

POLICY AND PROCEDURE MANUAL

2. FINANCIAL MANAGEMENT.

2.05. Equipment Purchase, Inventory and Disposition.

A. POLICY:

1. The Bureau of WIC shall have in place procedures to authorize, document and track equipment purchases and dispositions made by Local Agencies and their sub-grantees. Equipment purchased with WIC funds shall be used exclusively for the WIC Program.

B. PROCEDURE:

1. Equipment Definition:

- a. For purposes of this policy, equipment (except computer equipment) is defined as an item having a useful life of at least one-year and a unit cost of \$5,000.00 or more.
- b. Films or videos and other teaching aids that meet the above criteria will be governed by this policy.

2. Equipment Purchase:

- a. WIC Expense Budget

- (1) When WIC expense budgets, which include the cost of equipment, are submitted to the State Agency for approval, the local agency shall include an itemized list of the equipment showing item, quantity, cost and location. These requirements shall also apply to subcontractor expense budgets which include the cost of equipment.

- b. Bids

- (1) The local agency shall obtain written bids for equipment with a unit cost over \$5,000.00.
- (2) Bids (telephone or written) are recommended for items with a unit cost of \$1,000.00 to \$5,000.00.
- (3) Bids must be for comparable items and shall include shipping and installation (if applicable). Requests for bids shall include all desired options.

- c. Approvals

- (1) Approvals are required as follows:
 - (a) Computer equipment and software, of any cost, requires an approved WIC Request to Purchase Computer Equipment/Software form (Attachment 1). Bids shall accompany the form if the unit cost is \$5,000.00 or more.
 - (b) Items with a unit cost in excess of \$24,999 require prior approval from the State Agency and Food and Nutrition Service, United States Department of Agriculture (FNS/USDA). Such requests require three bids and must be received at the State Agency no later than July 15 of the contract period to which the cost is to be charged. The State Agency shall forward approved requests from local agencies to FNS/USDA prior to August 1.
 - (c) Items with a unit cost of \$5,000.00 or more require prior written State Agency approval. Except for emergency situations, requests for approval must be received at the State Agency no later than August 31. Requests for approval to purchase equipment shall include manufacturer, model number, description, price, and explanation/justification for purchase. A minimum of two (2) written bids must accompany requests for equipment with a unit cost of \$5,000.00 or more. Sole source items, e.g., films, do not require bids.

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- (d) The local agency shall maintain records related to all equipment purchased which shall include bids and other documentation of cost comparison, confirmation of approval to purchase, and other related information.
- (e) Items, except computer equipment or software, with a unit cost of less than \$5,000.00 do not require prior approval. The purchase of such items shall be reflected in the Office Supplies or Nutrition Education cost categories. Such equipment must be necessary for WIC program operations. Contact the State Agency if there is any question about the allowability of specific items of equipment.

- (2) The State Agency will review all properly completed requests for approval to purchase equipment and respond with written approval/disapproval. When requested equipment is part of a contract amendment or budget revision that has not been approved, a contingent approval letter may be issued. Such approval shall be contingent upon the contract amendment or budget revision receiving all required approvals.

3. Equipment Reimbursement and Inventory:

- a. Local Agency equipment inventory records shall include all computer related equipment of any cost and other equipment with a unit cost of \$5,000.00 or more that was purchased with Program funds by the State Agency, the local agency or the local agency's subcontractor.
- b. For accounting and inventory purposes, local agencies shall submit with the invoice claiming reimbursement for equipment:
 - (1) For a computer related item of any cost or another equipment item with a unit cost of \$5,000.00 or more:
 - (a) A copy of the State Agency equipment approval letter.
 - (b) Two copies of the WIC Capital Equipment Inventory Input Document (Attachments 2 & 3).
 - (c) A copy of the vendor's invoice(s).

*NOTE: When adding new equipment to inventory, the two copies of the WIC Capital Equipment Inventory Input Document shall be submitted only with the invoice requesting reimbursement. Separate submission may result in duplication of inventory items.

- c. The local agency shall maintain an up to date inventory of all WIC Program equipment and ensure the State Agency has an up to date record.
- d. The local agency shall complete a WIC Capital Equipment Inventory Input Document as necessary to inform the State Agency of changes that need to be made to its WIC Capital Equipment Inventory.
- e. The local agency shall conduct a physical inventory annually and provide the State Agency with a copy of the Inventory.
- f. Equipment shall be charged to the contract period during which a valid purchase order was issued for the equipment.

4. Lost Equipment:

- a. The local agency shall have a control system with adequate safeguards to prevent loss.
- b. A thorough search shall be conducted to locate any lost equipment.
- c. After a thorough search has been conducted and if the item has not been found, a WIC Capital Equipment Disposal Request/Approval Form (Attachment 4) shall be completed

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for each piece of lost equipment.

5. Stolen or Damaged Equipment:

- a. The local agency shall have a control system with adequate safeguards to prevent damage or theft of property.
- b. An investigation of stolen or damaged equipment shall be made.
- c. Reports shall be filed promptly with the police and insurance company, as appropriate. Insurance reimbursement shall be sought.
- d. The local agency shall report stolen or damaged equipment to the State Agency. The preliminary report shall be made by telephone.
- e. A WIC Capital Equipment Disposal Request/Approval Form (Attachment 4) shall be completed for lost or stolen equipment.
- f. If insurance reimbursement is received, it must be used to replace the stolen or damaged item, or returned to the State Agency. Insurance reimbursement may not be used to purchase any equipment other than to replace the stolen or damaged item.
 - (1) If the stolen or damaged item is replaced, a WIC Capital Equipment Inventory Input Document shall be completed for the new item and forwarded to the State Agency.
 - (2) If the stolen or damaged item is not replaced, then the insurance reimbursement must be forwarded to the State Agency.
 - (3) All insurance reimbursement, whether used to replace the stolen or damaged item or returned to the State Agency, must be accounted for on the year end Program Income Report.

6. Equipment Disposition:

- a. Prior approval to dispose of equipment must be requested from the State Agency for all items included on the WIC Capital Equipment Inventory Listing (Attachment 5). Use WIC Capital Equipment Disposal Request/Approval Form (Attachment 4).

Attachments:

1. [WIC Request to Purchase Computer Equipment/Software](#)
2. [WIC Capital Equipment Inventory Input Document](#)
3. [WIC Capital Equipment Inventory Input Document Instructions](#)
4. [WIC Capital Equipment Disposal Request/Approval Form](#)
5. [WIC Capital Equipment Inventory Major Nouns/Life Expectancy Listing](#)

Reference(s):

1. WIC Regulation: 7 CFR Parts 246.14, 246.24 and 246.25.

Policy and Procedure Status:

1. This P&P supersedes P&P Number 3.06, dated January 5, 2010.