

POLICY AND PROCEDURE	
SUBJECT/TITLE:	Inventory Policy
APPLICABILITY:	All Staff
POSITION & DIVISION:	Fiscal Officer, Administration
DATE ADOPTED:	06/07/2017
LATEST EFFECTIVE DATE:	06/07/2017
REVIEW FREQUENCY:	Every 5 years
BOARD APPROVAL DATE:	N/A
REFERENCE NUMBER:	800-038-P

A. PURPOSE

The intent of this document is to detail the standard policies required for recording new fixed assets, moving of fixed assets and disposing of fixed assets.

B. POLICY

The Canton City Health Department (CCHD) will inventory all fixed assets (vehicles, furniture, fixtures, etc.). The inventory database will contain sufficient information for insurance and grant requirements. A bi-annual inventory verification will be taken to verify the existence of inventory listed in the database.

C. BACKGROUND

All equipment and other fixed assets costing **\$500.00 or more** will be recorded as an asset (per item). This threshold does not apply to consumables. For example, medical vaccines may have a cost of \$500.00 for a single vaccine; however, since it is a consumable, it will not be inventoried. If there is ever a question whether an item is consumable or not, please contact the Fiscal Officer.

To determine if a repair or improvement will need to be capitalized, the following additional factor needs to be considered: does the expenditure extend the useful life of the asset repaired or improved? For example, painting would not be capitalized, but replacing the boiler or repairing the roof would be capitalized, if the dollar value was in excess of \$500.00.

Depreciation is calculated and maintained at the City level. For purposes of grant reporting, the Board of Health does not track or report depreciation. The CCHD inventory records are maintained separately from the City of Canton and fully rely on the internal system tracking for reporting. Therefore, depreciation methods are not applicable to the Board of Health.

D. GLOSSARY OF TERMS

Depreciation: A reduction in the value of an asset with the passage of time, due in particular to wear and tear, decay and decline in price.

Executive Assistant: For purposes of this policy, the Executive Assistant is the Executive Assistant in the Administration/Vital Statistics division and not the one in the OPHI division.

Fixed Asset or Asset: Also referred to as PPE (property, plant and equipment), these are purchased for continued and long-term use in earning profit in a business. This group includes as an asset land, buildings, machinery, furniture, tools and IT equipment.

Inventory: For the purposes of this policy, inventory will refer to all fixed assets valued over \$500.00 and has a life greater than one year.

Inventory verification: Visual confirmation that the inventory item physically exists within the control of CCHD.

E. PROCEDURES

The Executive Assistant will maintain a database of all inventory owned by the CCHD and all CCHD purchased vehicles owned by the City of Canton.

1. TAGGING AND IDENTIFYING INVENTORIABLE ASSETS

- a) Reason to tag. To identify inventoriable assets belonging to the CCHD.
- b) What to tag. All furniture, equipment and vehicles with a replacement value above \$500.00 must be tagged, including, but not limited to:
 - i) Furniture;
 - ii) Computers and laptops;
 - iii) Audio visual equipment; and
 - iv) Other equipment above \$500.00 such as office machines, etc.
- c) Equipment under \$500.00 may be tagged and identified in the CCHD inventory system. This will be on a case by case basis and the division leader will work with the Fiscal Officer to determine if the equipment should be tagged. For example, a camera that costs \$400.00 is under the \$500.00 threshold, but could easily be taken out of the CCHD office and not returned. This may be included in the CCHD's inventory.

2. ADDITION OF AN ASSET

a) Division Responsibilities

- i) In order to maintain accurate inventory records, when receiving a new asset into the CCHD, the first step is to determine if the asset should receive an inventory tag. Any item that the cost exceeds \$500.00 and has a life greater than one year should be tagged or items that meet the conditions in paragraph E.1.c.
- ii) It is the division leader's responsibility to complete 800-038-01-F_Inventory Form - Asset Addition section when adding a new item to inventory.
- iii) Each section of the Asset Addition section must be completed (with the exception of the Tag number and the City Tag number).
- iv) The preparer must print the completed form, sign and date, then forward to the division leader for signature and approval.
- v) Once the form is completed, the division leader forwards the invoice and the inventory form to the Fiscal Officer.
- vi) Once the division receives the asset tag(s) back from the Executive Assistant, the tag(s) must be adhered promptly to the item. For vehicles, place the inventory tag in the glove box by sticking to the inside of the glove box. For all other items, place the tag in a safe place on the asset where it will not be damaged or at risk of falling off. It is up to the division leader to ensure that all tags are properly placed on the items as soon as they are received. Failure to do this will cause inaccuracies in the CCHD inventory.

b) Fiscal Officers Responsibilities

- i) Approves the Asset Addition signifying the information supplied on the form is correct.
- ii) If applicable, the Fiscal Officer will complete 800-038-02-F_City of Canton Asset Addition Form and submit to the City Auditor's office along with a copy of the invoice for all assets over \$1,000.00.
- iii) Signs and dates the form and forwards to the Executive Assistant for entry into the inventory system.

c) Executive Assistant Responsibilities

- i) Utilizes the information on the Asset Addition section of the inventory form for entry into the inventory system. Currently the CCHD uses HDIS (Health District Information System) for the inventory database system.
- ii) All equipment and vehicles will have a tag affixed with a unique identifying number. The number used will be the next number that is up sequentially.
- iii) If the equipment is ODH (Ohio Department of Health) grant related, two tags will be issued. One tag will be affixed with the unique CCHD identifying number as indicated above and the second tag will have "Purchased with ODH Grant" and the division leader will put in the grant name and grant fund in accordance with ODH OGAPP (Ohio Department of Health Grants Administration) procedures.
 - (A) If another division would like to use this ODH tag, they can do so, but will have to white out "ODH" and fill in the appropriate division. The division leader will have to request this tag from the Executive Assistant if not an ODH grant and would like this tag.
- iv) Marks on the form the date the item was entered in the inventory system along with his/her initials.
- v) Makes a copy of the inventory form, attaches the asset tag to the form and either puts the form in the corresponding mailbox of the division or hand delivers to the division leader.
- vi) The division leader will follow E.2.a.vii on what to do with the inventory tag.

3. MOVING OF AN ASSET

a) Division Responsibilities

- i) It is the division leader's responsibility to complete the inventory form – Moving of Asset section when moving an inventory item.
 - (A) When moving an asset with a tag number 0001 to 0771, the Executive Assistant will have to create the inventory form before an asset can be moved since the inventory form was not in place prior to tag numbers before 0772.
 - (B) If the inventory item has a tag number of 0772 or higher, the Executive Assistant will already have an inventory form completed.
- ii) The division leader will need to communicate with the Executive Assistant when an inventory item is going to be moved.
- iii) The Executive Assistant will forward the inventory form to the division leader to complete the Moving of Asset section.
- iv) Each section of the Moving of Asset section must be completed.
- v) The division leader will sign and date the Moving of Asset section for approval.
- vi) Once the form is completed, the division leader forwards the inventory form to the Fiscal Officer.

- vii) In the case that an inventory item is moved several times, the following procedures must apply:
 - (A) The division leader will print a blank inventory form.
 - (B) The division leader will write the tag number of the inventory item along with the Item. No other section of the Asset Addition will need to be completed since an inventory form will already be in place for this item.
 - (C) The division leader will then follow E.3.a.iv to vi above.

b) Fiscal Officer Responsibilities

- i) Approves the Moving of Asset section.
- ii) If applicable, the Fiscal Officer will complete 800-038-03-F_City of Canton Asset Transfer Form and submit to the City Auditor's office.
- iii) Signs and dates the form and forwards to the Executive Assistant for entry into the inventory system.

c) Executive Assistant Responsibilities

- i) Utilizes the information on the Moving of Asset section of the inventory form for entry into the inventory system.
- ii) Marks on the form the date the item was entered in the inventory system along with his/her initials.
- iii) E-mails the division leader that the asset can be moved. The asset cannot be moved until the division leader is notified by the Executive Assistant. It is the division leader's responsibility to making arrangements to have an inventory item moved.

4. ASSET DISPOSAL

a) Division Responsibilities

- i) It is the division leader's responsibility to complete the inventory form – Asset Disposal section when disposing of an inventory item.
 - (A) When disposing of an asset with a tag number 0001 to 0771, the Executive Assistant will have to create the inventory form before an asset can be disposed of since the inventory form was not in place prior to tag numbers before 0772.
 - (B) If the inventory item has a tag number of 0772 or higher, the Executive Assistant will already have an inventory form completed.
- ii) The division leader will need to communicate with the Executive Assistant when an inventory item is going to be disposed of.
- iii) The Executive Assistant will forward the inventory form to the division leader to complete the Asset Disposal section.
- iv) The division leader will complete the following items in the Asset Disposal section:
 - (A) Disposal value (an estimate);
 - (B) Reason for the disposal (i.e. broken, lost, obsolete, replaced, use for parts, trade, etc.); and
 - (C) Any notes on the asset.
- v) The Date of Disposal will always be the date the Executive Assistant enters the disposition in the inventory. This will be completed by the Executive Assistant.
- vi) The division leader will sign and date the Asset Disposal section for approval.

- vii) Once the form is completed, the division leader forwards the inventory form to the Fiscal Officer.
 - b) **Fiscal Officer Responsibilities**
 - i) Approves the Asset Disposal section.
 - ii) If applicable, the Fiscal Officer will complete 800-038-04-F_City of Canton Asset Transfer Form and submit to the City Auditor's office.
 - iii) Signs and dates the form and forwards to the Executive Assistant for entry into the inventory system.
 - c) **Executive Assistant Responsibilities**
 - i) Utilizes the information on the Asset Disposal section of the inventory form for entry into the inventory system.
 - ii) Marks on the form the date the item was entered in the inventory system along with his/her initials.
 - iii) E-mails the division leader that the asset can be disposed of. The asset cannot be disposed of until the division leader is notified by the Executive Assistant.
 - d) **Division Leader Responsibilities**
 - i) The division leader will then notify the Director of EH and check to see if the item should be recycled.
 - ii) It is the division leader's responsibility to making arrangements to have an inventory item moved.
5. ODH PURCHASED INVENTORY ITEMS
- a) If an inventory item was purchased by ODH, ODH grant guidelines will need to be followed when moving or disposing of an inventory item.
 - b) There may be inventory items purchased with money other than ODH funds. Grant guidelines will need to be followed per that grant when moving or disposing of an inventory item.
6. INVENTORY VERIFICATION
- a) Every two years, an inventory verification will occur. The Executive Assistant is responsible to keep track of when the inventory verification is due.
 - b) The Executive Assistant will print out an inventory list for each division and provide to the division leader, along with a due date of when the inventory verification should be completed.
 - c) The division leaders are responsible to physically and visually verify all items on the inventory list and all data on the list is accurate. If there are any inaccurate data or missing items, the division leader shall provide the information to the Executive Assistant.

F. CITATIONS AND REFERENCES

n/a

G. CONTRIBUTORS

The following staff contributed to the authorship of this document:

1. Christi Allen, Fiscal Officer

H. APPENDICIES AND ATTACHMENTS

N/AI. REFERENCE FORMS

800-038-01-F_Inventory Form

800-038-02-F_City of Canton Asset Addition Form

800-038-03-F_City of Canton Asset Transfer Form
800-038-04-F_City of Canton Asset Disposal Form

J. REVISION AND REVIEW HISTORY

Revision #	Date	By	Notes

K. APPROVAL

This document has been approved in accordance with the “800-001-P Standards for Writing and Approving PPSOGFs” procedure as of the effective date listed above.