VHA HANDBOOK 1109.06 Transmittal Sheet July 9, 2009

NUTRITION AND FOOD SERVICES (NFS) ADMINISTRATIVE RESOURCE MANAGEMENT

- **1. REASON FOR ISSUE.** This Veterans Health Administration (VHA) Handbook defines administrative resource management within Nutrition and Food Services.
- **2. SUMMARY OF MAJOR CHANGES.** Changes have been made to reflect current budgetary methods.
- **3. RELATED ISSUES.** VHA Directive 1109.
- **4. RESPONSIBLE OFFICE.** The Office of Patient Care Services, National Director, Nutrition and Food Services (111N) is responsible for the contents of this VHA Handbook. Questions may be addressed to (202) 461-7153.
- **5. RESCISSION.** VHA Manual M-2, Part III, Chapter 1 and Chapter 5 are rescinded.
- **6. RECERTIFICATION.** This VHA Handbook is scheduled for recertification on or before the last working day of July 2014.

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NUTRITION AND FOOD SERVICES ADMINISTRATIVE RESOURCE MANAGEMENT

1. PURPOSE

This Veterans Health Administration (VHA) Handbook defines the management of resources in Nutrition and Food Services (NFS), which demonstrates a commitment to the goals and mission of the Medical Centers, Veterans Integrated Service Networks (VISNs), and VHA Central Office NFS.

2. DEFINITIONS

- a. **Patient.** Patient refers to inpatients and outpatients, unless otherwise specified.
- b. **Resident.** Resident refers to Veterans residing in Community Living Centers and other long-term care units.
- c. **Non-patient.** A non-patient is an employee, guest, or any other person not authorized to receive a meal.
- d. <u>Budget Object Code (BOC)</u>. BOC is a list of codes and descriptions, which can be obtained from the facility Fiscal Service.

3. RESPONSIBILITIES OF THE FACILITY DIRECTOR

The Facility Director is responsible for ensuring that the Chief or Program Manager, NFS complies and implements the procedures defined in this Handbook.

4. RESPONSIBILITIES OF THE CHIEF OR PROGRAM MANAGER, NFS AND VETERANS CANTEEN SERVICE (VCS) INTEGRATED SITES

The Chief or Program Manager, NFS and Veterans Canteen Service (VCS) Integrated Sites, is responsible for:

- a. Planning and managing NFS budget to include menu planning, data tracking and validation, quality monitoring including receiving, cost analysis and containment, and data validation as its key components.
- b. Monitoring and analyzing labor costs to ensure efficiency within established productivity benchmarks.
- c. Ensuring cost effectiveness, improving productivity, quality and safe service, and technological advances, including implementation of the Veterans Health Information and Technology Architecture (VistA) Dietetics software package.

d. Ensuring evidence-based medical nutrition therapy, patient and caregiver education, meal, and food services provided for patients meet identified nutritional requirements within allocated financial, space, and human resources.

5. BUDGET PLANNING

Since the NFS budget is a plan for financing the activities required to provide medical nutrition therapy and food service, the Chief or Program Manager, NFS and VCS Integrated Sites, is an active participant in the medical center budget process.

- a. <u>Chief or Program Manager, NFS and VCS Integrated Sites.</u> The Chief or Program Manager, NFS and VCS Integrated Sites is responsible for:
- (1) Providing projected NFS requirements for employees, NFS subsistence fund control point needs, and NFS expendable supplies fund control point needs.
 - (2) Providing input and expected requirements for NFS needs of:
 - (a) Equipment;
 - (b) Patient education materials;
 - (c) Education tuition and travel;
 - (d) Maintenance contracts; and
- (e) Space. *NOTE:* Depending on local facility policy, some of the preceding items listed may be purchased out of NFS-managed fund control points or may be purchased from other Department of Veterans Affairs (VA) fund control points (i.e., personal protective equipment).
- b. <u>Budget Categories</u>. Based on local client data, planned seasonal workload, employee performance indicators, NFS cost and usage data, cost projections, inflation factors, and menucycle changes, budget estimates are projected for the following categories: Human Resources, Subsistence, Supplies and Miscellaneous Costs, Educational Programs, and Incentive Awards.
- (1) **Human Resources.** Employee ceiling estimates are determined by the anticipated workload. Work must be organized and positions assigned in a manner that serves the organization's needs effectively.
- (a) The number of food production and food service employees needs to be based on the number of meals produced and served, menu cycle, type of service, physical layout, amount of labor-saving equipment, and variation in the assignment of janitorial duties (see VHA Handbook, 1109.04).
- (b) Dietitian, Dietetic Technician (clinical and administrative), and clerical staffing is to be based on the number of patients or residents, patients' or residents' nutritional status and service needs, encounters, event capture data, length-of-stay, turnover rates, and inpatient versus

outpatient setting. In addition, the staffing requirement needs to consider the facility locations, Home-based Primary Care Programs, Community-Based Outpatient Clinics, and required support for programs such as MOVE!, bariatric surgery, spinal cord injury, and other programs requiring intervention by these individuals.

- (2) **Subsistence.** Subsistence consists of food, food products, and nourishments provided for daily patient sustenance. Items procured from the subsistence budget are authorized <u>for patient consumption only</u>, unless there is an approved memorandum (used for occasional meals), sharing agreement, or contract to provide food service to non-patients (i.e., approved agreement to sell foods to the VCS). The subsistence budget is based on planned workload, cycle menus, current food cost, seasonal changes, inflation rate, contracts and applicable fees, and type of meal service provided.
- (3) **Supply and Miscellaneous Costs.** Supply and miscellaneous costs include operating supplies, office supplies, personal protective equipment, patient education materials, reference books and materials, employee training and travel, and other miscellaneous items needed to provide food service and medical nutrition therapy to patients. These items can be purchased through fund control points assigned to NFS or to other organizational units (i.e., for personal protective equipment).
- (a) <u>Operating Supplies.</u> Operating supplies are required to provide meal service and medical nutrition therapy including: trays, flatware, paper products, detergents and cleaners, plastic ware, disposable items, office supplies, etc. *NOTE:* These items are generally purchased through fund control points assigned to NFS.
- (b) <u>Personal Protective Equipment.</u> Depending on facility guidelines, the NFS budget may include funding for protective clothing and equipment for appropriate employees. If not included in NFS budget appropriations, these needs must be communicated to the service or department that purchases employee personal protective equipment (i.e., freezer wear, steel-toed shoes, gloves, aprons, etc.).
- (4) **Equipment.** The Chief or Program Manager, NFS and VCS Integrated Sites, develops equipment specifications, estimates projected costs to maintain or enhance services, and submits the request or purchases the equipment. *NOTE:* Generally, equipment purchases are funded from facility-level fund control points. The Chief, NFS participates in the facility equipment procurement process, makes recommendations, and prioritizes equipment needs for NFS. **NOTE:** Generally, small expendable item purchases are funded from the fund control point(s) assigned to NFS for supplies and miscellaneous items.
- (a) <u>Equipment Maintenance Contracts.</u> The Chief or Program Manager, NFS and VCS Integrated Sites, coordinates with Facilities Management Service (FMS) the equipment maintenance contracts for specified equipment. *NOTE:* FMS needs to pay for these contracts as they are not part of the NFS-appropriated fund control points. FMS may be designated as Engineering Service at some facilities.
- (b) <u>Equipment Requirements</u>. Equipment needs are to be based on one or more of the following: projected workload, information obtained from investigative studies to improve the

efficiency in food production and food service, clinical needs, space utilization, work flow, automation, fair wear and tear of existing equipment, type of food production and service, the strategic plan, increasing employee productivity, energy cost savings equipment, an inventory listing equipment identified as hazardous, and equipment needing frequent repair or considered to be beyond repair, or is too costly to repair.

- (5) **Information Technology (IT) Equipment.** The Chief or Program Manager, NFS and VCS Integrated Sites, identifies and plans for IT equipment needs in order to maximize daily efficiency. These items are requested through and purchased by IT Service. Neither software nor hardware can be purchased or installed without IT approval.
- (6) **Educational Resources**. The Chief or Program Manager, NFS and VCS Integrated Sites, is responsible for:
- (a) Determining if it is cost effective to develop in-house education materials, or to purchase commercially-produced educational materials.
- (b) Coordinating the purchase of teaching aids within facility guidelines. Teaching aids for Veteran clients need to be coordinated with the local Patient Education Committee and within the local education budget. *NOTE:* Sample nutrition education materials are available on the intranet NFS website at: http://vawwnutrition.va.gov. This is an internal link and is not available to the public.
- (7) **Continuing Education and Training Programs.** Continuing education is necessary in maintaining employee proficiency, employees acquiring needed skills or knowledge, and employees adjusting to new technology, equipment, or changes in mission. The Chief, NFS projects the resources required to support training NFS employees. *NOTE:* Local policy may dictate the use and allotment of education and training funds.
- (8) **Incentive Awards.** If the Chief, NFS is given responsibility for the service Incentive Award Budget, the Chief, NFS is responsible for projecting the budget required and coordinating the budget with the Incentive Awards Committee or Fiscal Service and Human Resource Management Services.

6. PROPERTY MANAGEMENT

As the Custodial Officer, the Chief or Program Manager, NFS and VCS Integrated Sites, is responsible for:

- a. All property used by the Service, and conducting an annual physical inventory of all items on the Equipment Inventory List (EIL).
- b. Coordination with local Logistics for accountability of non-expendable property. *NOTE:* The facility Accountable Office has overall accountability for this function (see App. A for property management terms, categories, classification criteria, and procedures for conducting physical inventories).

7. FOOD COST

- a. Using sound management and budgetary controls, the Chief or Program Manager, NFS and VCS Integrated Sites, analyses food usage and cost to ensure that adequate nutrition therapy and food service are provided to clients. Examples of financial management tools used to compute food costs include: NFS VistA Modules or other approved management software, Decision Support System (DSS) data, and other VA cost or accounting budget reports, such as the Monthly Report of Cost and Full-time Equivalent (FTE) employee by BOC.
- b. Local medical center food costs are compared to other medical centers of comparable size and patient or resident population through use of NFS Annual Report (NFSAR) data and other local and national food cost benchmarking programs. Factors which may impact medical center food cost include:
 - (1) Geographic location;
 - (2) Facility complexity;
 - (3) Type of meal delivery system (cook or serve, advanced meal delivery, etc.);
 - (4) Purchased food costs (including centralized production unit purchases);
 - (5) Type of patients;
 - (6) Use of commercial nutrition products (medical nutrition supplements and tube feedings);
 - (7) Number of convenience food products and specialty products;
 - (8) Seasonal variances;
 - (9) Type of menu cycles;
 - (10) Revenue generating activities;
 - (11) Gratuitous meals and meal equivalents;
 - (12) Number of standing orders;
 - (13) Nutritional requirements of patients and residents, including calories; and
 - (14) Number and type of modified diets.

8. PER DIEM COST

The per diem cost is the NFS operating costs for personnel, food, and supplies per patient day of care (Total Service Costs divided by Patient Days). *NOTE:* The facility Fiscal Service can list the fund control points assigned to NFS.

9. FOOD SERVICE MANAGEMENT

Since NFS costs for food, supplies, and labor represent significant medical center expenditure, efficient management of resources is required.

- a. <u>Cost Accounting and Budgeting.</u> On a continuing basis, the Chief or Program Manager, NFS and VCS Integrated Sites, compares the actual food, supplies, and labor costs with NFS budgeted costs. The costs need to be analyzed in terms of cost per-patient-day or cost per meal (or meal equivalent) on a minimum of a quarterly basis. Cost trends need to be tracked to determine the cause of variation. Costs need to be measured and benchmarked against medical centers of comparable size and patient mix. *NOTE:* Professional organizations offer national benchmarking programs, which are highly recommended as an avenue to benchmark local costs with the private sector. Periodic reports are generally submitted to local facility management or conferences held with management to compare actual expenditures with the NFS budget.
- b. <u>Menu Planning.</u> Menus are planned to effectively utilize resources and in accordance with VHA Handbook 1109.04, Food Service Management Program.
- c. <u>Purchasing.</u> The Chief or Program Manager, NFS and VCS Integrated Sites, as Contract Oversight Technical Representative, monitors the Subsistence Prime Vendor Contract to ensure compliance with the contract. For subsistence items not available through the Prime Vendor Contract, the Chief, NFS, provides detailed specifications and accurate quantities to ensure that competitive, efficient, and cost effective purchasing procedures are implemented. Local contracts for non-Prime Vendor Contract items, such as milk, bread, and produce may be negotiated at the local or VISN level.
- d. <u>Receiving.</u> To ensure the receipt of items purchased, the Chief or Program Manager, NFS and VCS Integrated Sites, monitors receiving to ensure that:
 - (1) Specific receiving hours are established;
- (2) As appropriate, scales are used for verifying amounts received and are calibrated on a routine basis;
- (3) Only designated and trained employees are assigned to receive supplies and subsistence; and
 - (4) Discrepancies in quantities, as well as quality, are brought to resolution.

NOTE: Receiving requirements are outlined in VHA Handbook 1109.04, Food Service Management Program and in the current Subsistence Prime Vendor Contract.

- e. **Storage and Inventory Control.** An inventory system must be established to:
- (1) Maintain quality of food and supplies;

- (2) Minimize inventory costs and control losses;
- (3) Ensure adequate quantity on hand for production and service; and
- (4) Rotate foods properly to ensure quality and use by expiration date.

NOTE: Storage requirements are outlined in VHA Handbook 1109.04 Food Service Management Program.

- f. <u>Food Production and Services.</u> Food Production guidelines are outlined in VHA Handbook 1109.04, Food Service Management Program. Food must be properly planned, prepared, and portioned to achieve economic and therapeutic goals, as well as client satisfaction.
- (1) NFS uses only standardized recipes for items prepared from scratch. As recipes are written or reviewed, Hazard Analysis Critical Control Point (HACCP) guidelines are to be included.
- (2) The Chief or Program Manager, NFS and VCS Integrated Sites, is responsible for implementing and using the VistA Food Management Module, or approved equivalent software, to improve the quality of the patient food service and to promote efficiency in food production and service.
- g. <u>Nourishments</u>. An effective monitoring system of nourishment distribution and consumption must be established to benefit both the patient nutritionally and to contain costs. The majority of nourishments is purchased as a component of the Subsistence Prime Vendor Contract except where a required product, or its equivalent, cannot be purchased as part of the contract.

h. Commercial Medical Nutrition Supplements and Tube Feeding Formulas

- (1) Commercially-prepared dietary supplements and tube feeding formulas (according to VISN policy as defined in the VA National Formulary Process) for outpatients, discharged patients, and domiciliary residents on authorized absence must be stocked and issued by Pharmacy Service (see VHA Handbook 1108.05).
- (2) NFS provides commercial supplements and tube feeding formulas for inpatients, domiciliary patients, and community living center residents.
- (3) Parenteral feedings for inpatients and authorized outpatients on Total Parenteral Nutrition (TPN), and Peripheral Parenteral Nutrition (PPN) are prepared and issued by Pharmacy Service. *NOTE:* Local medical center policy and VHA Handbook 1109.05 outline the role of the Nutrition Support Team in determining the need for TPN or PPN and monitoring of the patient's nutritional status and progress.
- i. <u>Security in NFS.</u> Security must be provided to all areas of NFS to protect against theft of supplies and equipment (including computer hardware) and to reduce the risk of food terrorism, including the intentional contamination of food supplies. Security is achieved by:

- (1) Controlling keys;
- (2) Securing areas and equipment;
- (3) Restricting access; and
- (4) Controlling authorized and unauthorized traffic.

NOTE: Security guidelines are outlined in VHA Handbook 1109.04, Food Service Management Program.

- j. <u>Meals provided Without Charge to Outpatients.</u> Outpatients may be provided meals without charge under the following circumstances:
- (1) When a Veteran requests and is determined eligible by the service designated at the facility to authorize meals.
- (2) When a Veteran is a lodger at a facility and the lodging has been medically or administratively determined a necessity.
- (3) When the Veteran is participating in an ongoing outpatient treatment program where the meals are provided as a part of the specific treatment plan for the Veteran as prescribed by the physician; these include but are not limited to: Day Treatment Program, Day Hospital Program, Adult Day Care, Compensated Work Therapy or Incentive Therapy participants, or those being treated in a Dialysis or Ambulatory Surgery Unit.
 - k. Meals Without Charge are Not Provided. Meals without charge are not:
- (1) Provided to mental health patients or to other Veterans who happen to be at a VA facility over a meal period.
- (2) Offered to Veterans as an inducement or reward for participation in a program, or to continue treatment.

10. OCCASIONAL MEAL RATES

NFS at each facility annually establishes the cost for occasional guest meals and contract meal rates. Current guidance and a worksheet for establishing subsistence rates can be found on the national intranet NFS Website at: http://vaww.nutrition.va.gov.

11. PRODUCTIVITY INDICATORS, DATA COLLECTION, AND PRODUCTIVITY FORMULAS

Productivity is the relationship between the total amounts of goods or services being produced (outputs) and the organizational resources needed to produce them (inputs). In food service, some examples of outputs include the number of meal trays served, number of tube

feedings prepared, and number of nourishments prepared and served; some examples of inputs include labor hours, equipment and machines used, food, supplies, space, and time.

- a. <u>Productivity Indicator.</u> A productivity indicator is a measure of performance of quantitative, qualitative, or outcome criteria in the output or input relationship; it includes data collection categories and productivity formulas.
 - (1) Productivity indicators are used:
- (a) As management tools in guiding, managing, and monitoring personnel utilization and other resources in NFS.
- (b) To measure work performance and identify daily workload and personnel requirements used or required in food service operations.
- (2) The Chief or Program Manager, NFS, and VCS integrated sites uses productivity indicators to:
 - (a) Evaluate or determine personnel requirements;
 - (b) Schedule an even workload distribution;
 - (c) Manage and forecast workload requirements;
 - (d) Report on staffing efficiency to management; and
 - (e) Establish productivity work standards or benchmarks.
- b. **<u>Data Collection.</u>** A variety of data needs to be collected in order to review productivity. Categories of data that must be collected are:
 - (1) **Facility Workload Statistics.** Facility Workload Statistics, which include:
 - (a) Inpatient Bed Days of Care;
 - (b) Community Living Center Days of Care; and
 - (c) Domiciliary Bed Days.
 - (2) Number of Meals or Meal Equivalents (ME) Served
 - (a) To patients: both inpatients and outpatients;
 - (b) Paid meals to guests, VCS bulk meals prepared by NFS, paid catered meals; and
 - (c) Free meals (gratuitous, volunteers, physicians, etc.).

(3) Number of Meals or ME served by Location and Type of Service.	Number of meals
or ME served by location and type of service, such as:	

- (a) Bedside tray;
- (b) Cafeteria or dining room; and
- (c) Meals served elsewhere.
- (4) **FTE by Type of Employee.** FTE by type of employee, such as:
- (a) Dietitians and Dietetic Technicians;
- (b) Clerical and support staff;
- (c) Wage board staff; and
- (d) Other labor categories used in NFS.
- (5) **Labor Hours.** Labor hours, including Paid Labor Hours and Productive Labor Hours (i.e., hours actually worked to include unscheduled and overtime hours).
- (6) **Labor Costs.** Labor costs, including Total Cost with and without Fringe Benefits (or the Fringe Benefit Percentage for the local facility).
 - (7) **Other Costs.** Other costs including subsistence, supply, and miscellaneous.
- (8) **Patient Satisfaction.** Patient satisfaction as measured by VA Form 10-5387, Customer Satisfaction Survey for Nutrition and Food Services.

NOTE: The VHA NFSAR captures some productivity measures. Directions for the Annual Report summarize and clarify data collection further. Additional information can be found on the national NFS intranet Website at: http://vaww.nutrition.va.gov. This is an internal web site and is not available to the public.

- c. **Productivity Formulas.** Common productivity formulas include:
- (1) Meals and ME per Productive Labor Hours = <u>Total Meals and ME Served</u> Productive Labor Hours
- (2) Productive Labor Hours per Meal and ME = Productive Labor Hours

 Total Meals and ME Served
- (3) Person minutes per tray = Minutes times the number of persons working the tray line Number of trays

- (4) Meals and ME per Personnel and Accounting
 Integrated Data (PAID) System Labor Hours

 = Total Meals and ME Served
 PAID Labor Hours
- (5) Non-Productive Labor Hour Percentage = <u>PAID Hours minus Productive Hours times 100</u>
 PAID Hours
- (6) Labor Cost per Meal and ME = Cost of Labor

 Meals and ME Served
- (7) Subsistence Cost per Meal and ME = Cost of Subsistence

 Meals and ME Served

NOTE: Benchmarks for the preceding formulas may be found by reviewing the national profiles developed from the NFSAR for previous fiscal years, organizational benchmarking reports, and references found in paragraph 14.

12. SPACE AND EQUIPMENT

The Chief or Program Manager, NFS and VCS Integrated Sites, determine the amount of space and equipment needed to complete specific functions in food production and service. This determination is based on:

- a. Patient workload.
- b. Type of food production and service.
- c. Number of employees.
- d. Type of supplies and storage requirements.
- e. Sharing agreements with other services.
- f. VA space criteria. *NOTE:* Contact the facility FMS for details.
- g. Number of administrative and clinical staff.

13. ENVIRONMENTAL MANAGEMENT

The Chief or Program Manager, NFS and VCS Integrated Sites, is an active participant in the local Green Environmental Management System (GEMS) Program and applies energy conservation practices in the workplace. *NOTE:* For further details regarding GEMS, contact Facilities Management.

14. REFERENCES AND RESOURCES

- a. Practice Paper of the American Dietetic Association: A Systems Approach to Measuring Productivity in Health Care Foodservice Operations, <u>Journal of the American Dietetic Association</u> (<u>JADA</u>), January 2005, pp 122-130.
- b. Puckett, Ruby P., <u>Food Service Manual for Health Care Institutions</u>, 3rd edition, American Hospital Association, 2004.
 - c. NFSAR and Annual Profiles at VHA Intranet Website http://vaww.nutrition.va.gov.
 - d. Healthcare Food Service Management, Benchmarking Express at www.hfm.org
 - e. NFS Field Advisory Committee, Business Practice Committee.

PROPERTY MANAGEMENT

1. Property Management Terms

- a. **Physical Inventory.** Physical inventory is the process of reconciling accountable property with the property actually on hand.
- b. **Equipment Inventory Listing (EIL).** Current Veterans Health Administration (VHA) policy provides a process for the accountability of non-expendable property; it lists non-expendable property used to conduct the physical inventory that contains descriptive information about the property; i.e., item, manufacturer, model, serial number, location, purchase date, and replacement date.
- c. **Turn-in.** A "turn-in" is a nonexpendable property no longer required; documentation is required to remove equipment from the EIL. *NOTE:* Check with the facility Logistics Office for the specific form required to turn-in equipment.
- d. **Report of Survey.** A Report of Survey is the documentation required when there is loss or damage to government property, i.e., as a result of physical inventory or damage to stock or property. VA form 1217, Report of Survey, must be used to document findings; it is the official document used to adjust the inventory record.

2. Categories

- a. **Real Property.** Real property means buildings, grounds, and structures including building service equipment permanently installed in, or attached to, buildings and structures, which become a part of real property for the purpose of rendering the building or structure usable or habitable. This includes items normally required for the functional use of buildings and structures, such as heating and light fixtures, elevators, fire alarm and air conditioning systems, which, when installed, become an integral part of real property.
- b. **Personal Property.** Personal property is all property other than real or building service equipment. Items in this category are further classified as expendable or nonexpendable.

3. Classification Criteria (see VA Handbook 7127, Part I, 5002)

- a. **Expendable-personal Property or Supplies.** Expendable-personal property or supplies charged to operating expenses when issued for use or consumption and must meet the following criteria:
 - (1) Have a life expectancy, when put to use, of less than 2 years;
 - (2) Is converted in the process of manufacture or construction;
- (3) When put to use, becomes an integral part of another item, thereby losing its individual identity; and

- (4) Is purchased for permanent release to beneficiaries.
- b. **Nonexpendable-property.** Nonexpendable-property, which is not charged to operating expenses when put to use, that is recorded as equipment owned by VA and meets the following criteria:
 - (1) Have an acquisition cost of \$300 or more; and
 - (2) Have a life expectancy of 2 years or more; or
- (3) Is of a sensitive nature that requires accountability regardless of cost, life expectancy, or maintenance requirements.
- **4.** <u>Conducting a Physical Inventory.</u> The following guidelines need to be utilized in conducting the physical inventory:
 - a. Report all overages and shortages.
- b. Notify Logistics in writing of any inaccuracies in the listing, such as wrong serial number, model number, manufacturer, etc.
- c. Any equipment that is excess to the needs of the service or that requires a turn-in needs a prepared VA Form 2237, Request, Turn-in and receipt for Property or Services, to be submitted with the completed inventory. The official who signs the EIL is held liable and responsible for the equipment listed. This official must have personally reviewed and evaluated the need for the equipment and found that all the equipment is essential for the proper functioning of the service. **NOTE:** This responsibility may be delegated.