

EQUIPMENT POLICY

1. Definition of Equipment

Machinery and equipment consist of all nonexpendable personal property, such as machinery, implements, tools, furniture, livestock, vehicles and other apparatus with a unit cost of \$5,000 or more and a minimum useful life expectancy of three years.

2. Value of Equipment at Acquisition

The cost of machinery and equipment includes the purchase price, transportation costs, installation costs, and other direct costs of readying for use. Machinery and equipment acquired by donation, or the intent of donation such as acquisitions of one dollar, should be recorded on the basis of an appraisal of the fair market value at the date of acquisition.

3. Purchase of New Equipment

Funding for equipment is requested in the budget process. The dean of the area requesting the equipment is responsible for notifying the department head of the status of the equipment funding request. Upon notification that the funding has been approved, the department should prepare a Request For Bid form. For purchases that have an extended total (unit value multiplied by number of units) of \$5,000 or more, the bid request needs to include fifteen vendors. For purchases with an extended total less than \$5,000, three vendors are required. The buyer will process the bid and notify the department when the bid responses are opened. The department selects the vendor who meets all specifications with the lowest price and approves the purchase. A purchase order is then

issued for the equipment item.

4. Sensitive Equipment Inventory

The sensitive equipment object code is to be used when purchasing certain items that have a cost exceeding \$1,000.00 but less than \$5,000.00. Items defined as sensitive minor include the following: Computers, Computer Peripherals, Cameras (35mm and Digital), Lenses larger than 200mm, Video Recorders and Players, Video Cameras, Oscilloscopes and Televisions.

When purchased, these items will be charged to supply object code 4540. The property management/purchasing department will assign a property tag number, but place the item on inventory with an inventory value of zero dollars and a notation of the purchase price. The items will be inventoried in the same manner as capital equipment.

For any item with a cost of less than \$1,000.00 that could be easily stolen, "Property of Nashville State Tech" will be written (or stamped) in indelible ink when feasible.

The list of sensitive items will be reviewed annually for additions/deletions by the Vice President of Finance, Internal Auditor, and the Director of Property Management and Purchasing.

5. Equipment Tags

All equipment must be tagged with a unique identification number. Property tags are issued by the Office of Property Management and Purchasing. Receiving and tagging procedures are as follows:

1. All equipment should be delivered to the receiving dock of the maintenance building.
2. The Director of Property Management and Purchasing is responsible for applying and recording a pre-numbered tag.
3. If equipment received must be set up or tested before tagging, the

- following applies: a) All information related to the equipment such as purchase order number, description, serial numbers, etc. must be immediately recorded and given to the Director; b) After the department determines that the equipment is in good working order, the Director's office must be notified (e-mail recommended) so that the equipment can be tagged.
4. The Director should be contacted immediately of any equipment received at locations other than the receiving dock of the maintenance building. The department receiving such equipment should state the purchase order number, location, description and quantity.

Tags cannot be removed from one piece of equipment and moved to another. If an upgrade to a piece of equipment will dislocate the tag number, the Director should be notified immediately. The Director will remove a replace the tag. Should a tag detach, the Director should be notified immediately.

6. Purchase of Computing/Telecommunications Equipment

Computing equipment is defined as any network device, stand alone and network personal computers, printers, and any other peripheral device costing ~~\$1,000~~ \$5,000 or more per unit.

Telecommunications equipment is defined as any equipment that connects to the campus telephone switch.

Computing and telecommunications equipment should be purchased in accordance with the computing resources plan. Information relative to computing equipment requests is distributed by the Director of Computer Services through the Computer Resource Committee. Requests are submitted prior to each budget cycle (March and September). Equipment purchased from renewal and replacement funds requires TBR approval. This approval is obtained in the budget process. Purchases from other fund groups that must take place outside the approved plan (emergencies, etc.) require the approval of the Computer Resource Committee if the dollar amount is \$5,000 or greater. Purchases greater than \$50,000 require the approval of the

TBR.

7. Equipment Transfers

Before equipment is moved from one location to another (or transported to a service center for repair), the Transfer of Equipment form must be completed. This form details the original location, the new location, a description of the equipment and the state tag number. If the equipment is being transferred to another department, the receiving department signs the acceptance portion of the form.

8. Equipment Upgrades

When purchasing a component that will upgrade equipment, the requisition must contain the property tag number of the item(s) being upgraded. A memo should be attached that explains why the upgrade is necessary. This information will allow the Director of Property Management and Purchasing to determine whether the expenditure should be classified as maintenance or capital outlay.

Purchases of motherboards, network cards, network printers, microprocessor chips, and any other network devices require the approval of the Director of Computer Services. Computer components removed during an upgrade must be given to the Computer Services Division for disposition.

Some computers were originally purchased for less than \$5,000 per system, or were donated with a value less than \$5,000 per system. Upgrades to these systems may increase the value to an amount above the \$5,000 threshold. When requisitioning the upgrade item(s), the serial number(s), manufacturer(s), and model number(s) should be detailed on the requisition. The Computer Services Division will determine whether or not the dollar value has exceeded the equipment threshold.

9. Equipment Loans

Before a piece of equipment is loaned to an institution, agency or an

individual for educational/professional purposes, an Equipment Loan Form must be completed with copies given to both Security and the Director of Property Management and Purchasing. The equipment cannot be removed from the campus until the Equipment Loan Form has been approved by the chain of command and the appropriate copies distributed.

Equipment cannot be loaned for personal business purposes.

The equipment is to be returned to the department head or his/her designee, who will then insert the date and sign, on the original and record copy, as having received the equipment. The completed form is routed first to the Security Office and permanently filed in the office of Property Management and Purchasing office.

10. Surplus of Equipment – Non-Computing

To surplus equipment, an Equipment Surplus form should be obtained from the Finance and Administration public folder. After completing the section detailing tag number, description, serial number and location, the form is forwarded through the chain of command. When the approved form is received by the Property Management office, the Director will contact the department to determine when the equipment needs to be removed and inspect the equipment in order to determine surplus procedures. These include the following:

1. Transferring to another department within the college.
2. Trading the equipment in on a new purchase.
3. Storing the equipment for future usage.
4. Scrapping the equipment for spare parts.
5. Donating the equipment to public schools.
6. Offering the equipment to other TBR institutions.
7. Transferring the equipment to the Department of General Services.
8. Public auction of the equipment.
9. Destroying items that are of no use.

Equipment that is extremely large, contains hazardous chemicals, or is hard-wired to the college's electrical system will require special

procedures for removal. In many cases, college personnel do not have the expertise to facilitate removal. Cost involved with the removal of these equipment types are charged to the department. In such cases, the department should plan a sufficient lead time to allow proper removal of the equipment.

The property tags of surplus equipment will be removed and retired by the Director of Property Management and Purchasing.

11. Surplus of Computing Equipment

To surplus computing equipment, the Equipment Surplus Form is completed, approved through the chain of command, and given to the Director of Property Management and Purchasing. The Director of Property Management and Purchasing will contact the Computer Services Division for a recommendation on disposition (transfer, spare parts, donation to public schools, etc). Equipment that will be used for spare parts will be transferred to the Computer Services Division.

12. Equipment Trade-ins

When purchasing equipment that is replacing existing equipment that is unusable, the department should specify a trade-in on the bid request form. Details for wording on the form can be obtained from the buyer. This allows removal of the equipment from the campus and lowers the cost of the new equipment.

13. Missing, Lost or Stolen Property

The following procedures will be followed in cases of missing, lost or stolen property.

- a. Immediately notify the Security Department and Director of Property Management and Purchasing.
- b. Provide the following information:

Description of the missing, lost or stolen item:

- 1) Brand name
- 2) Serial number
- 3) NSTI property tag number
- 4) Purchase date
- 5) Value of equipment
- 6) When the equipment was last seen or used
- 7) Location of the equipment
- 8) Was an Equipment Removal Form initiated on the equipment?
- 9) Was the equipment at an off-campus site?
- 10) When was the equipment discovered missing or stolen?
- 11) Conduct an immediate search of the area

