



Team Name: Finance Leadership Team Lead: VP-Finance & Planning Approved by: VP – Finance and Planning	Reference Number: ORG.1313.PL.001 Program Area: Finance Policy Section: Capital
Issue Date: January 29, 2015 Review Date: Revision Date: June 10, 2019	Subject: Equipment Authorization

**POLICY SUBJECT:**

Equipment Authorization

**PURPOSE:**

Southern Health-Santé Sud will have processes in place to ensure that acquired equipment is high quality, durable and meets regional standards. The processes will ensure best pricing through regional purchasing policies and purchase of equipment in a timely manner.

**BOARD POLICY REFERENCE:**

Executive Limitation (EL-7) Corporate Risk

**POLICY:**

Equipment purchases greater than two thousand dollars (\$2,000) per item must be authorized through Equipment Authorization Form ORG.1313.PL.001.FORM.01. To ensure the effective and efficient use of resources and timely acquisition of equipment, regional standardization of equipment and purchasing processes must be adhered to whenever possible. Manitoba Health Seniors and Active Living (MHSAL) funding directives on basic equipment funding specify an equipment capitalization threshold of ten thousand dollars (\$10,000) per item. Capital and other equipment purchases must be clearly differentiated to enable appropriate accounting procedures to be followed.

**DEFINITIONS:**

The following definitions will assist individuals in determining which procedure to follow:

**Planned Equipment:** Equipment that is greater than two thousand dollars (\$2,000) but less than ten thousand dollars (\$10,000) net of GST rebate related to approved clinical, support and administrative functions of a facility or program, including both normal replacement and new equipment.

**Contingent Equipment:** Equipment that is greater than two thousand dollars (\$2,000) but less than ten thousand dollars (\$10,000) net of GST rebate that has broken down and is not repairable or the cost of repair is excessive based on the replacement cost, or equipment that poses a health and safety risk to either the patients or the staff.

**Donated Equipment:** Equipment that is greater than two thousand dollars (\$2,000) but less than ten thousand dollars (\$10,000) net of GST rebate and is purchased through funds that are received from community groups such as foundations, auxiliaries, charities, and service clubs.

**Capital Planned Equipment:** Equipment that is greater than ten thousand dollars (\$10,000) net of GST rebate related to approved clinical, support and administrative functions of a facility or program, including both normal replacement and new equipment.

**Capital Contingent Equipment:** Equipment that is greater than ten thousand dollars (\$10,000) net of GST rebate that has broken down and is not repairable or the cost of repair is excessive based on the replacement cost, or equipment that poses a health and safety risk to either the patients or the staff.

**Capital Donated Equipment:** Equipment that is greater than ten thousand dollars (\$10,000) net of GST rebate and is purchased through funds that are received from community groups such as foundations, auxiliaries, charities, and service clubs.

**Specialized Capital Equipment:** Specialized equipment is equipment that exceeds basic equipment requirements. To be considered specialized equipment, the equipment would be considered high technology, be associated with a provincial program or have system wide applications and equals or exceeds \$10,000 net of GST rebate. Approval of specialized equipment requests is provided by MHSAL.

If donated funds are to be used to purchase specialized equipment, the same principles of demonstrated need and effectiveness in connection with the approved programs needs to be applied as if the funds were provided by the department.

#### **PROCEDURE:**

Prior to pursuing the process to acquire new or replacement equipment the respective Director of Health Services/Program Director is consulted with respect to:

- Equipment needs given scope of services provided
- Environmental factors and compatibility with other equipment
- Other information pertinent to the proposed equipment purchase
- Equipment standardization and
- Existing contract requirements

The following procedures will ensure effective acquisition of equipment:

- Planned Equipment Request and Authorization Process- ORG.1313.PL.001.SD.01 explains the process and the responsibility of the individuals at each stage of the process. This procedure will be used to determine the planned equipment requests/purchases for each facility/program for the upcoming fiscal year. It includes the authorization process and who is responsible for the purchase of the item. It is intended to expedite the process and allow the facilities to receive their needed equipment in a timely fashion.
- Contingent Equipment Request and Authorization Process- ORG.1313.PL.001.SD.02 is designed for unplanned equipment replacement. This authorization process will be used for equipment that breaks down unexpectedly and allows directors a means through which to purchase equipment on an emergency basis.
- Donated Equipment Request and Authorization Process- ORG.1313.PL.001.SD.03 explains the process and the responsibility of the individuals at each stage of the process. This authorization process will be used to purchase equipment that is donated to the RHA for the upcoming fiscal year. It is intended so the vendor receives its monies in a timely fashion and allows for the tracking of these types of transactions in the region.
- Specialized Capital Equipment Request and Authorization Process - MHSAL communicates the requirements of specialized equipment submissions through the VP-Finance and Planning.

**SUPPORTING DOCUMENTS:**

[Equipment Authorization Form ORG.1313.PL.001.FORM.01](#)

[Equipment Needs Listing ORG.1313.PL.001.FORM.02](#)

[Basic Planned Capital Equipment Request and Authorization Process ORG.1313.PL.001.SD.01](#)

[Basic Contingent Capital Equipment Request and Authorization Process ORG.1313.PL.001.SD.02](#)

[Donated Capital Equipment Request and Authorization Process ORG.1313.PL.001.SD.03](#)