

<b>II.</b>	<b>FISCAL SECTION</b>
<b>900</b>	<b>Equipment Purchases</b>

**901 General Information**

This information applies to equipment purchased with Federal Share funds. Equipment, for the purpose of the *Network* Program, is defined as non-expendable property used in conducting eligible nutrition education activities, and includes items such as computers, televisions, VCRs, cameras, typewriters, calculators, furniture, etc. Equipment is defined as:

1. **Major equipment:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one year or more and is either furnished by the CDPH or the cost is reimbursed through this agreement. Software and videos are examples of intangible items that meet this definition.
2. **Minor equipment:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one year or more that is listed on the CDPH Asset Management Unit's Minor Equipment List and is either furnished by CDPH or the cost is reimbursed through this agreement.
3. **Miscellaneous property:** A specific tangible item with a life expectancy of one year or more that is either furnished by CDPH or the cost is reimbursed through this agreement. Examples include, but are not limited to: furniture (excluding modular furniture), cabinets, desktop calculators, portable dictators, non-digital cameras, etc.

All equipment purchased solely or partially with Federal Share funds belongs to the State and may be retrieved upon termination of the contract. Do not dispose of equipment in any manner without obtaining prior written approval from the *Network*.

Be sure to prorate the cost of the equipment if it will not be used exclusively for eligible nutrition education activities. Also, for staff dedicating less than 100% full time equivalent (FTE), Contractors need to prorate the cost of equipment to reflect the percentage of time spent or the proportion of the activity that relates directly to FSNE. Equipment will not be allowed for staff dedicating less than 50% FTE.

**902 Contractor Equipment Purchased with CDPH Funds**

All equipment purchased with *Network* funds must be documented on Form A16 entitled, Contractor Equipment Purchased with CDPH Funds. Electronic versions of the form are also available online at <http://www.cdph.ca.gov/programs/CPNS/Pages/FiscalGMAppendix.aspx>. Submit this completed form with any invoice that contains expenditures for equipment. CDPH will issue State ID tags for the equipment, and the assigned CM will forward the tags and instructions to the Contractor for placement of the tags on the equipment.

Please note that the following items do not require State issued ID tags:

1. Blenders
2. Heavy duty steel shelves for storage
3. Lightweight plastic shelves for storage
4. Plastic storage bins
5. Toaster ovens
6. Crock pots
7. Plastic rolling carts
8. Metal rolling carts
9. Computer mouse
10. Ergonomically correct keyboard shelf (purchased separately from computer desk)

If an Invoice that contains an expense for equipment is submitted without the Contractor Equipment Purchased with CDPH Funds form, the invoice will not be processed until the form is received and approved.

Please review the contract boilerplate for additional procurement rules and regulations. The following steps must be completed to receive reimbursement for equipment:

1. All equipment purchased under this contract must have previously been described in the "Equipment Expenses" line item of your approved Budget Justification. *Network* approval must be obtained for any additional equipment that was not previously approved on the justification.
2. Immediately after purchasing equipment, complete the form entitled Contractor Equipment Purchased with CDPH Funds. Directions are on the back of the form. List all equipment purchased.
3. Submit the completed form to the assigned CM along with the Invoice on which the equipment expense is billed. Do not submit the form directly to the CDPH Asset Management Unit. Equipment purchases billed (Invoiced) to the contract will not be paid until the Contractor Equipment Purchased with CDPH Funds Form has been submitted and approved.

### **903 Inventory/Disposition of CDPH-Funded Equipment**

If the term of the contract covers more than one year, and the equipment was purchased with Federal Share funds, the Contractor must submit an annual inventory of that equipment using Form A17, entitled Inventory/Disposition of CDPH Funded Equipment within 90 days of the end of the fiscal year.

This form must also be submitted along with the final Invoice within 90 calendar days of the termination of the contract (or alternate due date approved by the assigned CM). Upon receipt and approval of the completed Inventory/Disposition of CDPH-Funded Equipment form, the assigned CM will contact the Contractor regarding equipment disposition instructions. Final disposition of equipment shall be at the *Network's* expense and according to *Network* instructions. The *Network* may at its discretion, authorize the continued use of State equipment for performance of work under a different CDPH agreement.

### **904 Lost, Stolen, or Destroyed Equipment**

Whenever equipment is lost, stolen, or destroyed, a report that contains the following information must be filed immediately with the CM:

1. A description of the events.
2. A completed Inventory/Disposition of CDPH Funded Equipment form identifying State identification tag number(s) of the item(s) lost, stolen, or destroyed. (Form A17)
3. A copy of the police report (not applicable for lost or destroyed equipment) and Report of Crime on State Property Form (A30).
4. A Property Survey Report (A29) completed using disposal code #5 with certification box completed.
5. Precautions to be taken to prevent repeat situations.
6. Complete a Contractor Equipment Purchased with CDPH Funds form for any purchase of replacement equipment. Note: Purchasing replacement equipment will most likely require a budget adjustment to move additional funds into the Equipment Expenses line item.

## 905 Procedures and Guidelines for Computers and Mobile Devices

*Network* Contractors are responsible for the security of their assigned CDPH computer and mobile device resources and the information (data) that is under their control. Contractor responsibility also extends to subcontractors and consultants under their charge that utilize resources and information purchased with contract funds. Mobile devices include such items as laptops, portable computers, PDAs, CDs, DVDs and flash drives. The *Network* will not reimburse for computers and/or mobile devices until Contractors can verify that they have adequate data encryption software on their equipment. Please see Section 906 and Appendix Form A28 for additional guidelines about the purchase of specific mobile devices, including computer laptops.

Procedures and guidelines for computers and mobile devices include:

1. **Computer and Data Security:** Contractors are responsible for the security of their assigned CDPH resources and the information under their control. The following steps are to be taken to protect computer equipment from theft, unauthorized use, and to ensure that CDPH systems and information privacy and security are not inadvertently compromised:
  - a. Contractors shall use CDPH information and resources only for CDPH business purposes.
  - b. Desktop and mobile systems shall be kept in secure areas (i.e., a secure building or room) or shall be physically attached to a desk or table.
  - c. The use of surge protectors is required.
  - d. During non-working hours, personal, sensitive and confidential information shall be kept in a locked office, desk, file, or cabinet, even if the building is secured.
2. **Mobile Computing and Removable Storage Purpose/Scope:** For the purposes of this policy, mobile and computing devices are defined as any portable device, such as laptops, PDAs, Blackberries, tablet PCs, or removable storage, such as compact disk (CD), USB drive, diskette, or other devices that have the ability to store information. Mobile computing has become an inherent part of doing business at CDPH. Most mobile and removable storage devices have the capacity to store CDPH information. Because data can be portable, CDPH shall ensure due diligence is taken to protect data appropriately. Contractors shall take reasonable precautions for both the security of their devices and the information they contain.
  - a. Contractors are required to install a virus protection application and a 128 bit hard drive encryption application on all laptops or tablet PCs.
3. **Allocation:**
  - a. All mobile devices issued to the contractor remain the property of CDPH.
  - b. In the event of the termination of the contract the contractor shall return the CDPH mobile device to the immediate supervisor or contract manager.
4. **Physical Security**
  - a. Mobile devices shall not be left unattended at the worksite at any time. When taken off the worksite premises, mobile devices shall not be separated from contractor at airports, automobiles, or hotel rooms.
  - b. If the mobile device is left unattended the contractor is required to make certain the device is securely locked away or cable secured to a hard to move or immovable object.

**5. Tracking/Recovery:** If the device is lost or stolen, please contact your Contract Manager within 24 hours of the event.

**6. Maintenance:** Contractors are required to regularly maintain their mobile devices with the latest updates (e.g., update anti-virus, updated encryption and Microsoft patches).

## **906 Limitations of Equipment Purchases**

1. **Cellular Phones:** Cellular phones are generally an unallowable expense. USDA has made exceptions for reimbursing cell phone costs if:
  - The majority of the person's time is spent in the field. USDA cited 70% or more of the person's time as what would be considered "majority of time."
  - Staff utilizing FSNE purchased cell phones should be at least 50% FTE.
  - The *Network* will determine which staff members are eligible to be issued cell phones. These employees may include, but are not limited to, project coordinators, health educators, nutrition educators, and community outreach workers. Contractors requesting cell phones for staff members not previously listed should seek prior approval from their CM and PM and provide justification.
  - Instead of purchasing separate cell phone plans for each person, the Contractor's staff would share a cell phone.
  - If there is a safety issue involved (e.g., staff member often conducts activities in unsafe area of the city). Additional consideration like staff traveling to rural areas, traveling long distances between sites, and number of travel days may be taken into account by *Network* staff re: cell phone purchases.
  - Cell phones purchased with FSNE funds may not be used for personal use.
  - Contractors considering purchasing cell phones should seek prior approval from their CM and PM and provide justification about the cost and proposed usage.

Cellular phones listed in budget justifications must contain a justification that addresses one or more of these points. Cellular phone costs must be prorated if the phone is also being used for non-FSNE purposes.

2. **Digital Cameras:** Contractors will be allowed to purchase digital cameras according to the following budget amounts:

### **Federal Share Budget**

- Under \$500,000: 1 camera
- \$500,000-\$1M: 2 cameras
- \$1M or more, *Regional Networks*, and coalitions: 3 cameras

All requests must include a justification for approval on the Budget Justification, including which activities the camera will be used for and which SOW objective(s) the camera is needed to support.

3. **Video Cameras:** USDA does not generally consider digital video cameras a reasonable use of FSNE funds. If a Contractor deems video cameras necessary to complete SOW deliverables, the Contractor will be required to submit a justification to the CM and PM for

approval that includes justification for how a video camera is necessary in order to execute the SOW.

Approval of video cameras will be based upon the following:

- Critical to SOW completion.
- More cost effective than to rent or to subcontract for video services.

4. **Computers:** Contractors are allowed to purchase a computer (on State or Federal Budget) for any staff performing FSNE activities that are budgeted at 50% or more FTE. If the staff member is not 100% allocated to FSNE activities, this cost must be prorated. Note: costs do not have to be prorated when a staff member's entire FTE is dedicated to FSNE activities even if their FTE is less than 100%. For example, an employee who is .60 FTE but who only works on FSNE activities would not need to prorate their computer.

**Note:** The useful life of a computer is five years. (Internal Revenue Service)

5. **Computer Laptops:** Laptop computers will need a separate justification for approval and should only be allowed when the following criteria are met:
  - Purchase of a laptop is tied to a position.
  - The position is 100% FTE in the field. (A lower FTE may be considered with appropriate Contractor justification.)
  - The cost is reasonable.
  - Costs are prorated by FTE (if a lower FTE has been approved by the *Network*).

Additionally, subcontractors requesting laptops must be contributing State Share to the LIA. Purchase must be made by the prime Contractor, so equipment tagging requirements can be met, procedures and guidelines for contractor computers and mobile devices applied, and inventory control can be maintained.

Contractors purchasing laptops with FSNE funds are required to submit evidence of responsibility addressing the protection of privacy data, necessary steps in the occurrence of a security breach, and responsibility for negligence. The *Network* will not reimburse for laptops until Contractors can verify that they have adequate data encryption software on their equipment.

The useful life of a laptop is five years. (Internal Revenue Service)

6. **Mobile Food Demonstration Carts:** The term "mobile food demonstration carts" should now be used in lieu of the term "cooking carts."

When mobile food demonstration carts and accessories go unused during much of the day-to-day classroom time, USDA views this as an inefficient use of funds and suggests purchasing communal school mobile food demonstration carts instead of equipment and appliances for each classroom, if possible.

One mobile food demonstration cart may be purchased per contractor. If a Contractor deems it needs more than one cart (e.g., a county office of education with multiple school districts), then they will be required to submit a justification to the CM for approval. Mobile

food demonstration carts with a cost over \$1,200 will also need a separate justification for approval.

The following criteria will be considered when evaluating whether or not an organization can purchase additional mobile food demonstration carts:

- Number of schools/district or contract.
- Frequency of demonstrations.
- Logistics, cost, and feasibility of sharing carts.

Contractors should try to purchase one set of “cooking demonstration supplies” per school. These supplies should be put on a mobile food demonstration cart and used for multiple classrooms. If more cooking supplies are requested, the Contractor will be required to submit a justification to the CM for approval.

7. **Refrigerators:** Contractors requesting a refrigerator need a reasonable and necessary justification, (e.g., they are doing frequent taste testing, which is in the SOW). The cost must be \$800 or less and the refrigerator must be prorated if not used 100% for FSNE activities.
8. **Global Positioning Systems (GPS):** Using FSNE funds to purchase GPS systems and/or devices is unallowable. Contractors should utilize low- or no-cost resources like MapQuest, Yahoo Maps, Google Earth, and/or Thompson’s Guide.
9. **Walkie talkies:** Walkie talkies and other handheld two-way radio devices are unallowable as they are not considered a reasonable and necessary expense.

**Note:** If a Contractor lists equipment in the budget justification or requests the purchase of equipment at any point during the contract term, the Contractor will be required to submit a justification to the CM for approval that includes explanation for why the equipment is necessary in order to execute the SOW. The Contractor should be able to tie equipment purchases to specific SOW objectives/activities.