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North Sound Behavioral Health Administrative Services Organization, LLC

Section 4000 - Information Systems: IT Inventory Asset Lifecycle

Authorizing Source: HCA Contract

Approved by: Executive Director

Date: 5/24/2022

Signature:

POLICY #4016.00

SUBJECT: INFORMATION TECHNOLOGY (IT) INVENTORY ASSET LIFECYCLE

PURPOSE

As a governmental entity in the state of Washington, North Sound Behavioral Health Administrative Services Organization (North Sound BH-ASO) is responsible for having an approved IT Asset Management policy. The purpose of this policy is to establish criteria and outline procedures for the lifecycle (procurement, identification, inventory, protection, and disposition) of agency technology assets in compliance with the State Office of Financial Management's Financial and Administrative Policies.

CAPTIALIZATION

North Sound BH-ASO authorizes the purchase of all assets, whether capitalized or not, with the approval of the Agencies' annual budget. All assets purchased valuing \$7,500 or more per single item (including sales tax, accessories, and shipping) and an estimated life of one (1) year or more shall be considered a Capital Asset.

SMALL AND ATTRACTIVE ASSETS

Washington State Office of Financial Management's State Administrative & Accounting Manual (SAAM, Section 30.40.20) defines small and attractive assets as those falling below \$7,500 that are particularly vulnerable to loss. Other than a few exceptions (commodity class major group code 10) agencies have some discretion in defining small and attractive assets.

At North Sound BH-ASO, this includes items:

1. Originally purchased for more than \$300 per unit.
2. Items considered alluring to theft and/or easily concealed for removal during business hours.
3. Examples of small and attractive assets include (non-exhaustive):
 - a. laptops and notebook computers,
 - b. desktop computers (PCs),
 - c. tablets and smart phones,
 - d. cameras and photographic projection equipment,
 - e. hard / flash drives,
 - f. digital audio recorders,
 - g. USB-C Laptop docks, and
 - h. network access VPN Appliances (Cisco "Z or MX" network extenders).
4. Examples (non-exhaustive) of items **not** considered Small and Attractive:
 - a. desk phones,
 - b. computer monitors,
 - c. laptop docking stations (legacy, non-USB-C),

- d. desktop power supplies (UPS).

INVENTORY

All Capital and Small and Attractive Assets shall have a numbered identifying tag attached when purchased. A record of these assets and related tag number shall be maintained. At a minimum, North Sound BH-ASO will follow inventory control processes for small and attractive assets as outlined in RCW 36.32.210. However, North Sound BH-ASO IT considers any small asset with an asset tag, an asset requiring inventory tracking. A complete physical inventory of Capital assets will be conducted annually. A full and complete asset inventory will be conducted every three years. In addition, an audit of 10% of Small and Attractive Assets selected by executive leadership will be completed in conjunction with Capital assets.

North Sound BH-ASO shall adequately maintain its Capital Assets and Small and Attractive Assets to protect its investment and to minimize future maintenance and replacement costs. Department managers shall establish an internal control structure for Capital Assets and Small and Attractive Assets that provides reasonable assurance of effective and efficient operations, security, reliable tracking and reporting, and compliance with applicable laws and regulations.

When suspected or known losses of inventoried assets occur, North Sound BH-ASO will conduct a search for the missing property. The search should include previous assignments, storage areas or retired goods. Comply with RCW 43.09.185 and report the loss to the State Auditor's Office.

PROCEDURES

ANNUAL REVIEW

The North Sound BH-ASO IS/IT department will conduct an *annual* inventory review of all small and attractive assets to verify all are accounted for, conduct investigations into missing or damaged items, and document and report discrepancies. An additional inventory will be conducted whenever a major change in inventory occurs, such as a large acquisition or disposition, or a major relocation has taken place. Reconciliation between purchasing records if required will be conducted under the supervision of the IS/IT Manager and Senior Accountant.. Coordination between the Administrative Support Manager, the Fiscal staff, and the IS/IT manager may be required for reconciliation as each department has an independent role in the process.

ASSET PROCUREMENT

Purchasing Parameters

1. All purchases greater than \$25 require conformed Equipment Request Form (ERF).
2. Purchases totaling less than \$2,500 do not require a formal bid process.
3. Purchases greater \$2,500 require quotes from three (3) vendors.
 - a. Choose lowest bidder, or
 - b. Washington State Department of Enterprise Services (DES) contract participant.
 - c. See agency I.T. vendors list for current participants.
 - d. If lowest bidder is not chosen, you must document why.
4. Purchases totaling over \$25,000 require conformed PO accompanying ERF.

Order Process

1. Receive quote from vendor
2. Save quotes in IT Procurement "_Quotes" folder (by year)
 - a. Format: Vendor_Description_quote#.pdf
3. Complete and conform ERF and attach quote,
4. Request PO from accounting by submitting both,

5. If greater than \$25,000, route for formal confirmation,
6. Receive PO and scan all documents saving to IT Procurement "PO Released" folder (by year),
7. Route original or copy to accounting,
8. Release PO to vendor and await confirmation/delivery.

Delivery Process:

1. Before delivery is signed; verify quantity received with quantity shipped; then Sign.
2. Reconcile packing slip details including PO number, description, and quantity; then Sign.
 - a. Send reconciled and conformed packing slip to IT Asset Coordinator
3. Route boxes to IT Department or place in a secure location.
4. Attach packing slip to PO for invoice and file in appropriate vendor file.

Inspection and ID Process:

1. Unpack items, check items for damage, under, or over shipments, and items that qualify for asset identification and inventory.
 - a. Sort and report any variance or damages for correction.
 - b. Capital and Small & Attractive assets, and any assets deemed necessary for tracking by the IT Manager, require identification tag and inventory management.
2. Place items that *do not* require tags in allocated storage location.
3. Place requiring assets in secured location for capture and assignment.

Asset Capture Process:

1. Record the following asset data into Inventory:
 - North Sound BH-ASO ID #
 - Serial / Service Tag #
 - Asset Type
 - Manufacturer
 - Model Name / Number
 - Assignment / Storage
 - PO Number (if necessary)
 - Purchase Date & End of Life (if applicable)

Asset Assignment Process:

1. Obtain North Sound BH-ASO asset ID tags for corresponding quantity of assets.
 - a. If needed, obtain IP and update records.
2. Update asset Inventory Spreadsheet with assignment per legend.
 - b. Note corresponding IP Address, Software, or unique additions to primary asset.
3. Deploy asset into production

ASSET DISPOSITION

The disposition of small and attractive assets will also be handled according to the additional guidelines listed below.

PROCEDURES FOR DISPOSAL OF SMALL AND ATTRACTIVE ASSETS:

The following outlines the additional procedures to be followed for the disposal of small and attractive assets:

1. Items that *do not* contain PHI and have no residual value shall be discarded as junk.
2. Items with perceived value and *do not* contain PHI may be disposed of via donation or returned or e-recycled through a contracted provider program for cost value usable toward future purchases. In this case, these assets must be securely sanitized, or have signed attestation certifying sanitization from the contractor.
3. Items that *contain* PHI and have no residual value must follow destruction procedures outlined in

agency Privacy Policy #2505.00 before being discarded as junk.

- a. Destruction process may include methods or utilities that ensure data destruction.
 - b. Destruction process may include using a verified disposal company that provides written Certificate of Destruction and / or an attestation statement the asset(s) have been destroyed.
4. Items that *contain* PHI and has residual value must follow secure sanitizing procedures outlined in agency Privacy Policy #2505.00 before being donated or sold.
- a. Sanitizing process may include (“secure wiping”) that ensures data cannot be recovered.
 - b. Donation made only after a completed and signed *Donation Request Form* is approved by the Executive Director and/or Leadership Team.
 - c. Inventory will reflect the who, what, and where the items were donated.

ATTACHMENTS

4016.01 – Donation Request Form

REFERENCES

Policy # 2505.00, Disposal of Protected Health Information (PHI).