Early Purchase Equipment Trust Fund

The Equipment Trust Fund Program administered by SCHEV provides an additional funding source that allows higher education institutions to purchase equipment. Equipment purchased with Trust Fund monies is not owned by the University, but is tied to leasing agreements with the VCBA. Once a leasing agreement has been satisfied (for a particular allocation), ownership passes to the University. In addition to general rules applicable to all equipment, specific guidelines apply to the acquisition, maintenance, and disposal of ETF equipment. Failure to satisfy these requirements could jeopardize future allocations of ETF monies. Please refer to Section 6005 of the Financial Procedures Manual for more information. Any questions relating to purchases and purchase qualifications should be directed to Mariea McNeill at 540.568.3724 or mcneilma@jmu.edu.

**BASIC WORKFLOW EARLY PROCESS FOR ETF**

<table>
<thead>
<tr>
<th><strong>BUDGET OFFICE</strong></th>
<th>The budget office notifies each college (dean's office) the early purchase phase has begun.</th>
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</thead>
<tbody>
<tr>
<td><strong>DEAN'S OFFICE</strong></td>
<td>The Dean's Office will communicate allocation amounts to their departments, along with pertinent information they need to purchase equipment at this time.</td>
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<tr>
<td><strong>DEPARTMENT</strong></td>
<td>After notification from the Dean's Office, a department desiring to purchase equipment should request reference numbers from Fixed Assets by using the Early Purchase form available online. Purchases allowed at this time can only be equipment approved by SCHEV in previous years.</td>
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<tr>
<td><strong>FIXED ASSETS</strong></td>
<td>Fixed Assets will review each request and issue reference numbers for each eligible piece of equipment to the respective departments.</td>
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<tr>
<td><strong>DEPARTMENT</strong></td>
<td>The department will create a requisition in eVA for each piece of equipment with the only exception being Dell or Apple computers to be included with a bulk order. Bulk order purchases should be submitted by preparing a paper ETF requisition. (a fillable online form available on the ETF webpage – <a href="http://www.jmu.edu/financeoffice/etf-web/ETF_Requisition.xls">http://www.jmu.edu/financeoffice/etf-web/ETF_Requisition.xls</a> ). Completed forms must be sent to Mariea McNeill, Fixed Assets, MSC 5704. All orders must be charged to the ETF deptID 100062.</td>
</tr>
<tr>
<td><strong>ACCOUNTING SERVICES</strong></td>
<td>Fixed Assets will review and approve all requisitions in eVA. The paper requisitions (BULK ORDERS only) will be reviewed, approved, and sent to Procurement for order placement through eVA.</td>
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<tr>
<td><strong>PROCUREMENT</strong></td>
<td>In eVA, requisitions $10,000 and above will flow to a buyer in procurement before going to the vendor. Otherwise the order will flow to the vendor or back to the department to be faxed to the vendor.</td>
</tr>
<tr>
<td><strong>DEPARTMENT</strong></td>
<td>For orders under $10,000 and if the vendor does not receive DOs electronically, it is the responsibility of the department to fax the order to the vendor. Once the equipment is received, the ordering department must complete a receiving report (download form and review instructions for completion from the Financial Procedures Manual “Forms” Index online) for orders $10,000 or more and mail it to Accounts Payable, MSC 5712.</td>
</tr>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td>The equipment is then tagged by Fixed Assets and recorded in the Fixed Assets database. After Accounts Payable processes vouchers for payment, Fixed Assets Accounting staff receives copies of the documentation and writes up ETF equipment for tagging. Fixed Assets Accounting staff makes an appointment with the department to tag the equipment. The equipment is then recorded in the University’s official fixed asset system and is included on the departmental inventory.</td>
</tr>
</tbody>
</table>

**Items Excluded from ETF Funding**

- Library books, films, videotapes and library materials
- Microfilm collection and materials
- Library shelving
- Office appurtenances (blinds, carpet, file cabinets and similar items)
- Office furniture (desks, chairs, tables and similar items)
- Transportation equipment
- Equipment normally affixed to a building or functional as a part of an operating system of a building
- Climate control and security systems
- General telecommunications equipment
- Building
- Equipment with a useful life of less than 7 years (3 years for computers)
- General applications software (Microsoft Office, Adobe Acrobat, etc.)
- Items costing less than $500
- Used equipment

**Rules and Regulations**

- The #1 and most important rule for the early purchase phase: **Only equipment that was approved by SCHEV in previous years can be purchased during the early purchase phase.**

- The equipment must be a Functional Unit:
  - Equipment should perform a specific function
  - Must have a useful life of 7 years (3 years for computers)
  - Cost of $500 or more
  - Must remain intact
  - May be made up of several components to create a system

- Freight charges will be paid when it’s included on the requisition. Extended warranties will **only** be paid by ETF if they are included in the total cost of the equipment (bundled - not a separate line item). An example of one that is commonly purchased is Apple Care for Apple computers. ETF will not cover the cost of this because Apple invoices it as a separate line.

- Operating/application software (i.e. Windows/Office) may be purchased only as part of a computer system, not as a "stand alone" ETF item.

- Supplies essential for set-up or to make the equipment functional may be purchased, but no extra supplies. An example of non-allowable supplies would be an extra lamp with a projector, or extra battery with a camcorder.

- Used equipment generally **CAN NOT** be purchased. Exceptions must have the approval from SCHEV. This includes “refurbished” equipment.

- A receiving report needs to be completed **ONLY** for equipment costing $10,000 or more. Upon completion, forward the form to Accounts Payable, MSC 5712.

- Equipment must be decaled by Fixed Assets Accounting within 45 days of receipt for identification and inventory tracking.

- The equipment must be maintained in good working order. If any repairs are needed, the cost is covered with department funds.

- Equipment is **NOT** eligible for transfer to non-academic departments or to Surplus Property **until** ownership passes to JMU (typically a period of 5 years or more).

- Equipment **MAY** be transferred to other academic areas by notifying the Inventory Specialist (Mariea McNeill – x83724) in Fixed Assets Accounting and completing an Equipment Inventory Change Request form.

- Lost or stolen items must be reported to the Inventory Specialist (Mariea McNeill - x83724) in Fixed Assets Accounting using an Equipment Inventory Change Request form. According to the Financial Procedures Manual, Section 6005.500, for a lost or stolen item, the item must be replaced with department funds. Risk Management
and Public Safety must also be notified to report stolen items as well. Fixed Assets Accounting requires the case number from Public Safety for stolen items.

- Items that have not served their useful life **MAY NOT** be sent to surplus, dismantled, or disposed of. These items should be stored in the department or transferred to another department. See Fixed Assets website to see when surplus is possible (http://www.jmu.edu/financeoffice/accounting-reporting/assets-property/surplus-equipment.shtml).

**Requisition Requirements**

- All orders should be entered into eVA (our state procurement system). 
  *ONLY ONE EXCEPTION* – orders for Dell computers to be included in a bulk order should be done on a paper requisition form (found on the ETF webpage - http://www.jmu.edu/financeoffice/etf-web/ETF_Requisition.xls).

Send paper requisitions to Mariea McNeill, Fixed Assets, MSC 5704. 
**All orders must be charged to the ETF deptID 100062.**

  **SPECIAL NOTE** - You can only spend up to 80% of your TOTAL ALLOCATION amount during the early purchasing process, not your total requested amount.

- You **CAN NOT** use your PCard to purchase ETF equipment, therefore **PLEASE remember to remove the check mark on eVA.**

- At this point in time, a SCHEV approved list with reference numbers assigned **does not exist.** A department desiring to purchase equipment should request reference numbers from Fixed Assets by using the Early Purchase form available online and email it to (Mariea McNeill - mcneilma@jmu.edu).

- The ETF reference number (s) should be entered in the **TITLE** box. If more than one reference number is being used, key it as follows: 
  - 2160801231, 01241 *(using the last 5 digits of the additional #'s)* or 
  - 2160801231-01301 *(being a series of numbers).*
  **Any order entered into eVA without a reference number will be denied and returned to the originator.**

- If the equipment is on a state contract, enter the contract number in the field provided on eVA. 
  *Example of such vendors on state contract are (but not limited to): Dell, Apple, Daly Computers, Lee Hartman, Fisher, VWR, Colonial and Thomas Scientific.*

- Order each approved item from one vendor when possible, however if multiple vendors are necessary, create separate requisitions in eVA and use the same reference # on all orders. Also note in the comments section the purchase is to be combined with another order.

- **DO NOT** submit a requisition with more than one type of equipment on the order. You may purchase multiple items on the same requisition **only** when the items are IDENTICAL. A reference # is required for EACH item. 
  *Example:* 2 computers from the same vendor and the system configuration is exactly the same.

- When ordering a system, individual components can be listed in the comments section or description, a document giving details can be attached, or the vendor may have a punchout catalog to purchase the components as separate line items. **Important thing is either in the description or the comments section, the order must state all components combined constitute a "system."**
• If a quote has been provided to you by a vendor describing a system, enter “---- system per attached quote” in the description section on eVA and attach the document.

• Freight charges are acceptable if combined with the equipment cost (on the same quote and/or invoice). Note in the comments section the freight is included in the price. **Try to have firm delivery pricing to avoid doing change orders or your department having to cover the cost. An estimate will do if you do not have the cost.**

• If the equipment is technical in nature, attach a document to the eVA order describing the item or fax it to Fixed Assets (and Procurement if over $10,000). All **Apple Computer** web proposals should be emailed to Fixed Assets so it may be reviewed before the order is approved.

• Installation costs are only paid if it is bundled with the price of the equipment. It should not be listed as a separate line item on eVA. Note in the comments section or description the installation is included.

**Special Notes:**

1. If an invoice is sent to you, send it to the Accounts Payable Office, MSC 5712.

2. Point-of-sale purchases for ETF equipment are not acceptable.

3. If the equipment is purchased on a small purchase charge card in error, ETF **WILL NOT** cover the cost. The department will have to use those ETF funds on another piece of equipment.

4. Any questions relating to purchases or qualifications should be directed to Mariea McNeill at 540.568.3724 or mcneilma@jmu.edu.

5. For any questions regarding the procedures for tagging, transfer, surplus eligibility, or disposal of ETF equipment, contact Yvonne Tomlin at 540.568.3748 or tomlinay@jmu.edu or Mariea McNeill at 540.568.3724 or mcneilma@jmu.edu.

**Frequently Asked Questions**

**Q:** Can I put more than one piece of equipment on a requisition?

**A:** Yes, but only if the items are identical. You need a reference number for each piece of equipment and should be listed on the requisition. Unlike items require separate requisitions.

**Example:** 5 computers with the same configuration and 5 printers to create 5 systems.

**Q:** If I am purchasing a system and some of the components need to be purchased from different vendors, how do I prepare the requisition?

**A:** Prepare the multiple requisitions, noting on each requisition the component being purchased is part of a system, using the SAME reference number on all requisitions. Reference the main requisition on the subsequent requisitions so they can be tracked properly.

**Q:** Can I purchase a scanner or printer with my computer?

**A:** Yes. **It must be understood, the printer and/or scanner must remain with the computer as one system.**