master Inventory listing.
 - e. IT coordinator in charge of the pending file will affix the tag to the asset, then scan and forward the corresponding paperwork to the Property Manager for the Master File.
 - f. Each time the IT Coordinator moves an asset, a New User and Information Update Form will be completed and forwarded to the Property Manager.
 - g. When IT Coordinator completes an update form and updates with the Property Manager, then inventory can be removed upon approval.
 - h. All purchases made with grant or contract funds must follow the prescribed requirements for ownership, inventory records, inventory tags and reporting to the granting agency.
2. The donation or transfer of any piece of equipment or real property (land, building or improvements to buildings) must be reported to the Property Manager. The donation or transfer is to be documented on the Transfer/Disposal/Donation of Property form (Attachment II). This form will be completed with the guidance of the Inventory Coordinator and Property Manager for update of the inventory listing. Donated assets follow the same procedure as in *NWFHN OP 1300-1310, Fund Raising Practices*.

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3. The sale, trade-in or disposal of any piece of equipment or real property (land, building or improvements to buildings) must be approved by the CFO (or designee) prior to the sale, trade-in or disposal.
 - a. Research must be completed by the Accounting Department to determine the origin of the asset and to determine if there are any restrictions on the asset. If the asset was purchased with grant or contract funds, proper procedures must be followed to meet the granting agency requirements. The CEO must authorize the sale, trade-in or disposal on assets purchased with grant or contract funds.
 - b. If the CEO has given approval to proceed with the sale, trade-in or disposal, then it is to be documented on the Transfer/Disposal/Donation of Property form and forwarded to the Property Manager.
 4. All capital purchases will be recorded as an asset of NWFHN according to generally accepted accounting principles.
 - a. The cost of equipment will include: purchase price; freight and handling charges incurred; insurance on the equipment while in transit; and the cost of assembling and installation.
 - b. The cost of land will include: purchase price; costs incurred in "closing", such as title to the land, attorney's fees and recording fees; costs incurred in getting the land in condition for its intended use, such as grading, filling, draining and clearing; and any additional land improvements that have an indefinite life.
 - c. The cost of buildings includes all expenditures related directly to their acquisition or construction such as: materials, labor and overhead costs incurred during construction; and any fees such as attorney's, architect's and building permits.
 - d. Donated assets will be recorded using the asset's fair market value.
 5. Depreciation is calculated and recorded on a monthly basis. Donated assets will be depreciated individually based on the asset's estimated useful life.
 - a. Useful life guidelines are as follows:
 - i. Buildings: 39 years;
 - ii. Building Improvements: 5 – 39 years;
 - iii. Furniture, Equipment, software: 3 – 5 years;
 - iv. Vehicles: 3 years-6 years
 - v. Leasehold Improvements - Life of the respective leases.
 6. All assets are verified annually against the general ledger for accuracy.
- B. Inventory Procedures. All NWFHN and Network Partner agency's accessing NWFHN equipment, furniture or other asset controlled items must practice the following procedure when obtaining equipment:
1. A complete physical inventory of all property and equipment will be made at least annually. This annual inventory must be matched to the inventory listing maintained by NWFHN Property Management. Discrepancies must be researched and resolved. The employee performing this review will not be the same individual who maintains the asset records or custody of the assets.
 2. The inventory of fixed assets is maintained by the IT staff and designated Accountant.

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- a. All new or donated capital assets are recorded at the time of purchase.
- b. Annually, an Inventory Listing will be submitted to the Director of Finance and Accounting and CFO.
3. Technology Inventory Control.
 - a. Each new user employed by NWFHN will be required to fill out an official NWFHN New User and Information Update Form.
 - b. The New User and Information Update Form will be provided by the Information Technology staff when the employee receives his/her equipment and must be filled out correctly. Once completed, the new user will save a scanned copy to an electronic file on their computer and provided a copy to IT Equipment <inventory@NWFHealth.org.
 - c. The NWFHN IT Equipment New User and Information Update Form will include the following information:
 - i. Employee Name;
 - ii. Title;
 - iii. Agency Name;
 - iv. Employees Supervisor;
 - v. Employees Telephone Number;
 - vi. Equipment Make, Model and Serial Number;
 - vii. Location.
4. The employee will be required to agree to terms outlined by NWFHN and finalize the process by signing the document.
5. Once the new employee has taken possession of the equipment and completed the New User and Information Update Form, that employee and his/her agency are held fully responsible for any loss or damage that may occur.
6. If an employee leaves NWFHN the New User and Information Update Form must be completed out by either the departing employee or the departing employee's supervisor. A copy each form will be left with the employee's supervisor who will scan and provide to IT Equipment (inventory@NWFHealth.org).
7. If equipment is missing that has been issued to one of the partner organizations, that organization will be responsible for the replacement cost of the missing item. The Partner Organization is responsible for notifying the IT Coordinator and Property Manager of the loss.
8. The Information Technology Department completes a New User and Updated Equipment Form each time equipment is transferred or relocated. It is essential that every piece of equipment is recorded correctly for tracking purposes.
9. The completed original Equipment Issue Forms and Equipment Return Forms will be kept on site in the NWFHN Information Technology Department office.
10. The Property Manager will maintain an up to date inventory using the asset control tags that are affixed to each piece of equipment. Annually, a physical inventory will be taken at each location that contains NWFHN equipment. This inventory will be reconciled with the detailed inventory listing. Any discrepancy must be brought to the attention of the Information Technology

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Coordinator, Director of Finance and Accounting, CFO and CEO.

11. No employee of NWFHN shall move property and equipment inventory to another user without the approval of the Information Technology Coordinator. When movement occurs, the Information Technology Coordinator must update the inventory-tracking memo and submit this documentation to the Property Manager for updating the inventory-tracking list .