

<p style="text-align: center;"><b>Nutrition Services</b> <b>Department of State Health Services</b></p>
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Effective January 1, 2011

Policy No. AC:07.0

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Property Management

**Purpose**

To ensure compliance with Subpart C of 7 CFR Part 3016 and the DSHS Performance Contract Core/Subrecipient General Provisions.

**Authority**

7 CFR Part 3016; DSHS Performance Contract Core/Subrecipient General Provisions

**Policy**

The local agency (LA) shall have a property management system that meets the standards as set out in the DSHS Performance Contract Core/Subrecipient General Provisions. The LA shall maintain complete accountability and security for all equipment, state agency designated reportable assets, and controlled assets purchased with Program funds including equipment purchased through the state agency (SA) (e.g., computers, printers, video cassette recorders, etc.) and placed in the LA's custody. The LAs shall be held financially responsible for all equipment, designated reportable assets, and controlled assets that are lost, damaged, or stolen.

**Definitions**

Equipment - an article of nonexpendable, tangible personal property having a useful lifetime of more than one year and an acquisition cost of \$5000 or more.

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Designated Reportable Assets - desktop and laptop computers, non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, media equipment, and any nonexpendable tangible personal property purchased through the state agency with an acquisition cost of \$500 or more but less than \$5000.

Controlled Assets - firearms, regardless of acquisition cost

**Procedures**

- I. All equipment, designated reportable assets, and controlled assets purchased by the LA and SA shall be inventoried on the books and records of the LA's inventory system.
  - A. Inventory Purchased with WIC program funds
    - i. At least once a year as specified by the DSHS Contract, a physical inventory shall be conducted of equipment, designated reportable assets, and controlled assets purchased with WIC program funds.
    - ii. Equipment, designated reportable assets, and controlled assets purchased with WIC program funds will be inventoried and reported on the DSHS GC-11 inventory form.
    - iii. The GC-11 shall be submitted to the DSHS Contract Oversight Section.
  - B. Inventory placed in the custody of the LA by the SA.
    - i. At least once a year as specified by the SA a physical inventory shall be conducted of equipment, designated reportable assets, and controlled assets placed in the custody of the LA.
    - ii. Equipment, designated reportable assets and controlled assets placed in the custody of the LA by the SA will be inventoried and reported on the Nutrition Services Section Annual Inventory form.
    - iii. The Nutrition Services Section Annual Inventory form shall be submitted to the DSHS Property Management Group.

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- II. The inventory shall be reconciled with the property records to verify the existence, the current utilization, and continued need for the equipment. Any discrepancies between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the differences.
  
- III. Any loss, damage, or theft of equipment, designated reportable assets, and/or controlled assets shall be investigated by the LA and fully documented. Stolen items shall be reported to the SA as soon as possible after it is discovered as missing. The phone report to the SA shall be followed up in writing and shall include a copy of a police report. If the LA is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to, the equipment, designated reportable assets, and/or controlled assets covered by this policy, its shall use the proceeds to repair or replace the equipment.
  
- IV. The LA shall obtain written approval from the SA prior to using equipment, designated reportable assets, or controlled assets covered by this policy in any other program. Written approval is also required prior to selling, disposing or removing any of these items from the LA's inventory. All equipment, designated reportable assets, and controlled assets purchased centrally by the SA and placed in the custody of the LA shall be physically returned to the SA for disposition. The LA is financially liable for all such items and shall assure that it is returned to the SA and is not scrapped, sold, or used as a trade-in on similar items. Refer to policy AUT:5.0.
  
- V. All equipment records shall be maintained three years after the disposition, replacement, or transfer of equipment, designated reportable assets, and controlled assets purchased with Program funds.

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- VI. Tangible personal property not defined as equipment, designated reportable assets, or controlled assets are considered supplies. Refer to [Policy AC: 14.0](#) for allowable costs for supplies.