
CONTROL OF UNIVERSITY EQUIPMENT AND MATERIALS

Purpose:

To establish policy delineating control of the institution's equipment and materials.

Additional Authority:

Idaho Code §67-5746

Scope:

Applies to all equipment and materials belonging to the university.

Responsible Party: Inventory Control/Asset Management, 426-2358

POLICY

I. Policy Statement

It is the policy of Boise State University to control the use of its equipment and materials. Boise State complies with state regulations for inventory control and reporting as well as requirements related to grants and contracts. This statement identifies responsibility and procedures for control of university equipment, materials, and capital assets.

II. Overview

- A. Ownership: Boise State University owns all property purchased with university funds and property received as gifts. Although title to property purchased with funds from a grant or contract may not vest in the university, Boise State exercises the responsibilities of ownership for such property. No department, unit, or member of the staff or faculty may hold proprietary interest in any particular piece of Boise State property. Regardless of which department ordered the item, the fund cited, or the budget expensed, the principle of Boise State ownership prevails.
- B. Unit Responsibility: The administrator of each department or unit is responsible for safeguarding and maintaining property assigned to or in his or her control. Further, each administrator is responsible for insuring a physical inventory of all property identified through the Boise

State property inventory system is conducted once each fiscal year. When a change in administrators occurs, the new administrator assumes responsibility for all property assigned and should verify the accuracy of the assigned inventory.

- C. Inventory: Property with a cost of \$2000 or more must be included in Boise State's physical inventory. This requires that a property tag be affixed to the item. Such inventory also includes items, such as furniture, which are constructed by Boise State employees and are valued at \$2000 or more at completion. (See Section III Inventory Receiving and Tagging Procedures below.)

- D. Capitalized Equipment or Property: Equipment or property with a cost greater than \$5,000 is capitalized and reported as a depreciable asset in Boise State's financial statements. Capital outlay is defined as expenditure of \$5000 and over for:
 - 1. Land;
 - 2. Permanent land improvements (such as roads, sidewalks, sprinkler systems, and so forth);
 - 3. Building and other permanent structures, including fixtures and fixed equipment, as well as additions, replacements, major repairs, and renovations to structures that materially extend, improve, or increase the capacity of the structures' useful lives. Also included in this category are salaries and wages related to building construction;
 - 4. Automobiles;
 - 5. Machinery, equipment, and furniture including additions, which will have a useful life or service period of more than one (1) year;
 - 6. Library books added to the permanent collection; and
 - 7. Items, such as furniture, which are constructed by Boise State employees and are valued at \$5000 or more on completion.
 - 8. Note: Capital outlay also includes expenditures necessary to ready capital items for intended use, such as shipping and installation costs.

- E. Donated Items: Capital items donated to Boise State are valued at fair market at date of donation. Those items having a value of \$2000 or more must be tagged and entered into Boise State's physical

inventory. Items valued at \$5000 or more will be entered into the capital asset listing for financial statement reporting.

- F. Expense Code or Asset Code: This is an important distinction to make when coding the property purchase in the Peoplesoft accounting information system. Items costing less than \$5,000 will have an expense-type code. Items costing \$5,000 or more will have a capital asset code. Questions about equipment or property coding should be referred to the Inventory Control Office at 426-2358. Questions about general coding issues should be referred to Accounts Payable at 426-3101.
 - G. Grants and Contracts: Property purchased with funds from grants and contracts may have additional usage restrictions. The Office of Research Administration, which retains the terms and conditions affecting disposition of equipment, should be contacted for information at 426-1574.
- III. Inventory Receiving and Tagging Procedures
- A. Guiding Policy: All inventory items having a cost of \$2000 or more must be tagged when received.
 - B. Purchase Order Number: Any item with a value of \$2000 or more must be ordered on a Purchase Order (PO). The vendor is to be instructed to include the PO number on all packages, packing slips, and invoices. Central Receiving will not release items to the ordering department unless a PO number has been assigned.
 - C. Delivery to Central Receiving: When possible, items should be delivered by the vendor to Central Receiving. Central Receiving will document items received in the financial system. Central Receiving will affix a property tag to inventory items costing \$2000 or more.
 - D. Direct Delivery to a Department: Sometimes it is more efficient to have an item delivered to the department (Example: furniture or large equipment). In these cases, Inventory Control must be notified so that the item can be tagged.
- IV. Inventory Control Procedures
- A. Legal Considerations: Idaho Code 67-5746 requires a physical inventory of all items included in Boise State's inventory system, once per fiscal year. All departments must comply.

- B. Inventory System Custodial Report: All departments will receive annually a computer listing of equipment and an Inventory System Custodial Report.
1. Departments are to use the computer listing to conduct a physical inventory. Departments must identify discrepancies or exceptions between the listing and the actual physical inventory. Items on hand that meet inventory criteria but do not appear on the listing need to be identified as additions. Items not on hand or not found that appear on the listing need to be identified as deletions.
 2. A sixty (60)-day time frame allows departments ample time to review and correct the equipment listing.
 3. The person who performs the inventory and the department head must sign the Inventory System Custodial Report.
 4. Return the Inventory System Custodial Report and the computer listing with corrections to Inventory Control within the sixty (60)-day time period.
- C. Lost or Stolen Property: If an item listed on the equipment inventory is lost or stolen, the department head should report it first to the Ada County Sheriff's department with complete detail from the computer listing. A Property Loss Report should also be filed with the Office of Risk Management and Insurance. The same information should then be given to Inventory Control on the "Report of Lost, Missing, or Stolen Equipment" form.
- D. Disposal of Property: Sometimes a department no longer has use for property, or deems it to be in unusable condition. Such items, regardless of condition, must be reported to the Purchasing Department via the "Request for Disposal of Excess, Salvage, or Trade-In Inventory Items" form. (See BSU Policy #6470 "Purchasing" for more information.) For disposal of real property, special rules apply. Please contact the office of the Vice President for Finance and Administration with questions about real property disposal.
- E. Property Removed from Campus: Generally, no equipment or materials that are part of the inventory of Boise State are to be taken from campus for personal use. Exceptions include items checked out from campus departments that are authorized to loan equipment, including the Library and Academic Technologies. Departments may allow off-campus use of equipment when the following criteria are met:

1. Equipment or materials are used for university business that is within the scope of the employee's duties;
2. Department head approves the off-campus use of the equipment. Approval documentation should be kept on file;
3. Equipment must be returned to campus for repair or maintenance;
4. University business property is covered off campus subject to a \$2000 deductible per covered loss. Should a department wish to insure selected property under the University's Inland Marine Insurance program, subject to a fifty dollar (\$50) deductible per covered loss, they should go to the Office of Risk Management and Insurance website and review the details of Optional Inland Marine Insurance program.