



# DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

<b>SUBJECT</b> <b>INVENTORY AND RECOVERY OF ASSETS – CONTRACTOR SITES</b>	<b>POLICY NO.</b> <b>800.4</b>	<b>EFFECTIVE DATE</b> <b>10/1/89</b>	<b>PAGE</b> <b>Page 1 of 3</b>
<b>APPROVED BY:</b> <b>original signed by:</b> <b>ROBERTO QUIROZ</b> <div style="text-align: right;">Director</div>	<b>SUPERSEDES</b>  <b>N/A</b>	<b>ORIGINAL ISSUE DATE</b> <b>10/1/89</b>	<b>DISTRIBUTION LEVEL(S)</b> <b>1, 3</b>

## PURPOSE

- 1.1 To provide Department of Mental Health (DMH) policy and guidelines regarding inventory, tagging, and recovery of County assets and equipment purchased by a contractor with County DMH contract funds.

## POLICY

- 2.1 The DMH will develop and maintain current and accurate accounting for all assets purchased by contract agencies using County DMH funds.

## PROCEDURE

### 3.1 Asset Inventory and Tagging

- 3.1.1 Contracts and Grants Division will send a copy of each new/renewed contract (that bears authority to purchase equipment with County DMH funds) to the Chief, Administrative Support Bureau (ASB) within 10 days after such new/renewed contract is adopted by the Board of Supervisors.
- 3.1.2 Accounting Division staff will identify and confirm, by copy of invoice, what assets and/or equipment items have been purchased and received by the contract agency and will submit copies of supporting documentation to the Inventory Control Unit Supervisor within 10 working days after purchase confirmations are received.
- 3.1.3 The ASB will notify the contractor in writing that an on-site visit to inventory and tag all County DMH owned assets and/or equipment is to be scheduled. An onsite visit will be accomplished within 30 days of the date of the notification letter.
- 3.1.4 Inventory Control Unit staff will, according to schedule, visit the contractor's site. Using the general equipment list described in the contract, the Inventory Control staff will identify, locate, and tag each County DMH asset. Discrepancies discovered at the site will be brought to the attention of the Contracts and Grants Division for reconciliation.



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3.1.5 Inventory Control Unit staff will add all newly tagged items to the DMH perpetual inventory and, when appropriate, will send a Property Transfer Advise Report to the Auditor-Controller.

3.1.6 Inventory Control Unit staff will conduct a physical inventory at each site in compliance with Auditor-Controller guidelines.

### 3.2 Asset Removal and Disposition

3.2.1 Contractors shall refer all County DMH assets determined to be unserviceable or no longer needed by the contractor to the Inventory Control Unit Supervisor for appropriate disposition, i.e., reassignment or salvage. Such notices shall include the DMH control number(s) assigned to the respective asset(s). (Refer to Policy #800.1 Inventory Control – Fixed Assets.)

3.2.2 ASB, Inventory Control Unit, will be responsible for asset removal and disposition, records update, and notifications, as appropriate.

### 3.3 Asset Recovery – Contract Expiration or Termination

3.3.1 Retrieval of assets due to complete termination of contractor's service, expiration, and/or other reason(s) shall be carried out pursuant to the PURCHASE clause of standard County Mental Health Service Agreements.

3.3.2 Contracts and Grants Division shall provide a copy of the termination/expiration documents to ASB, together with a copy of the Contractor's Inventory Report, at least 30 days prior to the termination/expiration date.

3.3.3 ASB shall notify the contractor, in writing, of its intent to schedule a contractor site visit to make arrangements for the recovery of County DMH assets, furniture, equipment, etc., within one to two weeks after expiration/termination notice is received. Copy of notice will be provided to Chief, Contracts and Grants Division.

3.3.4 ASB will take immediate possession of the assets upon contract termination/expiration. Assets recovered are to be reconciled to the contractor's most recent Inventory Report.

3.3.5 The Assistant Director of Program Services, or designee, will determine the redistribution or recovered assets.

3.3.6 Program(s) scheduled to receive recovered asset(s) shall complete the regular Fixed Asset Request form (MH 269) indicating "REASSIGNED ASSET(S)" in the upper right



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hand corner of the form. Such request(s) to be forwarded to the ASB through established channels. Every effort shall be made to coordinate the recovery, reassignment, and delivery of usable items expediently.

3.3.7 ASB shall dispose of items not identified for reassignment in accordance with established procedures for asset disposal.

### 3.4 Missing/Suspected Stolen Items

3.4.1 Contractors shall notify the Chief, ASB, immediately upon discovery that County-owned assets are missing and/or suspicion of theft is at issue.

3.4.2 ASB shall be responsible to ensure Auditor-Controller notification, as required.

### AUTHORITY

Auditor-Controller Recommendations: Departmental Audit Report, March 1987  
Los Angeles County Fiscal Manual, Sections 6.1 – 6.7