

NWF Health Network Policy & Procedure

Series: 1300: Financial Management

Policy Name: Equipment, Real Property and Inventory

Policy Number: 1330

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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. IT will attach a property tag to property and equipment assets greater than One Thousand Dollars (\$1,000.00) with a useful life more than one year and computers.
 - d. IT then scans and forward the corresponding paperwork to the Property Manager for the Master File.
 - e. The Property Manager tracks both capitalized assets, property equipment greater than One Thousand Dollars (\$1,000.00) and computers via a NWFHN Master Inventory listing.
 - f. Each time IT moves an asset, a New NWFHN_Equipment Form will be completed and forwarded to the Property Manager.
 - g. The Property Manager, will record the status in the Master File..
 - 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 requires 501(C) documentation along with a letter from NWFHN accepting equipment or real property. A transfer of equipment is documented on the NWFHN Equipment Form. This form will be completed with the guidance of the 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, transfer 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, transfer 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 (or designee) must authorize the sale, trade-in or disposal of assets purchased with grant or contract funds.
 - b. If the CEO (or designee) 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 tracking equipment:
1. A complete physical inventory of all property and equipment will be made initially and each Fiscal Year thereafter . This annual inventory must be reconciled with the inventory master list maintained by NWFHN Property Manager. Discrepancies must be researched and resolved.
 2. The inventory of fixed assets is maintained by the IT staff and designated Accountant.
 - a. All new or donated capital assets are recorded at the time of purchase.

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- 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 the NWFHN Equipment Form.
 - b. The NWFHN Equipment Form will be provided by the Information Technology staff when the employee receives his/her equipment and must be filled out completely. Once completed, IT will email a copy to inventory@NWFHealth.org.
 - c. The NWFHN Equipment Form includes:
 - i. Employee Name;
 - ii. Position Number
 - iii. Agency Name;
 - iv. Employee's Supervisor;
 - v. Employee's Telephone Number;
 - vi. Equipment Make, Model and Serial Number; (no room on the new form for this info)
 - vii. Location.
4. The employee will be required to agree to terms outlined in NWFHN Policy 913 and finalize the process by signing the NWFHN Equipment Form.
5. Once an employee takes possession of equipment and completes the NWFHN Equipment Form, said employee (or his/her agency if not an employee of NWFHN) are held fully responsible for any loss or damage that may occur.
6. If an employee leaves NWFHN, the Equipment Form must be completed by the departing employee's supervisor. A copy of the form will be emailed to IT@NWFHealth.org , Inventory@NWFHealth.org and HR@NWFHealth.org
7. If equipment is missing that has been issued to one of the partner organizations, said organization will be responsible for the replacement cost of the missing item. The Partner Organization is responsible for notifying NWFHN IT and Property Manager of the loss via email sent to IT@NWFHealth.org and Inventory@NWFHealth.org
8. The Information Technology Department completes a New NWFHN Equipment Form each time equipment is transferred or relocated. It is essential that every piece of equipment is recorded correctly for tracking purposes.
9. All NWFHN Equipment Forms will be maintained by the Property Manager.
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 Manager, Director of Finance and Accounting, CFO and CEO by the Property Manager.
11. No employee of NWFHN shall move property and equipment inventory to another user without a completed NWFHN Equipment Form signed by IT and subsequently emailed to the Property Manager at Inventory@NWFHealth.org.