



Program: Office of Contracts Management

Date: October 2024

Capital Equipment and Expenditures Policy

This policy is written to provide guidance in the control and custody of capital equipment and expenditures when such costs are included in the Contract/Grant Agreement between the Contractor/Grantee and the San Francisco Human Services Agency (SFHSA).

Capital Equipment & Expenditures are defined as items with a total per unit cost of **\$10,000** or more, including taxes and fees, and generally having a useful life of **three years** or more. These may include tangible or intangible assets used in operations, such as equipment, facilities, or intellectual property.

When in the course of contracting, capital equipment and/or expenditures that are funded through Federal, State, County, or City dollars, such equipment and/or useful value of capital improvements shall become the property of SFHSA.

SFHSA funds may not be used to purchase or lease vehicles, unless authorized in advance.

During the term of the Contract/Grant, should the Contractor/ Grantee fail to provide the services contracted, or the Contract/Grant is terminated/ended for any reason, any equipment or capital expenditures shall be returned or repaid to SFHSA, at the discretion of SFHSA.

For any individual equipment and/or capital expenditure over \$10,000 please provide SFHSA with the following:

1. Backup documentation for all capital or unusual (furniture and equipment) expenditures for each item \$10,000 and over. Documentation will include receipt or paid statement clearly showing item purchased. This information will be kept on file at SFHSA.
2. Along with all relevant receipts, please provide an itemized list of purchased equipment with name, type, serial numbers, and current location of item.
3. All relevant equipment must be clearly labeled as:

"Property of the San Francisco Human Services Agency"

Model Numbers and Serial Numbers should also be displayed prominently on the equipment for inventory audits and review.

4. In the event that the equipment or capital expenditure become no longer suitable for its intended purpose, is no longer needed, or reaches the end of its useful life, the Contractor/Grantee, shall notify SFHSA in writing to request this equipment be returned to SFHSA or deleted from the property inventory.

