



Memorandum

#09-144

TO: Regional Medical Directors for
Health Service Regions 4/5, 6 & 5 South, 9/10 and 11
WIC Local Agency Directors

FROM: Linda Brumble, Unit Manager
Nutrition Education/Clinic Services Unit
Nutrition Services Section

DATE: October 9, 2009

SUBJECT: Annual Property Inventory and Equipment Disposition

This memo is to serve as a clarification concerning annual property inventory and equipment disposition as stated within the *FY 2009 and FY 2010 Department of State Health Services WIC Local Agency (LA) Contracts*.

This memo does not include computer equipment purchased by the state agency (SA) and put in the custody of the LA. Computers purchased by the state agency must be reported on the WIC Annual Asset Inventory and sent back to the state agency for disposition.

Equipment Inventory

Section 12.23 Property Inventory and Protection of Assets of the *FY2009 and FY2010 Department of State Health Services (DSHS) Subrecipient General Provisions* requires contractors to complete a physical inventory of non-expendable personal property purchased by the local agency annually as of August 31 and email a cumulative report (*Non-Expendable Personal Property Report/GC-11*) to DSHS Contract Oversight and Support (COS) by **October 15** at COSequip@dshs.state.tx.us.

Refer to *Section 14.03 Inventory Management Requirements*, in the current *DSHS Contractor's Financial Procedures Manual* for further instructions related to equipment inventory at <http://www.dshs.state.tx.us/contracts/cfpm.shtm>

All items that meet the definitions below must be included in inventory on the form GC-11:

- Equipment – an article of nonexpendable, tangible personal property having a useful lifetime of more than one year and an acquisition cost of \$5,000 or more, and “controlled assets.” Controlled assets include firearms regardless of the acquisition cost and the following with an acquisition cost of \$500 or more: desktop and laptop computers, non-portable printers and copiers, emergency management equipment, communication devices and systems, medical and laboratory equipment, and media equipment

#09-144, Annual Property Inventory and Equipment Disposition

October 9, 2009

Page 2

- Real Property – land, including land improvements, structures and appurtenances thereto (i.e. permanent fixtures) but excludes movable machinery and equipment.
- Intellectual Property – property that may be protected under copyright, patent, or trademark/service mark law.
- Other Intangible Property – non-copyrightable intangible property that was developed, produced, obtained by Contractor as a specific requirement under the Contract or under any grant that funds the Contract, such as domain names, URLs, etc.

Contractor shall use the estimated useful life of equipment as published in the American Hospital Association's (AHA's) *Estimated Useful Lives of Depreciable Hospital Assets* to complete the *GC-11 form*. All equipment and controlled assets that have met their AHA useful life must stay on the *GC-11 form* until its disposition date.

The *Non-Expendable Personal Property Report-GC-11 form* is located on the DSHS website at <http://www.dshs.state.tx.us/contracts/forms.shtm>. If an agency receives funding from more than one DSHS Program, one form shall be submitted for all DSHS contract attachments.

If you have questions related to this inventory, please contact DSHS COS at 888-963-7111 or COSequip@dshs.state.tx.us.

Equipment Disposition

Prior to the end of the AHA useful life, WIC contractors are required to seek approval to “dispose” of any equipment or controlled assets that was purchased with the WIC funds and according to the *DSHS FY2010 Subrecipient General Provisions* the current *DSHS Contractor's Financial Procedures Manual*. This includes sale or transfer of items listed on the *GC-11 form*. Contractors do not have to request disposition on equipment or controlled assets that have met their AHA useful life.

Requests for disposition are to be emailed to the WIC contract manager at CMB@dshs.state.tx.us and must include a complete/current *Cumulative Equipment Report (inventory), form GC-11*.

Further guidance on equipment and controlled asset disposition can be obtained by referencing **Section 12.27** of the *FY2010 DSHS Subrecipient General Provisions* and the current *DSHS Contractor's Financial Procedures Manual, Section 14.03.01 Disposition Requirements*.

If you have any questions regarding the disposition of equipment, please contact Cynthia Wright, WIC Contract Manager, at 888-963-7111 extension 3029 or Cynthia.Wright@dshs.state.tx.us.

<http://www.dshs.state.tx.us>

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