

ASSET
MANAGEMENT

SECTION:	Financial
PAGE:	1 of 2
SUBJECT:	Asset Management, Inventory & Disposal
EFFECTIVE DATE:	1/2005
REVISION DATE:	10/2011

POLICY

All assets acquired by DBH either by purchase or donation are to be held for the benefit of the firm for use in its treatment of clients and in support of its employees. Assets no longer useful for these purposes may be disposed of either for fair value or by donation to a qualified charitable or governmental entity.

PURPOSE

This policy with associated procedures set forth accounting standards for the management of assets acquired and disposed of by Davis Behavioral Health (DBH).

DEFINITIONS

Current Assets (Expensed Assets) - All assets that cannot be considered fixed assets. This includes cash, receivables, inventories, and small equipment having a value of less than \$2,000 and/or a useful life of one year or less.

Fixed Assets (Capital Assets) - Assets acquired for use in operations which are not for resale or investment purposes and have a useful life greater than one year and cost \$2,000 or more. Fixed assets can include buildings, machinery, land, lighting systems, motor vehicles, furniture, office equipment, computer equipment, computer software, licensing agreements, property improvements, telephone system, air conditioning system, building security and access systems, water systems, works of art, etc.

Low Value Property - Individual items of DBH-owned surplus personal property having a market value of less than \$50.

Personal Property - All property which, due to its nature or physical characteristics, is not included within the scope or definition of real property. Personal property is transportable and usually has a limited useful life compared to real property.

Real Property - Land, buildings, structures, right-of-ways, fences, sidewalks, water and sewage systems, irrigation and drainage systems, easements and other fixtures or appliances when permanently incorporated in or attached to buildings and structures.

PROCEDURE

1.0 Annual Inventory

- 1.1 The Chief Financial Officer or their designee shall be responsible for all supplies, materials, equipment or other personal property possessed by or used by DBH.
- 1.2 All fixed assets having an initial value of \$2,000 or over, shall be specified on a DBH inventory roster. This roster shall be maintained and kept current by the Chief Financial Officer or their designee. The roster shall be provided to the CEO and the Davis County Clerk Auditors' office annually.
- 1.3 Current assets having a value of less than \$2,000 may also be accounted for and placed on an inventory roster at the discretion of the DBH Chief Executive Officer or Chief Financial Officer.
- 1.4 The Chief Financial Officer or their designee shall identify each item on the roster with sufficient specificity that the item can be identified by a person not familiar with the DBH inventory system.
- 1.5 An item may be removed from said roster if it has been declared surplus and has been disposed of or designated for disposal. The Chief Financial Officer or their designee shall keep a ledger record of disposed items previously listed on the asset roster.
- 1.6 Each fiscal year, the Chief Financial Officer or designee shall prepare a complete listing of DBH's fixed assets. The listing shall verify that the items are physically present or accounted for. The report shall further contain a listing of all items declared to be surplus and/or disposed of. A copy of the fixed asset listing shall be supplied to the DBH CEO for review and kept on file electronically.

2.0 Property Disposition or Surplus:

- 2.1 The Board of Directors of DBH shall not authorize, sell, transfer, mortgage, convey or otherwise dispose of any property or assets of DBH with a net worth in excess of 5% of DBH's net worth, except by an affirmative vote of three-fourths (3/4) of the Board of Directors.
- 2.2 All property not covered under Section 2.1 shall be disposed of through donation to a qualified charitable or governmental entity, or through an independent third party auction or other method of sale whereby a fair value is returned to DBH except when the property has been determined by the Chief Financial Officer or their designee to be low value property. [see 2.3 below]
- 2.3 Low value property as determined by the Chief Financial Officer or their designee may be disposed of through salvage, spare parts, or destruction. Any revenue generated by this disposal process shall be returned to the DBH general fund. A list shall be compiled annually of any property disposed of in this manner. The list shall include a description of the property, the method of disposition, and any revenue generated by the disposition of the property