

<b>I. FISCAL SECTION</b>
<b>400. Equipment Purchases</b>

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#### **401. General Information**

This information applies to equipment purchased with State *Network* funds. Equipment, for the purpose of the State *Network* Program, is defined as non-expendable property used in conducting eligible nutrition education activities, and includes items such as computers, televisions, DVD players, 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 CDPH or the cost is reimbursed through this agreement for SNAP-Ed activities. 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.

Contractors need to notify their Contract Managers (CM) for prior approval of all equipment purchases. The State *Network* Information Technology and System Improvement Unit (ITSIU) has the right to disallow any equipment purchases if, it breaches security safeguards.

All equipment purchased solely or partially with State *Network* funds belongs to the State and may be retrieved upon termination of the contract. Do not dispose of equipment in any manner without first obtaining prior written approval from the State *Network* (see Section 403).

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 SNAP-Ed. Equipment will not be allowed for staff dedicating less than 50% FTE.

#### **402. Contractor Equipment Purchased with CDPH Funds**

All equipment purchased with State *Network* funds must have prior CM and PM approval and all computer equipment must comply with the IT acquisition standards. The contractor must provide a purchase order and/or receipt of purchase which shows the equipment name, model and specifications all documentation needs to be sent to the assigned *Network* CM.

All equipment purchased with *Network* funds must be documented on the [Contractor Equipment Purchased with CDPH Funds](#). 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  | 6. Crock pots            |
| 2. Heavy duty steel shelves for storage  | 7. Toaster ovens         |
| 3. Lightweight plastic shelves for storage   | 8. Plastic rolling carts |
| 4. Plastic storage bins  | 9. Metal rolling carts   |
| 5. Ergonomically correct keyboard shelf<br>(purchased separately from computer desk) | 10. Computer mouse       |
|  | 11. Software license     |

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. State *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.
4. The CDPH Asset Management department will issue State ID tags for the purchased equipment. The State ID tags and instructions will be forwarded to the contractor for placement on the purchased equipment.

#### **403. Inventory/Disposition of CDPH-Funded Equipment**

For equipment purchased with *Network* funds, the contractor must submit an inventory of equipment using the [Inventory/Disposition of CDPH Funded Equipment](#) with the final invoice within 60 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 State *Network's* expense and according to State *Network* instructions. The State *Network* may, at its discretion, authorize the continued use of State equipment for performance of work under a different CDPH agreement.

#### **404. 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.
3. A copy of the police report (not applicable for lost or destroyed equipment) and [Report of Crime on State Property](#) form.
4. A [Property Survey Report](#) 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: Contract must obtain prior approval from CM before purchasing any replacement equipment for the FFY 2012 *Regional Network* contracts.
7. [Property Transfer Report STD 158 form](#); and
8. [Property Survey Report STD 152](#) for lost, stolen or destroyed property.

#### **405. Standards for Acquisition of IT Equipment**

Contractors are advised to adhere to state approved software and hardware standards mentioned below. Contractors are responsible for ensuring all subcontractors follow the required state security standards.

##### **Operating Systems:**

Microsoft (MS) Windows XP Professional - 32 bit only  
Microsoft (MS) Windows 7- 32 bit only

**Hard Disk Encryption:**

Guardian Edge Encryption Plus Hard Drive

**Monitor:**

HP LA1905wg 19 inch LCD Monitor

**Desktop:**

HP/Compaq DC8000 Elite CMT 32 Bit, Intel Core Duo E8400, 3.0 GHz Processor, 2 GV PC3-10600 (DDR2-800) Memory, 160 GV SATA 3.5 1<sup>st</sup> Hard Drive

Dell OptiPlex 780 Minitower – Intel Dual Core E5300/2.50m, 1GB DDR3 Memory, Dell Keyboard, Intel GMA 4500 video, 16xDVD+/-RW SATA Dual Layer Optical Drive, Internal Speaker, 160GB Hard Drive, Optical Mouse

**Laptop:**

HP Compaq 6550b Intel i5-540M (2.53MHz. 3MB L2 Cache), 2GB 1333MHz, DDR3 1DM, 15.6" w HD LED anti-glare (1366x768), Intel 802.11a/b/g/b 12 WLAN card, 160GB 7200 RPM Hard Drive

HP Compaq 2740p Intel i5-520M (2.4GHz, 3M L3 Cache w/up to 2.93GHz), 32-Bit, 2GB 1333DDR3 1DM, 160GB 5400 RPM Hard Drive

All computing devices must be encrypted at the minimum of Advance Encryption Standard (AES) with a 128 bit key or higher. The use of flash drives/USB thumb drives, if they are within the State standards such as Iron Key flash devices and Kingston Privacy Edition flash devices are allowable.

**Apple/Macintosh systems are not allowed since they are not compatible with the CDPH encryption software.** Please refer to the State *Network* program letter, [PL 11 06](#) for additional information on the purchases of computers and the State's IT protocols.

**406. Procedures and Guidelines for Computers and Mobile Devices**

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 State *Network* will not reimburse for computers and/or mobile devices until contractors can verify that they have adequate data encryption and virus protection software on their equipment.

All computers and/or mobile IT devices purchased with *Network* funds and used to conduct State business must have encryption and anti-virus software installed that meet the minimum CDPH requirements as detailed in Exhibit I of the resulting *Network* contract between CDPH and applicant. Once a contract has been issued, invoices may be held until installation of encryption software and anti-virus protection is verified by CDPH. All computing devices must be encrypted at the minimum of AES with a 128 bit key or higher:

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).

## 407. 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 SNAP-Ed- purchased cell phones should be at least 50% FTE.
  - The State *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 SNAP-Ed 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-SNAP-Ed purposes.

2. **Digital Cameras:** *Regional Network* contractors will, upon PM and CM approval, be allowed to purchase 3 digital cameras.

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

3. **Video Cameras:** USDA does not generally consider video cameras a reasonable use of SNAP-Ed funds. If a contractor deems video cameras necessary to complete scope of work 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 scope of work.

Approval of video cameras will be based upon the following:

- Critical to scope of work completion.
- More cost effective than to rent or to subcontract for video services.

- 4. Computers:** Contractors are allowed to purchase a computer for any staff performing SNAP-Ed activities that are budgeted at 50% or more FTE. If the staff member is not 100% allocated to SNAP-Ed 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. If the lower FTE is approved costs must be prorated by FTE.)
  - The cost is reasonable.

For Subcontractors, purchases 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 SNAP-Ed 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 State *Network* will not reimburse for laptops until contractors can verify that they have adequate data encryption and virus protection software on their equipment.

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

- 6. Global Positioning Systems (GPS):** Using SNAP-Ed 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.

**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 scope of work. The contractor should be able to tie equipment purchases to specific scope of work objectives/activities.

- 7. Blackberries:** Blackberries/Smart Phones/iPhones and PDA's are unallowable as they are not considered a reasonable and necessary expense.
- 8. Flash Drives:** The use of flash drives/USB thumb drives, if they are within the State standards such as Iron Key flash devices and Kingston Privacy Edition flash devices are allowable.