



DIVISION OF DEVELOPMENTAL DISABILITIES
Olympia, Washington

TITLE: CONTROL OF FIXED ASSETS POLICY 10.01

Authority: RCW 43.19.1917
RCW 43.20A.050
Office of Financial Management State Administrative and
Accounting Manual, Volume 1
DSHS Administrative Policy 4.05
DSHS Administrative Policy 14.07
DSHS Asset Management Manual

PURPOSE:

This policy establishes guidelines for the control of fixed assets, including office and information technology (IT) equipment, machine tools, motor vehicles, and all other items with a total initial cost of \$5,000 or more (including sales tax and ancillary costs); 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 and a value of more than \$5,000, or small and attractive items costing over \$300 and all computer equipment and software except keyboards, and mice. Items excluded are land, buildings, and equipment permanently attached to, or an integral part of, a building or structure.

Small and attractive items means those items with a value of \$300 or more that are particularly vulnerable to loss as listed in the OFM State Administration and Accounting Manual 30.40.20. Examples of these items include, but are not limited to, communication equipment, cameras, IT accessory equipment such as scanners, office equipment, televisions, and VCRs.

Information Technology (IT) Purchases include, but are not limited to, computers, software, desk telephones, and cellular telephones. All such purchases are done using an Information Technology Purchase Request (ITPR.).

POLICY:

A. The division director will:

1. Appoint an Asset Inventory Coordinator (AIC) to be responsible for the inventory control activities listed in the DSHS Asset Management Manual 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 and institutional 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 who have no direct responsibility for assets subject to the inventory count performs physical inventories;
5. Ensure 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) will:

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 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 guidelines in the Asset Management Manual.
- C. The Asset Inventory Representatives (AIR) will:
1. Account for the receipt, tagging, maintenance and disposition of inventory according to the guidelines in the Asset Management Manual;
 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 regional/institutional Information Technology Application Specialist/Information Technology System Specialist (ITAS/ITSS) or designee will:
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; and
 3. Assist in the annual physical inventories of all IT equipment.

PROCEDURES:**A. Purchasing Items Meeting Definition of Fixed Assets**

1. All purchases will be completed in compliance with the DSHS purchasing guidelines published annually by Purchased Service Contracts.
2. In addition to the DSHS guidelines, all IT purchases will be requested as follows:
 - a. Forward the completed *Information Technology purchase Request (ITPR)* (DSHS Form 17-100(x)) with appropriate authorizing signatures to the DDD IT Manager with proper justification. Include the inventory location on the ITPR to ensure accurate issuance of state tags on applicable equipment.
 - b. The DDD IT Manager will approve or disapprove the purchase. If disapproved, the ITPR will be sent back to the originator. If approved, the ITPR will be forwarded to Purchases Services Contracts who will complete the purchasing process and forward to the originator of the ITPR a copy of the FO/PO. With the returned FO/PO will be state tags, if applicable, for the item being purchased.

B. Receipt and Payment of Equipment and Related Items

1. Upon receipt of the equipment and signing by the appropriate staff, the receiving copy of the FO/PO will go to the staff responsible for payment.
2. Staff responsible for payment will send a copy of the received FO/PO and invoice to the AIC/AIR.

C. Issuance and Placement of State Tag

The AIC/AIR will:

1. Verify the number of state tags issued;
2. Return excess tags to Asset Management for removal from inventory using the TRACKS disposal function; and
3. Refer to the Asset Management Manual for recommended placement of inventory tags.

D. Placement/Removal of Equipment

The AIR and the regional/institutional ITAS/ITSS are responsible for developing a local policy to track their computer equipment. The ITAS/ITSS must maintain a list to be used to log equipment in and out of a secure storage area as appropriate.

E. Equipment Returned to Vendor

The AIC/AIR must request disposal of state tags and new state tags upon receipt of the replacement product or prior to the return of equipment if not being replaced. Both requests can be done on the TRACKS disposal function. A history record will be maintained electronically for six (6) years.

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 institutions(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 for a period not to exceed ninety (90) working days by completing the *Equipment Loan Agreement* (DSHS Form 17-058(X)), subject to Asset Management approval.
2. The loaning location will 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 will certify that the borrowed inventory item will be returned in the same condition as received, less normal wear and tear.

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 item(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.

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4. If the item(s) are recovered, contact Asset Management to delete the disposal information and reactivate the assets.

EXCEPTION:

None.

SUPERSESSSION:

None.

Approved: /s/ Timothy R. Brown
Director, Division of Developmental Disabilities

Date: 12/29/1999