

# GUIDANCE FOR DEPARTMENT HEADS IN SUCCESSFULLY MANAGING EQUIPMENT INVENTORY

## REFERENCES

- University Policy 3950 Fixed Asset Accounting
- University Policy 3951 Transfer of Equipment from the University to Other Domestic Institutions
- University Procedures 3950 Fixed Asset Accounting (See the Procedures section on the Controller's Office website for Fixed Assets [www.controller.vt.edu](http://www.controller.vt.edu))
- Department Business Management Guide (See the Quick Link on the Controller's office website [www.controller.vt.edu](http://www.controller.vt.edu))

## REQUIREMENTS

### GENERAL

- Deans, vice presidents, department heads, department chairs, and directors are ultimately responsible for, and are held accountable for, assuming proprietary control of all equipment and other fixed assets in their custody or assigned to their department.
- Appoint an equipment coordinator and ensure they attend Banner Fixed Asset training. Trained coordinators can run reports and enter changes in the system thereby keeping information current.
- Banner Fixed Assets is the university's official equipment record. If a department uses a subsidiary "in house" system to assist in tracking equipment, a periodic reconciliation to Banner Fixed Assets must be performed. Fixed Assets and Equipment Inventory Services (FAEIS) must be notified of all changes needed to update Banner.
- Donations of equipment received other than through the Virginia Tech Foundation must be reported to FAEIS.
- Internally fabricated or constructed assets with accumulated costs of \$2,000 or more and with an estimated useful life one year or greater must be reported to

FAEIS. Accurate records must be maintained to support the cost of internally fabricated or constructed assets.

- Departments are expected to find, at a minimum, 95% of their equipment. The department head is expected to sign this report noting agreement with the results of the inventory and acceptance of responsibility for the equipment in accordance with university policy. **Department heads should ensure adequate follow up is performed timely so inventories can generally be completed within 60 days.**

## DISPOSALS/SURPLUS

- Under NO circumstances should university equipment be sold, loaned, given away (outside the university), scrapped/cannibalized or disposed of by any department without prior written approval of the University Surplus Officer in coordination with the Manager of Fixed Assets. Disposals of equipment must follow surplus property procedures.
- Casualty losses or thefts of equipment must be reported to FAEIS in accordance with University policy 1040. Risk Management and the Police Department must also be notified.
- Only university owned equipment can be surplused. Ownership can easily be reviewed on the Banner report FZRFORG (only equipment with a VT in the first column (ownership) can be surplused).
- Special procedures are required for disposals of equipment not owned by the university (items owned by the federal government, or leased equipment, etc.) or for equipment purchased with SCHEV funds (Equipment Trust Program).
- Someone from the department and Surplus property must sign the Surplus Property Report form when the equipment is picked up or delivered to the warehouse. These signatures authorize the change of responsible department to the Surplus Property department.
- For all computers surplused, the Surplus department (in cooperation with AIS) will erase the content or 'clean' the hard drives in accordance with the Information Technology Resource Management Standards (COV ITRM SEC2003-02.1)
- Sections 3 and 4 of the monthly Banner FZRFCCHG report should be reviewed. Section 3 should be reviewed to ensure all items surplused and picked up were removed from your department and transferred into the surplus property department (097200). Section 4 must be reviewed for all disposals. This will

include all equipment that was traded-in, returned to the vendor, casualty losses, thefts, etc.

Discrepancies must be investigated and the reports maintained in accordance with the university's record retention policy. If differences are found, notify Surplus Property (Surplus problems only) or FAEIS for all others.

## HOME USE

- Department heads may authorize employees to take university equipment to their personal residences in order to facilitate the completion of university business activities. When this situation arises, departments must have procedures to account for such equipment, which, at a minimum, would require written authorization from the department head, documentation of the university business purpose for the equipment loan, signed consent by the employee to return the equipment upon request or upon termination of employment, specific details about the equipment, and a process to track all such equipment and ensure that location information is updated in the Banner Fixed Assets system in a timely basis. A sample form to document the equipment loan is in the forms section on the Controller's Office website for Fixed Assets [www.controller.vt.edu](http://www.controller.vt.edu).
- Procedures must also be created to document and control equipment employees use at home to conduct university business. Procedures should include a process to track equipment and ensure the location is properly and timely recorded in Banner Fixed Assets. A listing of equipment at faculty and staff's homes should be maintained and kept current.

## TRANSFERS

- The monthly Banner FZRFCHG report should be reviewed for transfers into and out of the department. Section 1 lists equipment that was transferred into the department and Section 2 lists equipment transferred out of the department. Discrepancies should be investigated and the reports should be maintained in accordance with the university's record retention policy. FAEIS must be notified of any problems.
- Transfers of equipment outside the university can only be transferred in limited circumstances and must follow University policy 3951.
- For internal transfers of computers and electronic equipment, the department is responsible for cleaning hard drives and removing sensitive data. See the university security policies ([www.security.vt.edu](http://www.security.vt.edu)) and the Information

Technology Resource Management Standards (COV ITRM SEC2003-02.1) for further guidance.

## SUGGESTIONS

GENERAL, whenever possible,

- All new equipment should be delivered to a central location in your department and held until Fixed Assets and Equipment Inventory Services (FAEIS) physically tags it. Equipment can be physically tagged before the invoice is paid if we are notified in advance ('pre-tag'). For all equipment that is 'pre-tagged' copies of supporting purchase documentation is required.
- Departmental personnel should notify the departmental Equipment Coordinator or a fiscal officer of all American Express charges for computers. Following receipt of equipment, notify FAEIS for tagging. A copy of the packing slip or other supporting documentation is required.
- To help with locating equipment, a custodian should be assigned and maintained for each piece of equipment. Once the department equipment coordinator has attended Banner Fixed Assets training, they should make custodian changes on Banner screen FZATRAN. Otherwise FAEIS should be notified of all changes.

## DISPOSALS/SURPLUS

- The Equipment Coordinator or a fiscal officer should complete all surplus property report forms and the Department Head must authorize the disposal. These forms must be completed accurately including barcode or old VT inventory id number, description, manufacturer, model, and serial number. This will ensure accuracy in items transferred to surplus.
- A copy of the signed Surplus Property form should be maintained in accordance with the University's record retention policy.
- SCHEV equipment cannot be altered, destroyed or cannibalized for five (5) years after the date of purchase since these items are collateral for bonds.
- Copies of Purchase Orders, Requisitions or other supporting documentation for equipment traded in or returned to vendor for repair must be maintained. FAEIS should be notified of trade-ins and returned equipment by completing the Inventory Update Form ([www.controller.vt.edu](http://www.controller.vt.edu)) and attaching supporting documentation. FAEIS must be notified of any equipment replacements received to remove items traded in from your departmental inventory.

- The equipment coordinator should maintain documentation of casualty losses, risk management, theft claims, police reports, etc.

## TRANSERS

- After the department equipment coordinator has attended Banner Fixed Asset training they should make transfers into their department using the Banner screen FZATRAN. If the receiving department has not been trained, transfers are completed by FAEIS based on an approved Inventory Update Form. Department heads of both the giving and receiving departments must sign the Inventory Update Form indicating approval of the transfer before the transfer will be performed by FAEIS. It is the responsibility of both the giving and receiving departments to ensure all transfers are performed.

### **Helpful Reports:**

Change Report (FZRFCHG) – Emailed monthly to the Equipment Coordinator

### **Trained Equipment Coordinator Reports:**

Organization Report (FZRFORG) – Produces both a printable report and a download file

Single Asset Report (FZRFSAR) – Produces a printable report

### **Forms:**

Inventory Update Form

Equipment Inventory Certification form

Home Certification Form example

Surplus Property Report form (available from the Purchasing website  
[www.purch.vt.edu](http://www.purch.vt.edu))