

Document Type:¹ Policy & Procedure Process Guideline
 Plan System Description

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Document Scope: (applies to Policy & Procedure only)

- X – The requirements herein apply only to the GCBH Central Office and its functions.
- The requirements herein apply, verbatim, to GCBH and its network providers².
- The requirements herein apply both to GCBH and its network providers². Additionally, network providers must have internal documents outlining their processes for implementing the requirements, insofar as they relate to actions for which network providers are responsible.

PURPOSE: To prescribe the definition, appropriation, and accounting of purchases, capitalization, and inventory in order to comply with disclosure set by GAAP (Generally Accepted Accounting Principles) and GASB (Governmental Accounting Standards Board).

DEFINITIONS

- I. Capital Assets – Capital assets are depreciated on a straight-line basis
- II. Capital Outlay – (1) Capital assets and improvements with an original cost equal to or exceeding \$5000.00. (2) Component parts of capital assets or improvements where the original cost of the component parts equals or exceeds \$5000.00. (3) High-risk items with an original cost equal to or exceeding \$500.00 and not more than \$4999.99.
- III. High-risk – Items which are relatively valuable, small and easily transportable and adaptable. Such items have a higher susceptibility to theft and other loss and include notebooks, cameras, camcorders, cell phones, personal data assistants (PDA), etc.

POLICY

- A. The GCBH Executive Committee authorizes GCBH to purchase materials, equipment, and services or enter into lease agreements under the uniform purchase process established by RCW 39.04.19. GCBH secures email or written quotations, or both, from at least three different vendors whenever possible to assure that a competitive price is established for the purchase of materials, equipment, services or leases valuing \$2,500-\$25,000. Immediately after an award is made, the bid quotations obtained are recorded, open to public inspection, and available by telephone inquiry.
- B. Purchases for materials, equipment, services or leases exceeding \$3,000 are pre-approved by the Chairman of the Executive Committee or their designee(Co-Director). Executive Committee signature of the Monthly Warrant Review and Approval Report constitutes pre-approval of such purchases when those purchases have been specifically noted as “upcoming costs” within the report.
- C. Revenue expenditures are based on the assumption that the benefits from the expenditure will be used up in the current period. Items which have a relatively low cost may benefit several periods, but since their costs are immaterial, they are classified as revenue expenditures.

¹See definitions of document types in AD100, “Development, Approval & Review of Formal GCBH Documents”

²“Network Provider” – An organization with which GCBH is contracted for the provision of direct services.

- D. Capital expenditures are intended to be held or used longer than one year and include land, buildings, furnishings, fixtures, furniture, equipment, machinery, vehicles and tools valued over \$5,000.00.
- E. Capital outlay under this policy applies to appropriation and expenditure of funds for capital assets, high-risk items, and improvements subject to the limits prescribed herein. To qualify as capital outlay, the item must provide a predictable and tangible future benefit over a specified period of time.
- F. Capital expenditures are recorded in an inventory system maintained by Greater Columbia Behavioral Health, LLC. BH-ASO (GCBH).
- G. Assets meeting the classification of inventory are inventoried upon purchase and receipt by affixing a pre-numbered "property of GCBH" label and recording the item on the inventory listing.
- H. At least every two years, a physical inventory is performed of all capital assets, improvements, and high-risk assets. The inventory verifies identifying information, location, and purchase price.
- I. Disposal of GCBH property is governed by RCW Chapter 39.33 and WAC 388-865-0270.

APPROVAL



Karen Richardson or Sindi Saunders, Co-Directors

11/07/2019

Date