

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

ADMINISTRATIVE PROCEDURE

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I. APPLICATION:

- ☐ SCCCMHA Board
- ☐ SCCCMHA Providers & Subcontractors
- ☒ Direct-Operated Programs
- ☐ Community Agency Contractors
- ☐ Residential Programs
- ☐ Specialized Foster Care

II. PURPOSE STATEMENT:

St. Clair County Community Mental Health Authority (SCCCMHA) shall ensure that a record of equipment purchases be maintained and updated as necessary to record additions and disposals in an effort to establish and maintain internal control over equipment in accordance with HIPAA guidelines.

III. DEFINITIONS:

A. Equipment:

The following definitions must **all** apply in order for an item to be classified as equipment. Sound judgment is vital to the application of these definitions to specific cases:

1. Has an individual unit cost which exceeds \$1,000.00 or is an electronic device that contains SCCCMHA data, i.e. computer, mobile device, etc.
2. Is personal property and not real property.
 - a. Personal property may include items such as vehicles, tractors, yard equipment, power tools, televisions, cameras, furniture, computers and other electronic equipment.
3. Has a normal useful life of two (2) years or more and can be kept in serviceable condition for a considerable period of time by replacement of components.
4. Is of a relatively permanent nature, and its use does not change its identity.
5. Does not become a fixed part of a building or structure. However, attachments to other units or structures or to water or power lines shall not change the classification.

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6. Is not a replacement part of an item.

- B. Overwriting: The act of writing over the data that was on the media storage device with new non-sensitive data.
- C. Degaussing: The process of using a strong magnetic field to render a media storage device inoperable.
- D. Physical Destruction: The destruction of a media storage device rendering it physically inoperable.

IV. STANDARDS:

- A. All equipment purchased directly by SCCCMHA shall be tagged as agency property and recorded in the asset management system. The recorded information should include the purchase order number, date of purchase, vendor name, serial number (when applicable), and agency identification number. Any additions or disposals of equipment shall be documented accordingly in the asset management system.
- B. Prior authorization for purchases shall be obtained and any equipment purchases meeting the minimum threshold for consideration as a capital expenditure shall be capitalized and depreciated according to the Board Fiscal Responsibilities policy #07-001-0005.
- C. Trade-in old, unused, or unneeded equipment for an equivalent replacement whenever possible. When trade-in is not possible, current value shall be determined by consulting with a source that would provide an approximate current market value of an item, such as IRS depreciation tables or comparison with known sale value of comparable equipment. Attempts should then be made to sell the equipment at or near current market value. The amount received for items sold should be applied against the current year's equipment so that the monthly expense report reflects net equipment expense (expense less gains). When trade-in and sale of the equipment is not possible, the old, unused, or unneeded equipment shall be disposed of properly.
- D. Indication shall be made on the equipment inventory log when equipment is destroyed, is unusable, or has a value of zero.
- E. When disposing of old or broken IT equipment, the IT Department will need to determine if the equipment contains or may contain sensitive information such as Electronic Protected Health Information (ePHI). The IT Department will use HIPAA guidelines to dispose of any equipment. Methods outlined by HIPAA for acceptable data destruction are overwriting, degaussing, and physical destruction.

V. PROCEDURES:

A. Purchase of Equipment

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Staff

1. Identifies needed equipment, costs and completes purchase order in accordance with the Board Fiscal Responsibilities policy #07-001-0005, including obtaining an authorized signature.

Staff/Designee

2. Places order upon receipt of authorized purchase order.

IT Technician

3. Tags all incoming Information Technology equipment and records equipment information in the asset management system. The information entered includes:
 - a. ID number
 - b. Equipment description
 - c. Equipment location
 - d. Assigned user's name, if applicable
 - e. Serial number

Facilities Technician

4. Tags all incoming non-Information Technology equipment and records in the asset management system. The information to be entered includes:
 - a. ID number
 - b. Equipment description
 - c. Equipment location
 - d. Assigned user's name, if applicable
 - e. Serial number

B. Equipment Sale/Transfer/Disposal**IT Technician/Facilities Technician**

1. Identifies all of the equipment to be disposed of and relocate it to a secure location; creating a disposal inventory list.
2. Takes inventory of all the equipment for disposal. Inventory should include equipment type, company asset tag (if applicable), serial number (if applicable), and reason for disposal.
3. Determines what category the equipment belongs to and separate equipment into corresponding piles.

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4. Reviews equipment for sensitive information and, if detected, perform two methods of data destruction and verify that no data is able to be recovered from either method.
5. Removes asset tags and other company identification labels from all equipment.
6. Loads both the non-sensitive and sensitive equipment into a company vehicle and transports the equipment to a designated scrap yard for disposal or arrange for pick up by a disposal company if equipment is scrapped. When a scrap yard or disposal company is not possible, dispose equipment appropriately in a SCCCMHA dumpster.
7. Sells equipment at a determined set price if an after-market exists.

Clerical

8. Provides receipt payments for all sold equipment and will go through the normal receipting process within the Finance Department.
9. Holds drawings if there are more employees interested in the equipment than what is available for sale. All equipment sold to employees, will be made available to all employees. Employees purchasing equipment will sign off on a purchase agreement that all equipment is sold as is.

IT Technician/Facilities Technician

10. Updates the asset management system to reflect the disposal of equipment. On the disposal inventory list, record the date the sensitive equipment was destroyed or sold. For all equipment, record the date all equipment was disposed of.
11. Saves the disposal inventory list on the IT Department share folder (IT Equipment Disposal) for audit and reporting/tracking purposes.
12. Notifies Finance of any items disposed, sold, or traded in.

Finance Designee

13. Initiates the appropriate changes to the accounting books of record to reflect that the equipment no longer exists for items that were capitalized.

VI. REFERENCES:

None Available

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VII. EXHIBITS:

None Available

VIII. REVISION HISTORY:

Dates issued 12/86, 10/87, 02/89, 10/90, 10/92, 10/94, 04/95, 09/97, 09/00, 09/12, 11/13, 11/14, 11/15, 11/16, 11/17, 11/18, 11/19, 11/20, 1/21, 11/22.