

ARIZONA DEPARTMENT OF HEALTH SERVICES	LEVEL	SECTION	NUMBER	DATE
	1	FIN	011	01-29-04
SUBJECT:	Equipment Receipt, Control, Inventory, and Disposal			

SUPERSESSSION:	Capitalization Policy and Inventory Control of Fixed Assets, Dated June, 1991.
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PURPOSE

To establish uniform guidelines for accountability, receipt, control, inventory and disposal of equipment owned by the Department of Health Services (Department).

POLICY

The recording, control and disposal of Department-owned equipment will be performed in accordance with Department and Arizona General Accounting Office procedures (GAO).

AUTHORITY

A.R.S. §36-104 – Powers and duties of the Director, Arizona Department of Health Services

A.R.S. §41-2602 – Material management regulations

The Arizona Accounting Manual, Section 2-G

APPLICABILITY

All Department employees, Department contractors, and grant recipients.

DEFINITIONS

ADOA – The Arizona Department of Administration.

AFIS – The Arizona Financial Information System. The primary comprehensive statewide accounting and financial management information system.

Assistant Director – Includes any of the Department’s Assistant Directors, the Superintendent of the Arizona State Hospital, and the Deputy Director for Behavioral Health Services.

Authorized Signer – A person designated by the Director, Deputy Directors or Assistant Directors to be responsible for approving financial transactions for a specific Division.

Authorized Signature – The signature of the person designated by the Director, Deputy Directors or Assistant Directors to be responsible for approving financial transactions for a specific Division.

Division Financial Officer (DFO) - The individual responsible for all finances for a specific Division.

Fixed Asset Tag - Adhesive sticker affixed to all inventoried items. The numeric code on the sticker is tracked on the fixed asset system on AFIS.

Form F-4 – ADHS Capital Equipment Control Report Form. A Department of Health Services form used to move Department-owned equipment from one location to another.

Form SP101 - Request for Authorization to Dispose of Property Form. An Arizona Department of Administration (ADOA) form used to dispose of state assets through the ADOA Office of Surplus Property Management.

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Inventory Control Office (ICO) –The unit, within the Division of Business and Finance, responsible for tagging and recording Department equipment and conducting the Department’s annual inventory. This office is located at the Department’s Warehouse, 2500 East Van Buren, Phoenix, AZ 85008.

Inventory Custodian – The person designated to handle all correspondence of capital and non-capital nature within a program.

Inventory Items – Items affixed with a Fixed Asset Tag containing a Department of Health Services numeric inventory number that can be tracked in the AFIS fixed asset system. Includes both capital items and select non-capital items, as determined by the Inventory Control Office. Inventory Items are located and accounted for during the Department’s annual inventory of assets.

Location Codes – Codes listed in AFIS indicating the city, department and program where equipment is assigned.

Modular Furniture Unit – A work station for one employee.

Procurement Office – Unit within the Department’s Division of Business and Finance responsible for overseeing purchasing of goods and services.

“Property of Arizona Department of Health Services” Tag – Sticker affixed to non-inventoried equipment belonging to the Department.

Office of Surplus Property Management – Arizona Department of Administration unit responsible for the control and disposal of all State surplus equipment.

DIVISION OF PRIMARY RESPONSIBILITY

Division of Business and Financial Services, Office of Facilities

PROVISION AND GUIDELINES

A. Responsibility for Capital and Non-Capital Equipment

1. Employees are responsible for any equipment that is assigned to them by management. Employees are responsible for ensuring that they take reasonable measures to safeguard equipment from damage or theft. Further, they are responsible for ensuring that any additions or changes to the possession of assigned equipment are reported to their supervisors so that effective equipment tracking and accounting can occur.
2. Each program manager is responsible for assignment and tracking all capital equipment and non-capital equipment purchased within their program.
3. All Department programs, contractors and grant recipients will assign an Inventory Custodian to receive all capital and non-capital items, including computers. The programs will submit the names of employees serving as Inventory Custodians to the Inventory Control Office in writing or by e-mail, and notify the Inventory Control Office when changes occur.
4. The Inventory Control Office is responsible for recording physical information (including locations) pertaining to inventoried items in AFIS, the State’s accounting system. The Inventory Control Office is also responsible for recording non-inventoried items in a spreadsheet tracking such items. The Inventory Control Office also files all receiving copies in case equipment is damaged and needs to be replaced.

B. Tagging of Capital and Non-Capital Equipment

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To properly identify, track and prevent the loss of Department equipment, most Department-owned equipment is required to be affixed or “tagged” with either a Fixed Asset Tag or “Property of the Arizona Department of Health Services” tag.

1. Fixed Asset Tags are required to be affixed on all capital equipment. Such tags contain a numeric number that is also recorded on the State’s accounting system, AFIS. See Provisions and Guidelines, Section E, below, for guidelines on what is classified as capital equipment. In addition, all non-capital equipment that is inventoried (see Provisions and Guidelines, Section C and F, below), is required to be affixed with a Fixed Asset Tag.
2. “Property of the Arizona Department of Health Services” tags are required to be affixed on all non-inventoried, non-capital equipment. (See Provisions and Guidelines, Section F below for guidelines on non-capital and inventoried equipment.) The purchase order number used to purchase the equipment is written on each Purchase Order tag, allowing equipment to be tied to the purchase order if problems with the equipment arise, and allowing the equipment to be tied back to individual programs if necessary. If the equipment was purchased by credit card, the words “credit card” are written on the tag.
3. Equipment that is impractical to tag does not require tagging. Such items include:
 - a. Computer software with a unit cost of \$5,000 or more. For such software, the Fixed Asset Tag will be affixed to the paid claim form. The paid claim form will have the serial number of the software and will refer to the Fixed Asset Tag number or the computer equipment in which the software is installed. The “tagged” software claim form will be retained on file in the Accounting Office.
 - b. Computer software with a unit cost of less than \$5,000. No tagging is required.
 - c. No tagging is required for modular furniture units with a total aggregate value of less than \$5,000. Only units with an aggregate value over \$5,000 are required to be tagged.
 - d. Any other items deemed impractical to tag by the Inventory Control Office. In such instances, the tag will be affixed to the paid claim and retained on file in the Accounting Office.
4. Tags, including “Property of Department of Health Services” tags and Fixed Assets Tags, should be affixed on the equipment in plain sight. The central processor, keyboard, and auxiliary units of a computer (not including the monitor and printer) should be tagged as one unit.

C. Annual Inventory of Equipment

All capital equipment is inventoried each fiscal year. In addition, non-capital equipment that is included on the “Fixed Asset Article List” (See Exhibit 1) is required to be inventoried. For non-capital equipment not listed on the “Fixed Asset Article List,” the Inventory Control Office will determine whether or not the item should be included in inventory. All inventoried items will be tagged with a Fixed Asset Tag.

D. Random Inventory Reviews

The Inventory Control Office may conduct an unannounced physical inventory of all or any Department equipment at any time. In such instances, relevant Department program managers are responsible for assigning staff members to assist in conducting the inventory assessment.

E. Capitalized Items

The following Department equipment is required to be capitalized:

1. Vehicles, furniture, software, and equipment having a unit cost or donated fair market value of \$5,000 or more, and a useful life of more than one year. This includes equipment that may be purchased under installment contracts.

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2. Modular furniture unit with an aggregate value of \$5,000 or more and a useful life of one year or more.
3. Computer equipment, including a central processor, keyboard, and auxiliary components, with a total value of \$5,000 or more. An auxiliary component does not include a monitor, printer, or software.
4. Equipment attached to or becoming part of a parcel of land, building or structure with a total cost of \$5,000 or more. (Examples: central air conditioning, built-in-cabinets, water heaters, boilers and motors).

F. Non-Capitalized Equipment

Non-Capitalized equipment includes equipment with a unit cost or donated fair market value of less than \$5,000, or a useful life of less than one year.

PROCEDURE

A. Receiving and Recording of Equipment

1. New Equipment
 - a. Computer Equipment Received in the Phoenix Metro Area
 - (1) All computer equipment and software for programs in the Phoenix Metropolitan area will be delivered to Information Technology Services Receiving Office at 1740 West Adams, Room 106, Phoenix, AZ 85007.
 - (2) Information Technology Services Receiving Office will tag new computer equipment after it is received. The Inventory Control Office will supply Information Technology Services Receiving Office with a block of Fixed Asset Tags and "Property of the Arizona Department of Health Services" tags for such purposes.
 - (3) Information Technology Services Receiving Office will write the fixed asset tag number on the purchase order, forward the purchase order receiving copy to Accounts Payable, and send purchase order receiving copies and documentation to the Inventory Control Office to keep on file.
 - (4) Information Technology Services Receiving Office will record the purchase order number and tag number in a spreadsheet to track in case theft, equipment failure, or damage occurs.
 - (5) For inventoried items, the Inventory Control Office will record physical information describing the equipment and its location on AFIS for tracking.
 - (6) Information Technology Services Receiving Office will contact the Department's Warehouse and schedule a time for Warehouse staff to deliver the equipment to the program.
 - (7) Computer equipment requiring installation and/or assembly may be delivered directly to program/contractor. Once equipment is received, the program/contractor will notify the Inventory Custodian. The Inventory Custodian will make the necessary arrangements to have the item(s) tagged within five business days of notification.

Responsible Positions: Information Technology Services Receiving Office Manager, Inventory Control Office Manager, Warehouse Staff

- b. Other New Equipment for the Phoenix-Metro Area Not Requiring Assembly

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- (1) Program managers and inventory custodians will request that all other new equipment to be delivered in the Phoenix Metro Area not requiring assembly will be received by the Department’s Warehouse staff at one of the two following locations:
 - (a) Lab-related Equipment: Before May 2004, equipment should be delivered to the State Laboratory, Supply Room #103, 1520 West Adams, Phoenix, Arizona 85007. After May 2004, equipment should be delivered to the State Laboratory at 250 N. 17th Avenue, Phoenix, 85007.
 - (b) All Other Equipment: Arizona Department of Health Services Warehouse, 2500 East Van Buren Street, Phoenix, AZ 85008.

Responsible Position: Program managers and inventory custodians in the Phoenix Metro Area

- (2) After the equipment is received by one of the two receiving locations, Inventory Control Office staff at the receiving location will:
 - (a) Tag equipment requiring tagging (See Provisions and Guidelines, Section B) with the appropriate type of tag. For items requiring tagging, the tag number will be written on the purchase order. Equipment not requiring tagging will be stamped “Exempt from Inventory” on the purchase order.
 - (b) Forward a signed purchase order receiving copy immediately to Accounts Payable for vendor payment.
 - (c) Coordinate delivery of the equipment to the appropriate program by the Department’s Warehouse staff.

Responsible Position: Inventory Control Office Manager, Warehouse staff

- c. New Equipment Received in Phoenix-Metro Area Requiring Assembly
 - (1) Equipment requiring assembly will be delivered directly to the program.
 - (2) After equipment is received by the program, the program staff will notify the Inventory Custodian for the program area, if the Inventory Custodian was not already involved in receipt of the equipment.
 - (3) The Inventory Custodian will:
 - (a) Sign and forward the purchase order receiving copy to Accounts Payable for vendor payment.
 - (b) Call the Inventory Control Office within three business days to discuss whether the new equipment needs to be tagged and/or arrange for tagging of the new item.
 - (c) Forward copies of the receiving documents to the Inventory Control Office.

Responsible Position: Program staff, inventory custodians, Inventory Control Office Manager

- (4) The Inventory Control Office will tag the item within five business days of initial notification, if tagging is required. (See Provisions and Guidelines, Section B).

Responsible Position: Inventory Control Office Manager

- d. Recording of Equipment Purchased By Credit Card
 - (1) Cardholders who purchase equipment by credit card will notify the Inventory Control Office via e-mail within three business days of receipt of the equipment, and provide the Inventory Control Office with the following information:
 - (a) A copy of the receipt and supporting documents; and

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(b) The PCA, Index, AY, and Comp Object used to purchase the equipment.

Responsible Position: Employees purchasing equipment with a credit card

(2) The Inventory Control Office will contact the cardholder and make arrangements to tag the equipment within five business days if equipment requires tagging.

Responsible Position: Inventory Control Office Manager

e. New Equipment Received Outside the Phoenix-Metro Area

(1) New equipment for programs outside of the Phoenix-Metro Area will be delivered directly to the program, including new computer equipment.

(2) Inventory Custodians will notify the Inventory Control Office by phone or e-mail when new equipment is received.

(3) Inventory Custodians will forward the purchase order receiving copy to Accounts Payable for immediate payment, and copies of all receiving documents to the Inventory Control Office.

Responsible Position: Inventory Custodians

(4) The Inventory Control Office will affix a tag to any items requiring tagging within five business days. For items received in remote areas, the Inventory Control Office will arrange for tagging in as expedient yet efficient manner as practicable.

Responsible Position: Inventory Control Office Manager

2. Donated Equipment

a. Donated equipment will be received like new equipment, according to the Procedures outlined in Procedure A-1, above. However, before a program or the Department's Warehouse can receive equipment, evidence must exist that the item has been approved for acceptance in accordance with Department Policy FIN-010, Private Donations. Specifically:

(1) Donated equipment with a dollar value of less than \$5,000 may be accepted by the Department with written evidence of acceptance and acknowledgement of receipt from the Assistant Director;

(2) Donated equipment with a dollar value of \$5,000 or more will not be accepted by the Department without written acceptance and acknowledgement of receipt from the Deputy Director for Administration.

b. After the donated equipment has been received, the program receiving the donated equipment will send a copy of the written acknowledgment from an Assistant Director or the Deputy Director for Administration to the Inventory Control Office so that it can be filed with other receiving copies.

Responsible Position: Inventory custodians

3. Equipment Purchased By Department Contractors or Grant Recipients

a. Equipment purchased by Department contractors (under reimbursement or subvention contracts using State or Federal funds) or grant recipients must receive approval for the purchase from an authorized signer for the program overseeing the contractor or grant recipient.

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Note: The ADOA Accounting and Auditing Procedures Manual stipulates that for Cost Reimbursement Contracts, the contract must include a line item budget for capital outlay before the contractor can purchase equipment and be reimbursed. Programs should not give written approval unless the contract contains such a line item.

- b. After the contractor or grant recipient receives the equipment, the program responsible for overseeing the contractor or grant recipient will obtain copies of receiving documents including the vendor’s invoice, and mail or submit such documents to the Inventory Control Office for filing.

Responsible Position: Program managers

- c. The Inventory Control Office will ensure that any equipment purchased by Department contractors and grant recipients requiring tagging are tagged within five business days. For items received in remote areas, the Inventory Control Office will arrange for tagging in as expedient yet efficient manner as practicable.

Responsible Position: Inventory Control Office Manager

- 4. Equipment Received from Surplus Property
 - a. Equipment requested and purchased from ADOA Office Of Surplus Property Management by a program will be picked up from ADOA by Department Warehouse staff, tagged (if required), and delivered to the appropriate program.
 - b. Department Warehouse staff will submit all documentation received from ADOA to the Inventory Control Office. The Inventory Control Office will forward documents to Accounts Payable.

Responsible Position: Warehouse staff, Inventory Control Office staff

- 5. Additional Procedure for Receipt of Vehicles, Trailers, Mobile Homes

When receiving vehicles, trailers, mobile homes, etc. the procedures outlined above in Procedures A.1-A.4 will be followed, as applicable. In addition, the Inventory Control Office will forward the original title to the Office of Fiscal Operations for record keeping.

Responsible Position: Inventory Control Office Manager

B. Inventory Control – Existing Equipment

Annual Inventory of Equipment

- 1. The Inventory Control Office will conduct an annual inventory of all inventoried equipment each fiscal year. The annual inventory will begin on April 1st of each year.
- 2. The Inventory Control Office will request a fixed asset report from the Department’s Office of Fiscal Operations. After receiving the report, the Inventory Control Office will divide the list by location codes.
- 3. The Inventory Control Office will send the relevant parts of the fixed asset report listing each Division’s inventoried equipment to each Division Finance Officer at least ten days prior to the annual inventory.
- 4. The Division Finance Officer will send relevant parts of the Division’s inventory listing to each program’s Business Manager and/or Inventory Custodian, using the location codes contained on the reports as guidance. Each program’s Business Manager and/or Inventory Custodian will locate the inventory equipment and ensure that movement of inventoried items during the inventory period is minimal.

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5. The Inventory Control Office will perform a physical inventory of each Division's inventoried equipment within three months after sending the fixed asset report to the Division Finance Officers. As part of that process, the Inventory Control Office will ensure that adequate care is being used in the control and accountability of State resources.
6. After completing the inventory of equipment, the Inventory Control Office staff will ask the program's Business Manager or Inventory Custodian to sign the fixed asset report, indicating that they agree with the inventory. Inventory Control Office staff will then provide a list of missing or unidentified equipment to the program's Business Officer and/or Inventory Custodian, as well as the Division Finance Officer.
7. The Division Finance Officer, with assistance from relevant Inventory Custodians and program Business Managers, will attempt to locate missing inventory within fifteen business days of receiving the missing inventory list from the Inventory Control Office. At the end of 15 business days, the Division Financial Officer will provide the Inventory Control Office with a written account of the disposition of the missing assets.
8. The Inventory Control Office will compile a report of all missing inventoried assets, and provide it to the Assistant Director for Business and Finance and Fiscal Operations. Fiscal Operations will keep the list of missing items (i.e. Unable to Locate Report) on file for audit purposes. In addition, the Inventory Control Office will keep the signed fixed assets sheets on file for audit purposes.
9. The Inventory Control Office will update AFIS, changing location codes for all missing items to indicate that the items have not been located.
10. The Inventory Control Office will review items indicated as missing during subsequent years' physical inventories. Items that remain missing for a period of five years will be purged from the AFIS by submitting a Form SP101.

Responsible Positions: Inventory Control Office Manager, Division Finance Officers, Program Managers, and Inventory Custodians

C. Reporting and Recording of Lost or Stolen Equipment

1. Any employee responsible for a piece of equipment who determines that the equipment has been lost or stolen will contact the Risk Management Liaison in the Office of Facilities Management by phone immediately. The employee will also send a memo or e-mail to the Risk Management Liaison, documenting what happened to the item.
2. If the equipment has been stolen, the employee responsible for the equipment will contact the police authority in the jurisdiction where the crime occurred and file a police report. If the crime occurred in the Capital Mall area in Phoenix or Tucson, the employee will call Capitol Police.
3. The employee will complete a Incident Report Form (See Exhibit 1, Department Policy FAC-009) and forward it to the Risk Management Liaison, along with any police report.
4. The Risk Management Liaison will initiate steps for insurance reimbursement, and keep the equipment owner informed on the status of each claim. The Inventory Control Office will provide the Risk Management Liaison with pertinent copies of receiving documents for the equipment.
5. The Inventory Control Office will complete a Form SP101 (See Exhibit 2) , and forward it to ADOA for approval. Once approved, the Inventory Control Office will update AFIS.

D. Loaning Equipment Internally and Externally

1. To loan equipment to a contractor or grant recipient, an employee will complete a Form F-4. (See Exhibit 3).

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2. After obtaining signature on the Form F-4 by an authorized signer, the employee will forward the completed Form F-4 to the Inventory Control Office.
3. The Inventory Control Office will notify the program employee making the request whether or not the loan is approved. Once approved, the program requesting the loan is responsible for coordinating the move of the equipment.
4. The Inventory Control Office will change the location code in AFIS, indicating the location of the loaned item.
5. If the equipment is returned to program where the equipment originated, the program transferring or returning the equipment will again complete a Form F-4, and the program and the Inventory Control Office will repeat Procedures D.1-D.4, above.
6. Any user of equipment loaned by the Department will maintain the equipment in operable condition during the loan period. Furthermore, the user will bear all costs associated with repair, transport or disposition of the loaned equipment.
7. Users of loaned equipment will transport or mail equipment at the end of the loan period to the Arizona Department of Health Services Warehouse at 2500 East Van Buren Phoenix, Arizona 85008 for processing according to Procedure A, above.

Responsible Position: Department employees, Risk Management Liaison, Inventory Control Office Manager

E. Transferring Ownership of Equipment Externally

1. Any program may request to transfer equipment to an entity separate from the Department (e.g. other state agencies, counties, etc.) by submitting a completed Form F-4 to their Assistant Director, along with a memo stating the condition of the equipment, the Fixed Asset Tag or "Property of Arizona Department of Health Services" tag number, and an explanation of reason for the request.

Responsible Position: Program managers

2. The Assistant Director or Deputy Director receiving the Form F-4 will either deny the request, sending the Form F-4 back to the originating program, or approve and sign the request and forward it to the Inventory Control Office.

Responsible Positions: Assistant Directors, Deputy Directors

3. Upon receipt of a Form F-4 signed by an Assistant Director, the Inventory Control Office will complete a Form SP101. (See Exhibit 2) and forward the request to the Arizona Department of Administration's Office of Surplus Property. ADOA will approve or deny the transfer, and notify the Inventory Control Office.
4. The Inventory Control Office will notify the program of the approval or denial of the transfer/loan request in writing. If approved, the program will be responsible for paying the invoice from the Department by the ADOA's Office of Surplus Property for processing the request.

Responsible Position: Inventory Control Office

5. The entity receiving the equipment will be responsible for moving the equipment once ADOA has approved the transfer.

F. Trading In Equipment

1. Equipment can sometimes be exchanged with vendors for other equipment, or for a credit towards purchase of new equipment. In order for such a transaction to occur, a program will develop a memo requesting that a trade-in occur. The memo will include:
 - a. The Fixed Asset Tag number or "Property of Arizona Department of Health Services" tag number;

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- b. A description of the equipment;
- c. A description of the equipment's condition;
- d. The estimated trade-in value;
- e. The cost of the new equipment;
- f. Reason for the trade-in (e.g. damaged or outdated equipment);
- g. Vendor.

Responsible Position: Program managers

- 2. The program will route the memo to the applicable Assistant Director or Deputy Director for approval and signature. The Assistant Director will route the approved memo to the Inventory Control Office.

Responsible Position: Assistant Directors and Deputy Directors

- 3. The Inventory Control Office will prepare a Form SP101(See Exhibit 2) and submit it to the Arizona Department of Administration's Office of Surplus Property Management for approval.
- 4. The Inventory Control Office will inform the program as to whether the Form SP101 form is approved or disapproved, and forward a copy of the approved Form SP101 to the program.

Responsible Position: Inventory Control Office Manager

- 5. If the trade-in is approved, the program will attach a copy of the approved Form SP101 to a purchase requisition for the new equipment and submit to the Procurement Office for processing.
- 6. After procurement processing has been completed and the recipient of the trade-in has taken possession of the item, the program will submit a completed Form F-4 to the Inventory Control Office.

Responsible Position: Program managers

- 7. The Inventory Control Office will update AFIS, removing the equipment from inventory or the spreadsheet containing non-inventoried items.

Responsible Position: Inventory Control Office Manager

G. Transfer of Terminated Contractor or Grant Recipient Equipment

- 1. Department program managers will notify the Inventory Control Office 30 days prior to the termination or expiration of any contract or grant where the contractor or grantee is in possession of Department-owned equipment. The program will submit a completed Form F-4 (see Exhibit 1) to the Inventory Control Office.

Responsible Position: Program managers

- 2. If the property is to continue to remain with the contractor or grant as a loan, the program will complete a request following Procedure D, listed above. If no loan is to occur, the Inventory Control Office will coordinate retrieval of the merchandise with Department Warehouse staff.

Responsible Position: Program managers, Inventory Control Office Manager, warehouse staff

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3. The Inventory Control Office will update AFIS, recording the new location of the equipment.

Responsible Position: Inventory Control Office Manager

H. Disposal of Equipment

1. To dispose of equipment deemed obsolete or damaged beyond repair, an employee will complete and submit a Form F-4 (See Exhibit 3), complete with an authorized signature. Additional steps depend on the type of equipment to be disposed:

- a. Disposal of Computer Equipment

- (1) After completing the Form F-4, an employee will contact the Division of Information Technology Services and request pick-up of computer equipment that is no longer needed.

Responsible Position: Any Department employee

- (2) The Division of Information Technology Services will delete data from the computer equipment that it receives. The Division of Information Technology Services will then complete an additional Form F-4 and forward it to the Inventory Control Office. If equipment is to be redeployed, Information Technology Services staff will arrange delivery.

Responsible Position: Information Technology Services staff

- (3) The Inventory Control Office will arrange pick-up and transport of any equipment to be surplus to the Department's Warehouse.

Responsible Position: Inventory Control Office Manager

- b. Disposal of Vehicles

- (1) The program will submit the Form F-4 along with a memo to the Inventory Control Office. The memo will state the Fixed Asset Tag number, condition of the vehicle, make, year, VIN number and license plate number of the vehicle.

Responsible Position: Program Managers

- (2) The Inventory Control Office will complete a Form SP101, and submit it to ADOA for approval.
- (3) Once disposal of the vehicle has been approved by ADOA, the program will ensure that all decals are removed from the vehicle.
- (4) The Inventory Control Office will pick-up the vehicle and deliver it to the ADOA Office of Surplus Property Management. If a vehicle is inoperable, the program is responsible for ensuring that the vehicle is delivered to ADOA Office of Surplus Property Management.

Responsible Positions: Program Managers and Inventory Control Office Manager

- c. Disposal of Equipment Deemed Damageable Beyond Repair

- (1) When equipment is damaged beyond repair or has no redeemable value, the program manager may request that the equipment be destroyed. The program manager will prepare a memo making such a request, attaching the Form F-4 to the memo. The memo will indicate why such destruction of equipment is justified. The program manager will forward the memo to the Inventory Control Office.

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- (2) The Inventory Control Office will complete a Form SP101 (see Exhibit 2) and submit it the ADOA Office of Surplus Property Management for approval.
- (3) Upon being notified of approval or disapproval of the Form SP101 (see Exhibit 2), the Inventory Control Office will notify the program. If the request has been approved, the Inventory Control Office will coordinate pick-up and delivery of the equipment by the Department’s Warehouse staff to the Warehouse for destruction.

Responsible Positions: Program Managers and Inventory Control Office Manager

d. Disposal of all Other Equipment

- (1) The program will submit the Form F-4, signed by an authorized signer for the program, to the Inventory Control Office.
- (2) The Inventory Control Office will contact the Department’s Warehouse, which will arrange equipment pick-up and delivery to the Department’s Warehouse.
- (3) For items retrieved by the warehouse for disposal not requiring equipment destruction, the Warehouse staff will determine whether the equipment should be stored in the Department’s Warehouse. Items stored in the warehouse will be comprised of items that are anticipated to be of potential imminent use by Department programs.
- (4) For equipment not deemed to be of potential use to other programs, the Inventory Control Office will complete a Form SP101 and send to ADOA for approval of transfer for the equipment to ADOA Office of Surplus Property Management. Once the Form SP101 is approved, Warehouse staff will transport the equipment to ADOA.
- (5) The Inventory Control Office will update AFIS to reflect transfer or equipment to the warehouse or to ADOA.

Responsible Positions: Program Managers, the Inventory Control Office Manager, and Warehouse Staff

Approved:	Date:
Danny Valenzuela, Deputy Director	
The Primary Division of Responsibility for this policy is the Division of Business and Finance. Users are encouraged to suggest improvements regarding this policy and procedure.	