

# MHLS Equipment Control Policy

Effective Date: 9/14/2016

Revised Date:

## OVERVIEW

The fundamental objective of the Mid-Hudson Library System's (MHLS) Equipment Control Policy (ECP) is to facilitate proper and timely reporting of equipment transactions and safeguard against loss. The ECP outlines the criteria for including property and equipment covered in the ECP, as well as tagging, inventory, and property disposal procedures and requirements.

MHLS administrative staff is responsible for the implementation and monitoring of the ECP including:

- Reporting acquisitions of property; changes in property status and location; and/or theft and loss of equipment;
- Providing access to property for tagging and inventory functions;
- Participating in maintaining and verifying data included in reports.

### **I. Equipment Control Procedures for Equipment Items less than \$1,000**

For MHLS-owned equipment below the \$1,000 capitalization threshold<sup>1</sup>, MHLS will not ~~list the equipment on the MHLS inventory~~ will not capitalized those equipments items, but, will assign an ownership tag, ~~if possible~~. The fact that equipment under the threshold does not have to be inventoried under the ECP does not relinquish MHLS's responsibility to safeguard the asset. Tagging all items of equipment with a MHLS ownership tag assists in the establishment of ownership.

For items under the threshold, MHLS will make a distinction between what is considered an equipment item for tagging purposes, and what is considered an item of supply, not tagged. Equipment is generally durable and has a probable life beyond a reporting period of more than one year.

Specific higher risk items under \$1,000 but over \$500 and with a life expectancy of greater than one year, such as computer workstations and laptops, shall be inventoried and tagged.

MHLS will periodically spot-check elected equipment items under \$1,000 to verify their existence and condition.

### **~~H. Equipment Control Procedures for Equipment Items \$1,000 or more~~**

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<sup>1</sup> "Capitalization threshold": The dollar value at which MHLS elects to capitalize its capital assets for financial reporting.

~~All MHLS-owned equipment (purchased, donated, or lease-purchase arrangement) with an original unit cost of \$1,000 and above and with a life expectancy of greater than one year will be inventoried and be assigned an ownership tag.~~

Operating systems and software applications meeting this criteria should be assigned an asset number and recorded as an MHLS asset.

The following is an outline of the procedures to be followed for property acquisitions.

#### **A. Ownership Tagging**

Upon receipt, all MHLS owned equipment ~~\$1,000~~ \$51,000 and above should be tagged with a MHLS ownership tag. The presence of a MHLS ownership tag signifies MHLS ownership and stewardship responsibilities.

Ownership tags should be placed where they will not be damaged and can be accessed for physical inventory. If a tag is missing or damaged, MHLS should assign a new tag. Some property is not suitable for tagging such as software or equipment which may become very hot during operation. For property that cannot be tagged, the record created in the MHLS inventory will note the distinguishing features of the property and that the property has not been tagged.

#### **B. Inventory**

The MHLS Business Office will maintain a physical inventory schedule of MHLS-owned equipment and annually reconcile the inventory based on an annual physical inventory.

The MHLS Facilities Manager or designee shall conduct an annual physical inventory of MHLS-owned equipment.

The annual inventory process shall identify equipment that is missing, disposed of, or transferred, as well as equipment location or condition changes, and missing or damaged decals.

Assets not located during physical inventory should be promptly reported to the MHLS Executive Director. MHLS will report the theft, loss or misuse of MHLS assets in excess of ~~\$1,000~~ \$51,000 (original cost) to the MHLS Board of Trustees. Assets determined to be unaccountable should be retired from the inventory after proper authorization.

MHLS Inventory Elements:

1. Description - Brief description (e.g, laptop, van) to assist with asset identification.
2. Date Received - Month, day and year (MMDDYY) of arrival date at MHLS.
3. Cost - Cost at acquisition will be based upon actual cost, gifts at fair market value, or an estimated cost.
4. Make – A product or line of products bearing a known brand name.
5. Model - Model numbers specified by the manufacturer, if any.

6. Serial Number (Tag#) - A unique number is required ~~serveto serve~~ as an item's identification and its linkage to the MHLS inventory. For example, alpha and/or numeric serial number.
7. Warranty Number (if not Serial #) & Warranty End Date - Manufacturer warranty number, if any; month, day and year (MMDDYY) of asset warranty expiration based upon the warranty terms, if any.
8. Location - The physical location of the asset.
9. Assigned to Staff Member/Used By - The MHLS unit and/or staff member providing stewardship of the asset.
10. Computer Name (if computer)
11. Useful Life (in years) - An estimate of the useful life of the asset.
12. Condition - Based upon asset condition upon receipt, physical inventory, or circumstances affecting condition change, a code should be assigned and/or updated to describe condition of the asset. (N-New; G-Good; F-Fair; P-Poor; S-Scrap)
13. Date of Disposition
14. Comments

### **III. Equipment Disposition**

The MHLS Facilities Manager, in consultation with the MHLS Executive Directors, will determine the appropriate final disposition of surplus equipment. For equipment with a remaining useful life the disposal procedure will be:

1. Offered to MHLS Member Libraries
2. Donate to Local Charity Without Religious Affiliation (e.g., Goodwill)
3. Salvaged for Repurpose (equipment remaining in-house should be labeled "salvage")
4. Redeemed for Scrap Value
5. Recycle
6. Discard Properly

