REVERSION OF ASSETS POLICY

PURPOSE
The purpose is to set forth policy regarding reversion of contractor assets purchased with First 5 funds when a contract concludes or terminates with First 5 San Bernardino.

POLICY
It is the policy of First 5 San Bernardino to ensure that assets purchased with First 5 funds are utilized for the prenatal through age 5 population, during and after a contract period with proper consideration for depreciated value. Assets worth between $500 and $5,000, per single unit, that are purchased with First 5 funds, and not fully consumed during the contract period revert back to the Commission when the contract concludes or terminates.

GUIDELINES
The purchase of assets, which include equipment, materials, supplies, publications, copyrights or property are an acceptable expenditure by First 5 contracted agencies to aid in the provision of services to children ages prenatal to five and their families.

Commission staff shall provide contractors the tools to report all assets worth $500 or more purchased with First 5 funds. The Straight Line method of depreciation will be applied to determine value. Closing Asset reports shall be submitted to the Commission staff no less than 30 days prior to the normal conclusion of a contract. If a contract is terminated early under any fiscal provision or due to correction of performance deficiencies, contractor must submit the Closing Asset report within 10 business days of receiving notice of contract termination. Contracted agencies will receive written instruction regarding the reversion of assets prior to contract termination.

Actions taken on any asset worth between $500 and $5,000 per single unit will be at the discretion of the Executive Director in accordance with this policy. Assets valued at $5,000 or more shall not be purchased using First 5 funds, unless the Commission finds special circumstances requiring such approval. In such cases, if any, disposition requires the approval of the Commission.

Disposition of reverted assets may include but is not limited to the following:

1. If the contractor enters into a new contract with First 5 San Bernardino and the reverted asset will be used under the new contract, the asset may be retained by the contractor and reported under the new contract.

2. Assets returned to First 5 San Bernardino may be utilized for other programs and services as appropriate or transferred to the County Purchasing Department for disposal, in accordance with surplus property guidelines (County Code 14.0110).

If the reversion of any asset is demanded and not made to First 5 San Bernardino, the Commission reserves the right to reduce or withhold the value of the asset from any payments due to the Contractor for non-compliance.

Contracted agencies shall maintain insurance against the loss, theft, or damage to any item with a single unit cost of $500 or more, including tax, purchased with Commission funds for the full replacement value thereof and any such policy shall contain an endorsement naming the Commission as an additional insured.