

CONTRACTS 1.0

Equipment Purchases -- 1.8

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Signature:



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POLICY

All equipment purchased under a contract is considered state property and all contractors shall be responsible for the accountability, maintenance, management, and inventory of all such property.

APPLICABILITY

This policy applies to all contracting agencies and Central Office personnel responsible for contract equipment purchases.

PURPOSE

To maintain accountability of equipment purchases.

PROCEDURE

Contract language pertaining to equipment purchases is periodically updated. All program directors are to review all contract language frequently.

If equipment is to be purchased through a contract, the Capital Purchases line item on the **Budget Summary** must be completed and supported by detailed estimates of items to be purchased with Department of Health monies. Any deviation from details listed must have prior approval of the Fiscal Services Section of the Bureau of Health Services.

The contractor is responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funding provided under a grant or contract.

The contractor shall maintain a perpetual inventory system for all equipment purchased with contract funds and shall submit an inventory control report annually to Property and Procurement (PAP) according to the contract specifications.

The contractor is wholly responsible for the equipment purchased and must account for and report to the Department of Health or Department of General Services if the equipment is lost, stolen or damaged. The contractor may not dispose of or move the equipment to a new location without the Department of Health or Department of General Services' permission. Should the equipment be destroyed, lost or stolen, the contractor shall be responsible to the State for the prorated amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Complete details of the new property regulations are a part of the GR-GG-Z Grant variable, option variable #23, option 1, option 1.1, and option 3.

NECESSARY FORMS

Budget Summary

REFERENCE DOCUMENTS

GR-GG-Z Grant Variable

OFFICE OF PRIMARY RESPONSIBILITY

Fiscal Services Section, Bureau of Health Services, (615)741-7305