

## **6.15 Inventory Control**

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### **POLICY:**

The Local Agency must keep a written record of all equipment purchased with WIC funds.

### **PROCEDURE:**

#### **A. Local Agency Inventory Form**

The Local Agency must keep a written record of equipment used in WIC operations to verify that all equipment purchased wholly or in part with WIC funds currently exists and is in usable condition.

1. The Local Agency will conduct a physical inventory each year ending with an odd number (once every two years) of all equipment purchased with WIC funds, valued greater than or equal to \$1000.
2. The Local Agency must use the Local Agency Inventory Form (see **Attachment #1 6.15**) to complete the inventory. The record must include the following:
  - < Purchase order number;
  - < Item, including brand name, model number and serial number;
  - < Date purchased;
  - < Cost;
  - < Current location and percentage of use by WIC;
  - < If disposed (traded, sold or surplus), the date and disposition; and
  - < Inventory tag number.
3. After completion, the inventory form will be submitted to the State Agency for review no later than June 30 of the year in which the inventory is completed.

#### **B. Equipment Purchased Wholly with WIC Funds**

Equipment purchased wholly with the WIC funds must be used only for WIC operations.

#### **C. Equipment Purchased in Part with WIC Funds**

Equipment purchased in part with WIC funds must be used for WIC operations in a percentage of time at least equal to the percentage of the total cost paid by WIC.

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1. ***Example:** A HemoCue machine is purchased for \$500. The cost is split evenly between WIC funds and other program funds. The HemoCue must be used at least 50% of the time for WIC operations.*
2. Monthly averages may be used in calculating proper usage.

### **D. Labeling of Equipment**

All equipment valued greater than or equal to \$1000 and purchased with WIC funds must be labeled as the property of the West Virginia Department of Health and Human Resources.

1. When the Grantee reports the expenditure of funds for equipment, the Grantee will attach a copy of pertinent invoices, receiving documents and a completed DHHR Asset Activity Form (**see example Attachment #2 6.15**) to the Expenditure Report. The Asset Activity Form is available online at <http://intranet.wvdhhr.org/forms/PropertyMgmt/AsstActForm.pdf>
2. The State Agency's Central Finance Unit will send a numbered tag to the Local Agency along with documentation indicating the piece of equipment to affix the tag.
3. The Local Agency will certify tag is affixed by signing and returning documentation to State Agency's Central Finance Unit.
4. The Local Agency will keep a numeric log of tag numbers and respective equipment in an on going file (by Federal fiscal year) for the purpose of monitoring.

### **E. Disposal of Equipment**

1. Surplus property disposition is set out in Federal Code 7CFR 3016.32 and State Code §5A-3-45. Federal Code supersedes State code on property purchased with Federal Funds.
  - A. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:
    1. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.
    2. Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by awarding agency's share of the equipment.

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- 3. In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct market value or proceeds from sale by the awarding agency's share of the equipment.
  
- B. West Virginia's Surplus Property Unit must approve all methods of property disposition.
  
- C. Property must be "retired" before it is sent to Surplus by using the DHHR Asset Activity Form for items that are tagged. Please contact the State Agency for additional information.
  
- D. Property must be retired before it is sent to Surplus by using the Surplus Property retirement form (WV-103) for items that are not tagged. Please contact the State Agency for additional information.

**REFERENCES:**

- 1. State Code §5A-3-45
- 2. Federal Code 7CFR 3016.32(e)

**ATTACHMENTS:**

- 1. Local Agency Inventory Form
- 2. DHHR Asset Activity Form
- 3. Surplus Property Retirement Form (WV-103) Items under \$1,000 in value