

**HACKETTSTOWN REGIONAL MEDICAL CENTER
ADMINISTRATIVE POLICY MANUAL**

PURCHASE OF CAPITAL EQUIPMENT

Effective Date:	06/1993	Policy No:	FI03
Cross Referenced:		Origin:	Budget Department
Reviewed Date:	05/02, 09/04, 09/07, 04/10	Authority:	Chief Financial Officer
Revised Date:	04/10	Page:	1 of 2

PURPOSE

To establish guidelines for the purchase of major movable and/or fixed equipment.

POLICY

The purchase of any major movable or fixed equipment costing over \$1,000 is considered a capital expenditure. A group of items can be considered capital if individual items cost at least \$250 each and the group amount exceeds \$1,000. All purchases should occur in the assigned quarters to avoid unnecessary cash flow difficulty.

PROCEDURE

Capital Equipment Request Forms are distributed during the budget process to be completed by department managers or medical staff. All requests must be approved by an administrative director prior to submission. The completed requests are then summarized by the Budget Department and submitted to President's Council for final approval.

Copies of all capital expenditure requests will be sent to each manager stating whether a capital item was approved or unapproved for given year. The form will also state the suggested quarter of purchase and will have an assigned capital number. A compiled list of approved capital items will be distributed to administrative directors.

When an item is to be ordered, the appropriate Purchase Requisition must be completed filling out the following information:

- > Date
- > Vendor Name and address or phone number
- > Quantity
- > Product Description
- > Item Price
- > Amount
- > Requisitioned By (including date and extension)
- > Department Name
- > Manager Signature
- > Administrative Approval (Signature)

When completing the appropriate purchase requisition, please indicate the assigned capital number under the product description. By following this procedure we will be able to track what items have been ordered along with what monies have been spent to date.

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When the purchase requisition is completed, it should be submitted to the Materials Management Department for verification. The Materials Management Department will then assign an appropriate account number and submit it to the Chief Financial Officer for final approval. When that signature is obtained, the purchase requisition will be transferred to the purchasing department for ordering.

***Note:** Purchasing should always be involved in the decision making process to purchase capital equipment. The requesting department is responsible for evaluating the clinical effectiveness of the equipment. Purchasing advises the requesting department regarding the availability of group contracts and negotiates all prices. Purchasing also gives advice regarding standardization of equipment and supplies, service contracts and the availability of parts and maintenance.