

Policy Title: Equipment/Movable Property Inventory Control

Policy Type: Finance/Administration

New/revised: Revised

Old Policy #: 4:02:20:00, B-110, FP-11

Approval level: Board of Trustees
 President
 Vice President
 Other (specify here)

Purpose: The University will maintain an accurate record of all University equipment to ensure proper accountability. This policy outlines consistent controls and procedures for equipment and movable property inventory acquired by East Tennessee State University (“ETSU” or “University”). This policy applies to movable equipment and not to supplies, fixed equipment, or library books, nor does it apply to items such as built-in furniture, lights, and plumbing fixtures, which are considered fixtures as a part of the building.

Definitions:

- Equipment – Items of a movable nature, having a minimum unit cost of five thousand dollars (\$5,000.00) and having an estimated life expectancy of at least one (1) year.
- Movable Property – Follows the definition of equipment, with no minimum cost figure associated.
- Sensitive Minor Equipment – Items of a movable nature, which are particularly vulnerable to theft, and have a cost or fair value (for donated items only) between one thousand five hundred dollars (\$1,500.00) and four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$4,999.99), regardless of the funding source.
- Surplus Property – Equipment no longer usable/useful to the department that has possession.

Policy:

- I. Responsibilities:
 - A. Ownership of property acquired by the University rests with the State of Tennessee, whether acquired by departmental funds, grants, or by gifts. The Central Receiving Supervisor will maintain inventory records and administer additions, permanent interdepartmental transfers of equipment, and deletions to equipment inventory records.
 - B. Inventory Process: The Central Receiving Supervisor will maintain an inventory of all equipment and sensitive items purchased by or donated to the University, regardless of the source of funds; received via gift; and on loan to the University. The equipment inventory items will be inventoried annually. Sensitive minor equipment will be verified using a random sampling method. Each department will locate each item in their

inventory and assure that all ETSU property is accounted for and in the identified location. Any item not in the identified location will be located by the responsible party and the correct location is to be communicated to the Central Receiving Supervisor. Items not located during the inventory process will be reported as unaccounted for to internal audit, and public safety. If the item cannot be located the responsible party is to report it as missing using the Missing Equipment form.

- C. Department Heads: Department heads have custodial responsibility for the equipment assigned to their department and are to exercise due care and diligence in safeguarding the items. Department heads are to notify the Central Receiving Supervisor in writing, using the Equipment Inventory Change/Deletion Request form anytime equipment is moved from one room to another within the department. Equipment that is taken off campus is the responsibility of the department. Each department is to maintain written records, according to their own internal processes, for University property taken off campus.
- II. Procedure:
- A. Equipment purchased will be added to inventory. A fixed asset tag will be placed on equipment when it is added to inventory. The fixed asset capitalization report is generated through Banner.
 - B. Items owned by the federal government and other contracting agencies will be inventoried and identified in the inventory system. This method of accounting will also be followed for all other equipment in possession of, but not owned by, the University. Items on loan to the University should be reported to the Central Receiving Supervisor, in writing, when entering or leaving the campus of the University. The University will not be responsible in any way for the personal property of others used or kept on University property.
 - C. Recordkeeping and Inventorying of Capitalized Assets – Procedures should ensure proper recording, movement, eventual disposal of assets, and the periodic inventory of these assets. The Central Receiving Supervisor is responsible for insuring all equipment is inventoried annually.
 - D. Inventory Deletions – Deletions to the equipment inventory records are necessary when items are traded, sold, lost, stolen, destroyed, permanently transferred, or become surplus to the needs of the University. Deletion requests are submitted via the Equipment Inventory Change/Deletion Request form.
 - E. Transfers: Equipment may be transferred between departments by completing the Equipment Inventory Change/Deletion Request form with the Central Receiving Supervisor. Transfer of equipment requires only the approval of the two department heads and does not involve a transfer of funds. Upon receipt of the approved Equipment Inventory Change/Deletion Request the Central Receiving Supervisor will delete the equipment from the inventory of the transferring department and add it to the inventory of the receiving department.
 - F. Lost, Stolen, or Missing Equipment: Lost, stolen or missing equipment is to be reported immediately upon discovery to the Central Receiving Supervisor by completing a Missing

Equipment form. The Central Receiving Supervisor will distribute copies of the form to Public Safety and Internal Audit.

- G. Random Check of Inventory: Unannounced random checks of departmental inventories may be performed at any time.
- H. Repairs to Equipment: All requests for repairs to University equipment are to be submitted to the Purchasing Department on a departmental requisition. The requisition is to include; 1) the make, model, ETSU property control number, and if applicable, the serial number; 2) Symptoms and/or apparent problem, and 3) estimated repair cost. Unless the requesting department has already obtained a firm repair price from a reliable source, a purchase order will be issued to a vendor for estimate of repair. If the estimate is reasonable the purchase order will be amended authorizing the vendor to proceed with necessary repairs. If the repair expense is not justified the purchase order will be cancelled. Equipment which requires repairs be made off campus must be processed through Central Receiving where complete records of all outgoing and return shipments are to be maintained. The Central Receiving Supervisor should be notified, in advance, if the nature of the property requires special crating or shipping precautions. All shipping costs are normally the responsibility of the requesting department.

Forms: [Equipment Inventory Change / Deletion Request Form](#)
[Missing Equipment Form](#)

11/10/2017 – approved by the Board of Trustees.