



The University of Vermont

Policy V.4.9.3

Responsible Official: Vice President
for Finance and Treasurer

Effective Date: June 4, 2018

Movable Equipment

Policy Statement

The University property management standards in this policy shall be applied to all movable equipment during its acquisition, utilization, and disposal phases. Movable equipment is all tangible, non-expendable, personal property costing \$5,000 or more with a useful life of one year or greater.

Reason for the Policy

This policy provides the property management standards required for the University to fulfill its stewardship obligations required by applicable government regulation that sets forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal sponsored agreement.

Applicability of the Policy

This policy applies to all employees, including administrators, staff, faculty, and student employees who manage, supervise, or conduct University business or financial transactions involving movable equipment.

Policy Elaboration

Administrators are responsible for maintaining a system of management controls that deter and/or detect fraudulent or dishonest conduct. Failure by an administrator to establish management controls or report misconduct within the scope of this policy may result in adverse personnel action against the administrator, up to and including dismissal.

All University personnel are expected to be aware of and comply with this policy. Confirmed violations will result in disciplinary action, up to and including dismissal, and/or termination of institutional recognition of University group or organization status or external affiliate relationships with the University. In some instances, civil claims and criminal charges may also result. Procedures for the investigation of suspected violations, imposition of disciplinary action,

and the availability of grievance or appeal channels shall be governed by otherwise applicable University policies, handbooks, and collective bargaining agreements.

Accurate Records

From acquisition through disposal, each department shall provide the following record information on their respective movable equipment using the University's defined procedures:

- Acquisition date and a description of the equipment.
- Manufacturer's name, serial number, and model number or other identification number by which the item can be identified.
- Location and condition of the equipment and the date the information was reported.
- Unit acquisition cost including shipping and installation costs or replacement value of donated items.
- Funding sources of the equipment and any applicable sponsor award number.
- Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
- Disposition data including date of disposal and sales price.

Each department shall conduct a physical inventory of movable equipment, enter the inventory results using the University-defined tools, and reconcile the results with the equipment records on an annual basis.

- Any differences between quantities determined by the physical inspection and those shown in the University records shall be investigated to determine the causes of the difference.
- The department shall, in connection with the inventory, verify the existence, current location including equipment off-campus, current utilization, and continued need for the equipment.

The department shall provide the inventory and reconciliation results, including any equipment record information changes, to Cost Accounting Services per the University's movable inventory instructions.

Cost Accounting Services shall ensure the University's movable equipment management records are updated in an accurate and timely manner in the University Asset Management database.

Acquisition

Departments shall acquire movable equipment by using the University's requisition process and adhere to the University's unit cost accounting standards for movable equipment. An equipment unit cost is the net invoice price of the equipment item that includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment operable. Charges such as the cost of installation, configuration, shipping/freight, handling, duty, and protective in-transit insurance are also applicable costs included in determining the equipment unit cost. Applicable trade-in allowances in acquiring the equipment shall be credited to derive the unit cost of equipment. Training, maintenance and warranties should not be included in the unit equipment cost.

Departments shall use a purchase order to purchase movable equipment by selecting the appropriate purchasing category during the requisition process. Movable equipment may not be purchased using the University's purchasing card program.

Upon receipt of any movable equipment, the department is responsible to ensure the equipment is sufficiently evaluated for correctness and completeness and is in good working order. Any discrepancies must be resolved. The designated department property administrator shall coordinate all efforts with the buyer, the equipment user, and the manufacturer and/or shipping company to rectify the discrepancy(s).

For donated movable equipment, the department is responsible to follow the University's Gifts Policy and procedures as well as ensuring the equipment is sufficiently evaluated for correctness and completeness and is in good working order.

Upon the completion of the receiving process, the department should ensure the movable equipment item is tagged within 30 days. Upon notification, Cost Accounting Services shall administer the tagging process in a timely manner. Departments shall provide access to allow for the timely tagging of equipment. Any movable equipment shall be tagged prior to being moved to an off-campus location.

Movable equipment purchased by sponsored agreements shall be purchased within the sponsor's regulations and/or within the terms and conditions of the sponsored agreement. Use of movable equipment owned by the Federal Government shall be tagged by Cost Accounting Services in a way to indicate Federal ownership.

When acquiring replacement equipment, the department may use the equipment to be replaced as a trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

Custodianship

Each movable equipment item has a department assigned to it, which requires the department to be ultimately responsible for the implementation of these property standards.

Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the department shall promptly notify the Federal awarding agency, Cost Accounting Services, and Risk Management & Safety. The department shall implement adequate maintenance procedures to keep the equipment in good condition.

Use of Federally Purchased Equipment

Each department shall use federally purchased equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency.

During equipment usage on the project or program for which it was acquired, the department shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired.

- First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment
- Second preference shall be given to projects or programs sponsored by other Federal awarding agencies

When no longer needed for the original project or program, the department shall use the equipment in connection with its other federally sponsored activities, in the following order of priority:

- Activities sponsored by the Federal awarding agency which funded the original project
- Activities sponsored by other Federal awarding agencies.

Departments shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment. Federal Government equipment use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

Non-UVM Location Use of Movable Equipment

University-owned movable equipment may be taken to a non-UVM location (a location not owned, leased, or rented) for only official University business. No University employee may authorize non-UVM location use of University owned equipment for their own personal use.

Disposal

Prior to the disposing of an equipment item, the department shall notify its' respective College/School/Unit to determine whether the equipment item can be utilized within a College, School, or Unit. Each Dean's office or Unit shall retain a record of their ultimate disposition of each equipment item for audit purposes.

Upon approval to dispose of the equipment by the College, School, or Unit, the department shall use the appropriate disposal business procedures outlined by the University's Disposal of Surplus Property and Movable Equipment policy. Approval is required to sell or transfer movable equipment outside the University's surplus disposal business processes. The department shall provide Cost Accounting Services with sufficient details of the pending sale or transfer. Upon approval, Cost Accounting Services shall provide guidance to the department to ensure proper sale procedures provide competition to the extent practicable and result in the highest possible return.

Roles and Responsibilities

Departments/Units shall ensure that this policy and associated procedures are implemented for the assigned equipment within their respective unit(s). The implementation of the policy shall include but is not limited to:

- Safeguarding equipment
- Coordinating the timely tagging of newly acquired equipment with Cost Accounting Services and providing the required information to meet federal property standards
- Reporting any changes including the sale, transfer, release, disposal or impairment of any equipment using the University's applicable procedures
- Completing the annual physical inventory of the University's Movable Equipment Inventory in a timely manner.
- Maintaining equipment to keep the equipment in good condition.
- Implementing effective internal controls of non-University location use of equipment to limit use for University business only and comply with the University export controls policy.

Deans/Unit Managers are responsible for approving the release of equipment for disposition to other Colleges/Units upon determination that the equipment is not needed by other personnel within their College/Unit.

Cost Accounting Services is responsible for the oversight of the movable equipment records of the University, providing methods and procedures to support the University responsibility of complying with federal property standards. Responsibilities include:

- Providing training and outreach on methods and procedures to University personnel
- Verifying acquisitions of equipment exist and ensuring a unique identifier is applied
- Collecting and recording required information in the University's Asset Management system
- Overseeing the movable equipment annual inventory
- Supporting University's personnel on equipment-related policies/procedures on changes including sale, transfer, release, disposal or impairment.

Definitions

Equipment unit cost: The net invoice price of the equipment item that includes the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment operable.

Movable equipment: tangible, non-expendable, personal property that has an anticipated useful life of one year or more with an acquisition cost of \$5,000 or more.

Procedures

Movable Equipment Acquisition Procedures

http://www.uvm.edu/~cntrllrs/cas/?Page=eqp_acq.html&SM=eqpmenu.html

Movable Equipment Transfer Procedures

http://www.uvm.edu/~cntrllrs/cas/?Page=eqp_transfers.html&SM=eqpmenu.html

Refer to the Space and Movable Equipment Inventory website for procedural information

http://www.uvm.edu/~cntrllrs/a21inventory/?Page=mov_eqp.html

Surplus Disposal Procedures

http://www.uvm.edu/~cntrllrs/cas/?Page=eqp_disposal.html&SM=eqpmenu.html

Forms

Surplus Disposal Form

http://www.uvm.edu/~uvmppd/forms/surplus_form_equipment_dec-2011.pdf

Contacts

Questions related to the daily operational interpretation of this policy should be directed to:

Assistant Controller
Cost Accounting Services
(802) 656-1375
costacct@uvm.edu

The Vice President for Finance and Treasurer is the University official responsible for the interpretation and administration of this policy.

Related Documents/Policies

Disposal of Surplus Property and Movable Equipment Policy

<http://www.uvm.edu/policies/facil/surplusdisposal.pdf>

Gifts Policy

<http://www.uvm.edu/policies/advance/gifts.pdf>

Uniform Guidance: Administrative Requirements, Cost Principles, and Audit

Requirements for Federal Awards: Equipment Property Standards

https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1313

Effective Date

Approved by the President June 6, 2018