

University of Virginia 2009-10 Equipment Trust Fund Guidelines

The Higher Education Equipment Trust Fund (ETF) was established by the General Assembly to meet a need for new or updated equipment for various educational and general programs in Virginia institutions of higher education. The State Council of Higher Education (SCHEV) and the Virginia College Building Authority (VCBA) administer the ETF.

SCHEV is the primary interface with the University in the spending and reimbursement of ETF funds. As a recipient of these funds, the University is obligated to meet certain legal requirements associated with their use. Accordingly, the following information is provided to increase awareness of applicable State and University requirements for ETF equipment and to assist departments in preparing Departmental Request Lists and Purchase Requisitions to purchase ETF funded equipment.

These guidelines and the request list template can be downloaded from the Budget Office website, <http://www.virginia.edu/budget/forms.html>.

Goals of the ETF

The following are some of the goals of the ETF as outlined by the SCHEV. These should be kept in mind as the departments complete the Departmental Request Lists.

- Significantly reduce the amount of obsolete technology and equipment.
- Provide every student with access to an appropriate level of information and technology.
- Establish a statewide network that supports and encourages sharing and cooperation.
- Provide every faculty member with appropriate equipment and training to use technology in support of teaching and learning.
- Support faculty in introducing new ways of instruction and learning, providing courses customized to student needs and implementing distance learning opportunities.
- Install high quality, easy-access, network-deliverable student support services, such as transcripts, grades, class scheduling, and account balance and payment information.
- Install management information systems that are flexible and directly accessible to users to help support administrative restructuring and cost-containment.

Accordingly, allocations may be used to purchase technology and equipment for the following educational and general programs:

- Instruction (101) - includes all activities that are part of the institution's instructional program. Expenditures for departmental research that are not separately budgeted or organized into an approved research center should be included in Instruction. Most expenditures for departments and department chairpersons should be included in this program. This program will exclude expenditures for academic deans' offices.
- Research (102) - includes research activities that are separately budgeted and organized into approved research centers. This program does NOT include sponsored research.
- Academic Support (104) - includes activities carried out primarily to provide support services that are an integral part of the operations of the institution's instruction and research programs.

This includes libraries, academic computing support (primarily ITC, most departmental technology expenditures will be included in 101) and academic deans' offices.

- Student Services (105) - includes activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program.
- Institutional Support (106) - includes activities whose primary purpose is to provide operational support for the day-to-day functioning of the institution, excluding expenditures for physical plant operations. This is primarily expenditures related to central administrative offices.
- Sponsored Program Research (110) - includes activities for research grants and contracts and other programs sponsored by agencies external to the State and which are totally funded by such external sources. ETF purchases for sponsored program research must be matched 50% by the grant. The entire purchase will be tagged as ETF equipment.

Equipment can be purchased for academic support (104), student services (105), and institutional support (106), provided the purchases are in support of the University's technological restructuring goals. These goals include providing appropriate hardware for workstations for faculty, students and staff; and maintaining on-going funding for microcomputer replacement. Allocations may not be used to purchase technology and equipment for use in public service programs and in the operation and maintenance of plant.

UVa Policy and Procedures for ETF Equipment

For more specific information about University policy and procedures concerning ETF equipment, departments should be familiar with the following sections of the University's Financial and Administrative Policies and Procedures Manuals.

Policy X.C.1 – [Equipment Trust Fund](#)

Procedure 10-30 - [Ordering Equipment Trust Fund Items](#)

Procedure 10-31 - [Approving Payment for Equipment Trust Fund](#)

Procedure 10-32 - [Controlling Equipment Trust Fund Items](#)

Procedure 10-33 - [Seeking Reimbursement for Equipment Trust Fund](#)

Procedure 10-34 - [Preparation of Purchase Requisition for Equipment Trust Fund](#)

Excerpts from the above University policy and procedures and other sources are outlined in the following sections of this guide.

ETF Stipulations

As in previous years, ETF monies are received by the State from the sale of bonds to the public. The proceeds from the sale are then used for the purchase of scientific, technical and other equipment by institutions of higher education. Although the equipment is owned from the outset by the University, it must be maintained in good working condition until the defined inventory hold period is met. Retention periods for equipment procured with ETF funds in 2009-10 will fall into one of three

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categories based on the useful life of specific item:

- (a) three years for equipment the institution designated as having a useful life of three years or less.
- (b) five years for equipment the institution designated as having a useful life greater than three years and less than five years.
- (c) seven years for equipment that the institution designated as having a useful life greater than five years.

Any questions you may have regarding the defined hold period for specific types of equipment should be directed to Angy Seago, ETF Manager.

There are specific restrictions that pertain to equipment purchased under ETF that must be met. To qualify, purchased equipment must meet all of the following five requirements.

1. Allocations must be used to purchase technology and equipment for the following educational and general programs: instruction (101), research (102), academic support (104), student services (105), institutional support (106), and sponsored program research (110). (See page 1 for definitions of each of these programs.)
2. The equipment must have a unit cost of \$500 or more.
3. The equipment must have a useful life of 3 or more years.
4. The equipment must be maintained in good working condition until the defined hold period is met or the bond is repaid.
5. The equipment must be used within the Commonwealth of Virginia, unless specifically authorized for use elsewhere by SCHEV.

Additionally, ETF equipment may not be surplused, cannibalized, or disposed without the approval of Angy Seago in Property Accounting. Stolen, damaged or lost ETF equipment must be promptly reported to Angy. ETF owned equipment is subject to periodic on-site audits by SCHEV to verify the equipment's condition, location and use.

The following purchases are not qualified equipment.

- Library books, films, videotapes, DVD's, and library materials; library shelving.
- Microfilm collection and materials.
- Office equipment, blinds, carpets, file cabinets, desks, chairs and tables.
- Transportation equipment (automobiles).
- General telecommunications equipment.
- Equipment affixed to a building or functional as part of an operating system of a building.
- Climate control and security systems.
- Buildings.

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- General applications software (Excel, Word, etc).
- Used equipment.

Functional Unit

To be eligible for ETF funding, individual equipment items must cost \$500 or more, except when the item is part of a functional unit. A functional unit is defined as an assemblage of ETF instruments, modules and components that collectively perform a specific task and remain assembled as a unit. In the case of items that comprise a functional unit, the individual components may cost less than \$500, but the aggregate cost of the functional unit must be \$500 or more. Examples of functional units include (1) a computer, keyboard, monitor, printer and operating software, (2) oscilloscope with probes and (3) recording spectrophotometer with demountable cell assembly and windows. Items merely aggregated together so the group costs more than \$500 are not a functional unit. For example, an order for 10 external disk drives costing \$300 each would not constitute a functional unit. ETF stipulations provide that ETF tagged equipment must maintain its original integrity as a functional unit. Components of ETF functional units must not be interchanged with other units.

Upgrading Equipment

Upgrades (not maintenance or general upkeep of equipment) may be permissible using ETF funds for non-ETF equipment. The upgrade and equipment to be upgraded must meet the ETF requirements. The circumstances of the upgrade will be subject to review by SCHEV and may require the entire piece of equipment to be tagged as ETF equipment.

Request Lists

The equipment replacement allocation is determined by reviewing current inventory levels, excluding items which could not be located during Property Accounting's most recent inventory. The allocation methodology provides a prorated credit for obsolete inventory based on four inventory categories:

- 100% credit for non-obsolete inventory;
- 100% credit for inventory that has been obsolete for less than 3 years;
- 50% credit for inventory that has been obsolete between 3 and 6 years;
- 0% credit for inventory that has been obsolete more than 6 years.

The University Budget Office will distribute a memo outlining each respective school's allocation, with instructions for accessing the current ETF Guidelines and a spreadsheet template for completion. It is important that the template be filled out accurately and completely and returned by the established deadline in order to ensure funding. There are several columns on the spreadsheet that the school is responsible for completing, as described below:

Reference Number - Ignore. SCHEV will assign this number as it is approved.

School Priority - Priority numbers are assigned by schools to evaluate the overall relative importance of equipment requests. Schools must assign a priority number to each item of equipment for which ETF funding is being requested. Priority numbers should begin with the

top priority assigned number one followed by items of lower priority being numbered consecutively. When several items of equipment comprise a functional unit, all of the items that comprise the functional unit should be assigned the same priority number. **Each separate functional unit should be assigned a separate priority number. That is, every item on request list should not be assigned a priority number of 1.**

Discipline Code and Description - Select from the accompanying list in Exhibit A.

Description - Keep this general. Do not include model numbers and specifications that may change before the equipment is actually purchased.

SCHEV Standing - Ignore. SCHEV will assign.

Total Cost - Include the total cost for each item. Each line should have 1 item. If 5 computers are included, copy the line 5 times.

Matching Required - If the equipment is for sponsored programs, the grant must supply 50% of the funding. If the item is for a sponsored program, include the total cost in this area. The spreadsheet will determine the matching amounts.

%, Matching Amount and ETF Funds Required - These are all formulas; there is no need to input anything.

Program Code - Select from the following according to the anticipated use of the equipment when purchased. (See definitions on page 2)

- 101 - Instruction
- 102 - Research
- 104 - Academic Support
- 105 - Student Services
- 106 - Institutional Support
- 110 - Sponsored Program Research (must have 50% match from grant)

Departments are to critically assess their equipment needs to determine items for inclusion. To allow for flexibility in the purchasing process and for any disallowed equipment, the department's Request List may total up to 130 percent of the department's allocation. After completing the Request List, departments will forward the list via e-mail attachment to budget@virginia.edu. A consolidated University Request List is sent to the SCHEV for final review and approval.

Purchase Requisitions

Once the Budget Office and Property Accounting have reviewed and preliminarily approved the items included on each department's list, departments will be notified that they may begin purchasing routine equipment items on the list. **The Budget Office and Property Accounting will provide preliminary approval on standard equipment purchases that are routinely approved by SCHEV. Departments may begin purchasing these items right away. For unusual, non-routine equipment requests,**

approval from SCHEV should be obtained before the purchases are made. Departments should then prepare their ETF Purchase Requisitions and send them to Angy Seago.

The University's total equipment list will be forwarded to SCHEV for final approval, and an approved list of ETF equipment that has been authorized for ETF funding will be returned to the departments. Only those items on the final approved list will be paid from ETF funds. Any revisions to a previously approved list must include a letter of justification submitted by the Dean or Department head in writing to the Property Accounting Office. The letter will be reviewed for reasonableness before it is forwarded to SCHEV for approval.

If you have questions about these guidelines, please contact Judy Rowe in the University Budget Office at 4-7085 or jwr7e@virginia.edu or Angy Seago in Property Accounting at 4-4323 or seago@virginia.edu.

2009-10 Tentative Schedule

August 28, 2009 – Equipment list submitted to University Budget Office for review and approval.

September – Equipment purchases may begin with approval from University Budget Office/Property Accounting. Equipment list submitted to SCHEV for review and approval.

October/November 2009 – Approval from SCHEV is received.

May 15, 2010 – Submission of ETF purchase requisitions to Procurement Services is completed.

May 2010 – Bonds are sold to finance 2009-10 allocation.

May/June 2010 – Reimbursements begin.

August/September 2010 – Reimbursements are completed.

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Exhibit A - Discipline Codes and Descriptions

Code	Description	Code	Description
0202	Architecture	0919	Engineering Physics
0204	Landscape Architecture	0920	Nuclear Engineering
0206	Planning	0921	Applied Mechanics
0299	Architectural History	0998	Systems Engineering
0301	Asian Studies	0999	Tech, Culture & Communication
0401	Biology	1002	Studio Art
0402	Botany	1003	Art History
0407	Zoology	1005	Music
0409	Pharmacology	1007	Drama
0410	Physiology	1102	French
0411	Microbiology	1103	German
0414	Biochemistry	1104	Italian
0415	Biophysics	1105	Spanish
0417	Cell Biology	1109	Latin
0418	Marine Science	1110	Greek
0425	Neuroscience	1114	Scandinavian
0501	Commerce	1115	Slavic Languages
0506	Business Management and Administration	1195	Asian & Middle Eastern Languages
0701	Computer Science	1198	Portuguese
0801	Education General	1203	Nursing
0802	Elementary Education	1206	Medicine
0803	Secondary Education	1207	Surgery
0805	Higher Education	1220	Speech Pathology and Audiology
0808	Special Education	1223	Medical Technology
0810	Education of the Mentally Retarded	1299	Epidemiology
0811	Education of the Gifted	1401	Law
0816	Education of the Emotionally Disturbed	1501	English General
0818	Special Learning Disabilities	1502	English Literature
0820	Education of the Multiple Handicapped	1503	Comparative Literature
0821	Social Foundations	1504	Classics
0822	Educational Psychology	1505	Linguistics
0824	Educational Statistics and Research	1506	Rhetoric & Communications Studies
0825	Educational Testing and Evaluation	1507	Creative Writing
0826	Guidance and Counseling	1509	Philosophy
0827	Educational Administration	1510	Religious Studies
0828	Educational Supervision	1701	Mathematics Education
0829	Curriculum and Instruction	1702	Statistics
0830	Reading Education	1703	Applied Mathematics
0831	Art Education	1801	Military Science
0833	Mathematics Education	1802	Naval Science
0834	Science Education	1803	Aerospace Science
0835	Physical Education	1902	Physics
0836	Driver and Safety Education	1905	Chemistry
0837	Health Education	1911	Astronomy
0896	Foreign Language Education	1999	Environmental Sciences
0897	Social Studies Education	2001	Psychology
0898	Instructional Technology	2003	Clinical Psychology
0899	English Education	2105	FBI Academy
0901	General Engineering	2202	Anthropology
0902	Aerospace Engineering	2204	Economics
0905	Biomedical Engineering	2205	History
0906	Chemical Engineering	2207	Government
0908	Civil Engineering	2208	Sociology
0909	Electrical Engineering	2210	International Relations
0910	Mechanical Engineering	2211	Afro-American Studies
0915	Materials Science	4901	Interdisciplinary Studies