



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: CONTROL OF FIXED ASSETS POLICY 10.01

Authority: RCW 43.19.1917
RCW 43.20A.050
RCW 43.41.150

Reference: Office of Financial Management State Administrative and Accounting Guidelines, Volume 1
DSHS Administrative Policy 4.05, *Delegation of Authority - Personnel Actions*
DSHS Administrative Policy 14.07, *Control of Fixed Assets*
DSHS Administrative Policy 16.05, *Internal Control Risk Assessment and Self-Evaluation*
DSHS Asset Management Guidelines

PURPOSE

This policy establishes guidelines for the control of fixed assets, including office equipment, machine tools, motor vehicles, and all other items with a total initial cost of \$5,000 or more; all cellular phones regardless of cost; and “small and attractive” items costing \$300 or more that are considered vulnerable to loss.

The policy also identifies documentation and procedures required by department policy for inventory maintenance.

SCOPE

This policy applies to all organizational units within the Division of Developmental Disabilities (DDD), the Director’s designee and/or appointing authorities, and staff concerned with the management of fixed assets and equipment purchased by the state.

DEFINITIONS

Fixed Assets means tangible assets acquired by the state through donation, gift, purchase, capital lease, or self-construction with a life expectancy of more than one (1) year (e.g., land, buildings, improvements other than buildings, furnishings and equipment) and construction in progress.

POLICY

A. The division director must:

1. Appoint an Asset Inventory Coordinator (AIC) to be responsible for the inventory control activities listed in the DSHS Asset Management Guidelines and TRACKS, the DSHS inventory system.
2. Assure the appointment of Asset Inventory Representatives (AIR) to be responsible for oversight of inventory at the regional, institutional, and local levels;
3. Ensure a physical fixed asset inventory and reconciliation is conducted annually and that each inventory is documented by a signed "Certificate(s) of Completion;"
4. Ensure staff having no direct responsibility for assets subject to the inventory count performs physical inventories;
5. Ensure that the AIC is informed of any changes in the division's physical locations, or mailing addresses; and
6. Attest to the completion of all biennial physical inventories by co-signing a "Certification of Completion" with the AIC.

B. The Asset Inventory Coordinator (AIC) must:

1. Facilitate exchange of information between DDD and the DSHS Asset Management Section;
2. Return the quarterly TRACKS confirmation packet of Location Code information and other inventory data updates to Asset Management within fifteen (15) working days of its issue;
3. Provide guidance to the AIRs on implementing division and TRACKS procedures;
4. Conduct inventory training necessitated by staff turnover;

5. Coordinate the annual and biennial physical inventories with the AIRs and Asset Management;
 6. Compile the DDD physical inventories and attach a "Certificate of Completion," co-signed with the division director, and send to Asset Management.
 7. Notify Asset Management in writing of any changes in the AIRs, locations, phone numbers, organization, and security levels for access to TRACKS; and
 8. Perform inventory control tasks, including timely computer input and reconciliation, according to the procedure in the Asset Management Guidelines.
- C. The Asset Inventory Representatives (AIR) must:
1. Account for the receipt, tagging, maintenance and disposition of inventory according to the procedure in the Asset Management Guidelines;
 2. Notify the AIC immediately of any changes in fixed assets, inventory staff or the organization that might affect TRACKS; and
 3. Confirm the completion and reconciliation of the annual inventory by the signature of the regional administrator or superintendent.
- D. The Central Office LAN Administrator and the field Information Technology Application Specialist/Information Technology System Specialist (ITAS/ITSS) or designee must:
1. Share responsibility for the inventory control functions associated with the coordination of transfers, loans, surplusing and disposal of computers and related equipment initiated by them;
 2. Send the correct information to the AIC/AIR. The AIC/AIR will prepare the proper documentation, verify information, and send to Asset Management.
 3. The LAN Administrator and/or ITAS/ITSS must assist in the annual physical inventories of all computer equipment.

PROCEDURES**A. Orders for Items Meeting Definition of Fixed Assets****1. Technology Equipment Information Technology Purchase Requisitions (Hardware and Software)**

- a. After receiving Director-level approval, the DDD IT Manager gives the properly signed justification memo to the E-Purchasing Representative to initiate an electronic Purchase Requisition with the “Send to TRACKS” button checked to ensure that TRACKS staff make the actual purchase and communicate said purchase to TRACKS Asset Management staff to assign state tags.
- b. Note the inventory location code on the PR form to ensure accurate issuance of state tags on applicable equipment.

2. Purchase Order

Upon receipt of a Purchase Order (PO) from Purchased Services Contracts or completion of a DDD initiated Purchase Requisition (PR), send a copy of the PO and the state tags, if applicable, to the AIC/AIR prior to equipment being received.

B. Receipt and Payment of Equipment and Related Items

1. Upon receipt of the equipment and signing by the appropriate staff, send the receiving copy of the PO to the appropriate designee responsible for payment processing.
2. The designee responsible for payment must send a copy of the received order and invoice to the AIC/AIR.

C. Issuance and Placement of State Tag

1. The AIC/AIR, LAN Administrator, or ITAS/ITSS must verify the number of state tags issued.
2. Return excess tags to Asset Management for removal from inventory using the TRACKS disposal function.
3. Refer to the Asset Management Guidelines for recommended placement of inventory tags.

D. Placement/Removal of Equipment

The AIR and the ITAS/ITSS must develop a local policy to track computer equipment that is being purchased and/or replace. The ITAS/ITSS must maintain a list to be used to log equipment in and out of a secure storage area.

E. Equipment Returned to Vendor

1. The AIC/AIR must request disposal of state tags and new state tags upon receipt of the replacement product. Both requests can be done on the TRACKS disposal function. A history record will be maintained electronically for six (6) years.
2. If no replacement product is expected, the AIR/AIR must request disposal of the state tag prior to the return of such equipment.

F. Equipment Transfers

1. **Transfer outside of DDD Cost Center:** Upon notification, the AIC will initiate the request to transfer on TRACKS from present location to the new location across cost centers.
2. **Transfer within DDD Cost Center:** Depending on the level of access an AIR has, he or she may have transfer authority to and from all locations and sub-locations in a given region, including any institution(s) located within that region. The regional administrator/superintendent or designee will determine the level access.

G. Loaned Equipment

1. An inventory item may be loaned to another cost center location or state agency by completing the *Equipment Loan Agreement* (DSHS 17-058(X)), subject to Asset Management approval.
2. The loaning location must notify Asset Management within fourteen (14) working days of the loan expiration date, if the borrowing location has not returned the inventory on time.
3. The borrowing location must certify that the borrowed inventory item will be returned in the same condition as received, less normal wear and tear.
4. The borrowing location must comply with the loan time period, which cannot exceed ninety (90) working days.

H. Equipment Disposal

1. All equipment, whether or not it has a state tag, must be disposed of using the TRACKS disposal function.
2. Software must be disposed of according to the terms of the License Agreement.
3. Prior to disposal, the LAN Administrator/ITAS/ITSS must erase all information on hard drives or other computer-related storage devices.
4. All property disposals requiring DSHS Warehouse pickup must be accompanied by a *Request for Technical & Professional Services* (DSHS Form 17-015) with the correct account code.
5. Complete description, including manufacturer's name, serial number, condition of equipment, and state tag if applicable. For vehicle disposal, include the year, make and model, state tag number, license plate, and vehicle ID (VIN), mileage, date vehicle is available for disposal, special equipment and condition of vehicle.

I. Lost Items

1. If state tagged items cannot be found and are presumed lost, complete a disposal form and send it to the division director for signature. The disposal will be completed in TRACKS once Asset Management receives the signed form.
2. List all lost items on one disposal form. Do not list lost and stolen inventory items on the same disposal form.
3. If the items(s) are found, contact Asset Management to delete the disposal information and reactivate the assets.

J. Stolen Items

1. If state tagged items are stolen, file a report with local law enforcement.
2. Complete a disposal form, attach the police report, and send it to the division director for signature. The disposal will be completed in TRACKS once the Asset Management receives the signed form and police report.
3. Complete a separate disposal form for each police report of stolen items. Do not list stolen and lost items on the same disposal form.
4. If the item(s) are recovered, contact Asset Management to delete the disposal information and reactivate the assets.

TITLE:

CONTROL OF FIXED ASSETS

POLICY 10.01

EXCEPTION

None.

SUPERSESSION

DDD Policy 10.01

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Approved: /s/ Linda Rolfe
Director, Division of Developmental Disabilities

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