

POLICY MANUAL

2. FINANCIAL MANAGEMENT.

2.05. Equipment Purchase, Inventory and Disposition.

A. POLICY OVERVIEW:

The PA WIC Program (Program) shall have in place procedures to authorize, document and track equipment purchases, and dispositions made by local agencies (LA) and their sub-grantees. Equipment purchased with WIC funds shall be used exclusively for the Program. This policy does not apply to computer devices provided by the Commonwealth of Pennsylvania. Please refer to Policy 1.05 Information System Management regarding computer devices provided by the Commonwealth of Pennsylvania.

B. POLICY:

1. Definitions

- a. Equipment: means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals \$10,000 or more.
- b. Office Supplies: means all tangible personal property other than those described in the definition of equipment in this section. A computing device is an office supply if the per-unit acquisition cost is less than \$10,000, regardless of the length of its useful life. Office supplies may include but is not limited to computer tower and integral components, laptops, tablets, smart phone, anthropometric devices, hemoglobin testing items, furniture, and printers.
- c. Acquisition Cost: means the total cost of the asset including the cost to ready the asset for its intended use. For example, the per-unit acquisition cost for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

2. Equipment and Office Supply Purchase

- a. WIC Budget
 - (1) When WIC budgets, which include the cost of new equipment, are submitted to the State agency (SA) for approval, the LA shall include an itemized list of the new equipment showing item, quantity, cost, and location. These requirements shall also apply to subcontractor expense budgets which include the cost of new equipment.
- b. Bids
 - (1) The LA shall obtain written bids for equipment with a per-unit acquisition costs \$10,000.00 or more.
 - (2) Bids are recommended for equipment and office supplies with a per-unit acquisition cost of \$5,000.00 to \$9,999.99.
 - (3) Bids must be for comparable items and shall include shipping and

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installation (if applicable). Requests for bids shall include all desired options.

c. Approvals

(1) Approvals are required as follows:

- a. Equipment requires an approved PA WIC Program Request to Purchase Equipment. Except for emergency situations, requests for approval must be received at the SA no later than August 31 of the contract period to which the cost is to be charged. Requests for approval to purchase equipment shall include manufacturer, model number, description, price, and explanation/justification for purchase. A minimum of 2 written bids must accompany requests for equipment with a per-unit acquisition cost of \$10,000.00 or more.
- b. Items with a per-unit acquisition cost more than \$24,999 require prior approval from the SA and Food and Nutrition Service, United States Department of Agriculture (FNS/USDA). Such requests require three bids and must be received at the SA no later than June 15 of the contract period to which the cost is to be charged. The SA shall forward approved requests from LA to FNS/USDA prior to July 1.
- c. The LA 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. Records shall be kept for four years from the date of equipment disposition.
- d. Office supplies do not require prior approval. The purchase of such items shall be reflected in the office supplies category. Purchases must be necessary and reasonable for Program operations. Contact the Project Officer (PO) if there is any question about the allowability of specific office supply items.

- (2) The SA will review all properly completed requests for approval to purchase equipment and respond with written approval or 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. In instances where the request is disapproved, the SA will provide a reason for the disapproval. The LA may resubmit the request at any time.

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3. Equipment Reimbursement and Inventory

- a. LA inventory records shall include all equipment purchased with Program funds by the SA, the LA or the LA's subcontractor.
- b. For accounting and inventory purposes, LAs shall submit with the invoice claiming reimbursement for equipment:
 - (1) A copy of the SA equipment approval letter.
 - (2) A copy of the vendor's invoice(s).
- c. Equipment shall be charged to the contract period during which the expense was encumbered.
- d. Federal regulation requires that the LA shall maintain a current inventory of all Program equipment. The inventory shall include all the following information:
 - (1) Description
 - (2) Serial Number
 - (3) Tag Number for equipment provided by the Department of Health
 - (4) Source of Funding (NSA, PC, IGA, etc.)
 - (5) Federal Award Identification Number (FAIN)
 - (6) LA Name and Clinic Number
 - (7) Purchase Date
 - (8) Unit Cost
 - (9) Percentage of Allocation to WIC
 - (10) Disposition Date
 - (11) Disposition Sale Price
- e. The LA shall maintain an electronic copy of the current equipment inventory at a location designated by the PO.
- f. The LA shall conduct an equipment physical inventory annually and reconcile the results with the equipment inventory.
- g. Disposed equipment may be purged from the equipment inventory four years after the disposition date.

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4. Lost Equipment

- a. The LA 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 PA WIC Program Capital Equipment Disposal Form shall be completed for each piece of lost equipment and the equipment inventory will be updated.

5. Stolen or Damaged Equipment

- a. The LA 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 LA shall report stolen or damaged equipment to the SA promptly.
- e. A PA WIC Program Capital Equipment Disposal Form shall be completed for stolen or damaged equipment and the equipment inventory will be updated.
- f. If insurance reimbursement is received, it must be used to replace the stolen or damaged item or returned to the SA. Insurance reimbursement may not be used to purchase any equipment other than to replace the stolen or damaged item. All insurance reimbursement, whether used to replace the stolen or damaged item or returned to the SA, must be accounted for on the year end Program Income Report.

6. Equipment and Office Supply Disposition

- a. Prior approval to dispose of equipment must be requested from the SA using the PA WIC Program Capital Equipment Disposal Form.
- b. Equipment and Office Supplies which are no longer needed due to LA transition will be transferred, stored, or disposed in accordance with guidance provided by the SA, at the time of transition.
- c. Update the equipment inventory accordingly.

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Reference(s):

1. WIC Regulation: 7 CFR Parts 246.14, 246.24 and 246.25.
2. 2 CFR 200.306
3. 2 CFR 200.313
4. 2 CFR 200.439
5. 2 CFR 200.453
6. SFP Memo 10-017 – Updated November 1, 2023

Policy Status:

1. This Policy supersedes Policy Number 2.05, dated September 29, 2016.