UT Health Science Center:
FI0605-H Equipment – Fiscal Procedure

<table>
<thead>
<tr>
<th>No./Title:</th>
<th>F605 – Equipment</th>
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<tbody>
<tr>
<td>Resp. Office:</td>
<td>FINANCE</td>
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<tr>
<td>Effective Date:</td>
<td>07/01/2016</td>
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<table>
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<tr>
<th>Category:</th>
<th>Accounting</th>
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<td>Last Review:</td>
<td>04/21/2022</td>
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<td>Next Review:</td>
<td>04/20/2024</td>
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<tr>
<th>Contact:</th>
<th>Jonathan Lawshe, Director Procurement Services</th>
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<tr>
<td>Phone:</td>
<td>901.448.2325</td>
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<tr>
<td>Email:</td>
<td><a href="mailto:jlawshe@uthsc.edu">jlawshe@uthsc.edu</a></td>
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| Related Policies: | FI0605 Equipment |

GENERAL

1. University Fiscal Policy FI0605 Equipment and this Health Science Center Procedure “apply to equipment for which the University has ownership or custody, including equipment purchased with funds from grants or contracts (unless the grant agreement or contract specifies otherwise).”

2. Ownership of all equipment purchased with funds within the fiscal structure of the HSC rest with the University, nor the department or the principal investigator. Exceptions are equipment purchased with grant, contract or agency funds and written agreements or contracts where ownership is retained by or reverts to the funding agency.

3. Custody and control of individual equipment items are delegated to individual departments. The person responsible for the cost center is required to follow the University’s established policies and procedures in the acquisition, use, maintenance and control of equipment in the department.

4. The equipment inventory is maintained on the University’s on-line accounting system and administered at the HSC by the Accounts Payable Office.

   a. The equipment inventory includes “movable equipment” and “sensitive minor equipment.” Movable equipment is defined as items of a movable nature which have a cost or fair value of $5000 or more. Sensitive Minor Equipment is items of a movable nature which are particularly vulnerable to theft and have a cost or fair value between $1499.99 and $4999.99. Sensitive minor equipment includes, but is not limited to cameras, computers and related equipment and devices, fax machines, microscopes, printers, televisions and video equipment. Contact Accounts Payable and/or refer to Fiscal Policy FI0605 Equipment for a more complete listing. Policy and procedures set forth in this document apply to both movable equipment and sensitive minor equipment.

RESPONSIBILITIES OF THE DEPARTMENT

5. The department has the following responsibilities concerning equipment inventory:

   a. Maintain physical control and upkeep over all items on the departmental equipment inventory. The department head is responsible for seeing that University equipment
in his or her custody or control is properly maintained and repaired so that maximum useful life is realized.

b. Create an asset record by entering or verifying the entry of all purchased or donated moveable equipment or sensitive minor equipment items into the on-line system. The asset record is the basis of the University’s equipment and must be created before the expenditure of funds for these type items can be approved. All asset records must include the location (room number and building code) of the equipment items. Building location codes are listed in the online system. If a building code is not included in the online list the Facilities Office should be contacted. Room number 100 should be used for unnumbered rooms or when equipment is located in basements, attics, hallways, etc. If an item is not regularly housed or garaged in a building the location of the departmental administrative office should be used.

c. Notify the Accounts Payable Office when equipment is acquired with expense, such as by gift or assembly by completing and Equipment Acquisition Report Form T66 and sending it to the Accounts Payable Office. (See also Fiscal Policy and Procedure FI0315 Gifts.)

d. Notify Justin Holt at jholt11@tennessee.edu and request duplicate inventory tags when original tags have fallen off or become damaged.

e. Notify the Accounts Payable Office when equipment is transferred to another department, traded in, stolen, dismantled or otherwise disposed of (other than surplused). Use IRIS transaction ZAM_ASSET_CHANGE to move the equipment out of the departments inventory. The Accounts Payable Office will update asset records for equipment transferred between departments. Equipment may be removed from the University’s records only when traded in, transferred to surplus (see item “g” below), stolen (see “f” below), dismantled, destroyed or transferred to another institution under grant or contract stipulations (see Item “7” below). **Departments must notify Accounts Payable and submit a report to Campus Police of any missing, stolen, or vandalized equipment.** Equipment may be traded-in to reduce the cost of replacement equipment. The department head must approve the trade-in and notify Purchasing Services of the intent to trade-in equipment before bids are obtained for replacement equipment. The department head should contact Purchasing Services prior to initiating a purchase requisition.

f. In cases of theft or mysterious disappearance of equipment or other items the Campus Police must be called immediately to investigate or take other appropriate action. Subsequently the department head must send to Accounts Payable the Equipment Records Form T-64 with a copy of the Campus Police Investigation report attached.
g. Notify Purchasing Services of items to be transferred to surplus. University equipment that a department determines to be obsolete, outmoded or unusable may be declared surplus and disposed of by Purchasing Services in accordance with Fiscal Policy F10610 and Procedure F610 Surplus Property.

h. Update the location codes in the online equipment inventory when equipment is relocated.

i. Verify by physical observation the annual list of movable equipment inventory, edit the inventory list and submit to Accounts Payable in a timely manner.

RESPONSIBILITIES OF ACCOUNTS PAYABLE
6. The Accounts Payable Office has the following responsibilities regarding equipment inventory.
   a. Maintain the Health Science Center inventory records including detailed inventory records for the department.

   b. Process asset invoices for UTHSC.

   c. Assign and enter the tag number into the on-line system and send the tag to the department. Receipts for Volshop and Procurement Card purchases are sent to AP via email with document numbers for inventory tag.

   d. Provided to the department the annual list of movable equipment inventory.

   e. Assure that each department verifies and certifies the annual inventory list in a timely manner.

REMOVAL OF EQUIPMENT PURCHASED WITH GRANT OR CONTRACT FUNDS
7. If a faculty member who has purchased equipment with grant or contract funds leaves the University before the expiration of the grant or contract period, the provisions of the grant or contract may allow the faculty member to remove the equipment from the University. As soon as it is known that a faculty member or principal investigator will be considered for transfer to the new institution, identify the funding source for each item of equipment and submit the listing to the Chief Business Officer. **Neither the faculty member, the department head nor the dean has the authority to initiate transfer of this equipment to another institution.**

USE OF UNIVERSITY EQUIPMENT
8. Generally, equipment must be used only for University business and may not be loaned to individuals, organizations or faculty and staff members for personal use. Any deviation from this policy requires the written prior approval of the Chief Business Officer. University
equipment may be removed from University premises for purposes of University business. Whenever equipment must be removed from the premises for official reasons other than in connection with routine operations, the department head should obtain a temporary receipt from the person having custody.

PERSONAL EQUIPMENT ON UNIVERSITY PREMISES

9. Personal equipment on University premises such as in offices and laboratories should be tagged or labeled to clearly indicate personal ownership. Unless there is a written agreement to the contrary, all personal equipment on University premises is at owner’s risk. The University’s insurance coverage normally does not cover personal property and the University cannot assume responsibility for maintenance or upkeep.

Contact the HSC Accounts Payable Office or refer to the University’s Fiscal Policy FI0605 Equipment (FI0605_Equipment) for more definitions and in-depth detail concerning University equipment.