St. Clair County Community Mental Health
Providing Opportunities for Health, Wellness, & Connection

Administrative Policy

Policy Title:	**Equipment Inventorying**
Policy #:	**07-002-0045**

Effective Date:	11/26/2024
Approved by:	Telly Delor, Chief Operating Officer
Functional Area:	Information Technology
Responsible Leader:	Dann Hayes, IT & Security Director
Policy Owner:	Chase Sherman, IT Technician
Applies to:	All SCCCMH Staff, SCCCMH Board Members, All Directly Operated Programs, Contracted Network Providers

Purpose: To provide a proper procedure for buying and disposing of equipment at St. Clair County Community Mental Health, in accordance with HIPAA guidelines.

I. Policy Statement

It is the policy of St. Clair County Community Mental Health (SCCCMH) to ensure that a record of *equipment* purchases be maintained and updated as necessary to record additions and disposals in an effort to establish and maintain internal control over equipment in accordance with HIPAA guidelines.

II. Standards

A. All equipment purchased directly by SCCCMH must be tagged as agency property and recorded in the asset management system. The recorded information should include the purchase order number, date of purchase, vendor name, serial number (when applicable), and agency identification number. Any additions or disposals of equipment must be documented accordingly in the asset management system.

B. Prior authorization for purchases must be obtained and any equipment purchases meeting the minimum threshold for consideration as a capital expenditure shall be capitalized and depreciated according to Board Policy #07-001-0005, Board Fiscal Responsibilities.

C. Old, unused, or unneeded equipment should be traded-in for an equivalent replacement whenever possible. When trade-in is not possible, current value must be determined by consulting with a source that would provide an approximate current market value of an item, such as IRS depreciation tables or comparison with known sale value of comparable equipment. Attempts should be made to sell the equipment at or near current fair market value. The amount received for items sold should be applied against the current year's equipment so that the monthly expense report reflects net equipment expense (expense less gains). When trade-in and sale of the equipment is not possible, the old, unused, or unneeded equipment must be disposed of properly.

D. Indications must be made on the equipment inventory log when equipment is destroyed, is unusable, or has a value of zero.

E. When disposing of old or broken equipment, the IT Department must determine if the equipment contains or may contain sensitive information such as Electronic Protected Health Information (ePHI). The IT Department must use HIPAA guidelines to dispose of any equipment. Methods outlined by HIPAA for acceptable data destruction are *overwriting*, *degaussing*, and *physical destruction*.

III. Procedures, Definitions, and Other Resources

A. Procedures

Responsibilities

Position	Responsibilities
Staff	Follow appropriate policy and procedures to purchase equipment
IT Technician	In coordination with Facilities, manage inventory of all SCCCMH Information Technology *Equipment*, including tracking in the asset management system and appropriate destruction as necessary of equipment containing sensitive data
Facilities Technician	In coordination with Information Technology, manage inventory of all SCCCMH Information Technology *Equipment*, including tracking in the asset management system and appropriate destruction as necessary of equipment containing sensitive data
Clerical	In coordination with Finance, manage sales of retired SCCCMH *Equipment*
Finance Designee	Update accounting records related to assets, as appropriate

Actions – Purchase of Equipment

Action Number	Responsible Stakeholder	Details
1.0	Staff	1. Identify needed equipment, costs, and complete purchase order in accordance with Administrative Policy #07-001-0006, Administrative Procedures Related to Board Fiscal Responsibilities, including obtaining an authorized signature.
2.0	Staff/ Designee	2. Place order upon receipt of authorized purchase order.
3.0	IT Technician	3. Tag all incoming Information Technology *Equipment* and record equipment information in the asset management system. The information entered includes: a. ID number b. Equipment description c. Equipment location d. Assigned user's name, if applicable e. Serial number
4.0	Facilities Technician	4. Tag all incoming Facilities related *Equipment* and record the information in the asset management system. The information to be entered includes: a. ID number b. Equipment description c. Equipment location d. Assigned user's name, if applicable e. Serial number

Actions – Equipment Sale/Transfer/Disposal

Action Number	Responsible Stakeholder	Details
1.0	IT Technician/ Facilities Technician	1. Identify all of the equipment to be disposed of and relocate it to a secure location, creating a disposal inventory list. 2. Take inventory of all the equipment for disposal. Inventory should include equipment type, company asset tag (if applicable), serial number (if applicable), and reason for disposal. 3. Determine what category the equipment belongs to and separate equipment into corresponding piles. 4. Review equipment for sensitive information and, if detected, perform two methods of data destruction, and verify that no data is able to be recovered from either method. 5. Remove asset tags and other company identification

Action Number	Responsible Stakeholder	Details
		labels from all equipment. 6. Load both the non-sensitive and sensitive equipment into a company vehicle and transports the equipment to a designated scrap yard for disposal or arrange for pick up by a disposal company if equipment is scrapped. When a scrap yard or disposal company is not possible, dispose equipment appropriately in a SCCCMH dumpster. 7. Sell equipment at a determined set price if an after-market exits.
2.0	Clerical	8. Provide receipt payments for all sold equipment and through the normal receipting process within the Finance Department. 9. Hold drawings if there are more employees interested in the equipment than what is available for sale. All equipment sold to employees, will be made available to all employees. Employees purchasing equipment will sign off on a purchase agreement that all equipment is sold as is.
3.0	IT Technician/ Facilities Technician	10. Update the asset management system to reflect the disposal of equipment. On the disposal inventory list, record the date the sensitive equipment was destroyed or sold. For all equipment, record the date all equipment was disposed of. 11. Save the disposal inventory list on the IT Department share folder (IT Equipment Disposal) for audit and reporting/tracking purposes. 12. Notify Finance of any items disposed, sold, or traded in.
4.0	Finance Designee	13. Initiate the appropriate changes to the accounting books of record to reflect that the equipment no longer exists for items that were capitalized.

B. Related Policies

Board Policy #07-001-0005, Board Fiscal Responsibilities

Administrative Policy #07-001-0006, Administrative Procedures Related to Board Fiscal Responsibilities

C. Definitions

1. *Equipment:* The following definitions must all apply in order for an item to be classified as equipment. Sound judgment is vital to the application of these definitions to specific cases. The item:

a. Has an individual unit cost which exceeds $1,000.00 or is an electronic device that contains SCCCMH data, i.e., computer, mobile device, etc.

b. Item is personal property and not real property.

i. Personal property may include items such as vehicles, tractors, yard equipment, power tools, televisions, cameras, furniture, computers, and other electronic equipment.

c. Has a normal useful life of two (2) years or more and can be kept in serviceable condition for a considerable period of time by replacement of components.

d. Is of a relatively permanent nature, and its use does not change its identity.

e. Does not become a fixed part of a building or structure. However, attachments to other units or structures or to water or power lines shall not change the classification.

f. Is not a replacement part of an item.

2. *Overwriting:* The act of writing over the data that was on the media storage device with new non-sensitive data.

3. *Degaussing:* The process of using a strong magnetic field to render a media storage device inoperable.

4. *Physical Destruction:* The destruction of a media storage device rendering it physically inoperable.

D. Forms

N/A

E. Other Resources (i.e., training, secondary contact information, exhibits, etc.)

N/A

F. References

N/A

IV. History

- Initial Approval Date: 12/1986
- Last Revision Date: 10/2024   BY: Chase Sherman
- Last Reviewed Date: 11/2023   BY: Tommy Rankin
- Non-Substantive Revisions: N/A
- Key Words: equipment, inventory, data, HIPAA