

Equipment Inventory Policy and Procedures

Ownership of all Nevada System of Higher Education (NSHE) property is vested in the Board of Regents of the NSHE, regardless of funding source. Asset Management is a unit within Business Center North (BCN) Purchasing and has responsibility for the proper tagging, reporting, and controlling of all equipment in BCN institutions. Asset Management oversees the AssetWorks system, which is the fixed asset system that houses all of NSHE's fixed asset data. AssetWorks stores this data as well as calculates and reflects accumulated depreciation expense for the relevant categories of fixed assets.

A. *Definitions:* Inventoried equipment is defined as all merchandise meeting the following criteria:

1. has a unit cost of \$10,000 or more
2. is complete in itself
3. does not lose its identity even though it may become a component part of another item when placed in use
4. is of a non-expendable, non-repairable, durable nature with a life expectancy of one year or more

This includes, regardless of cost:

- All vehicles and trailers (for DMV purposes)*
- Firearms of all types (i.e., revolvers, shotguns, rifles, starter guns) **
- Pyrotechnic devices **
- Some components of buildings or facilities that meet the above criteria such as generators, score boards, fixtures, etc.***
- All computers (desktops, servers, laptops, tablets) **

* Use institutionally designated Worktag

** Use the Board-mandated track-sensitive-equipment Worktag.

*** No additional Worktag needed

B. *Sensitive Equipment Lists:* All departments must keep a separate spreadsheet if any of the following apply:

- The department has computers (desktops, servers, laptops, or tablets) that were purchased prior to Workday, and therefore are not recorded in the NSHE system.
- The department has equipment that is leased or loaned equipment to the Institution and is not recorded in AssetWorks. (See *Leased-Rented Equipment* below.)

C. *Payment and/or Funding:* The method of payment or the source of funding does not affect the definition of inventoried equipment. A single lump-sum payment, a down payment and/or staggered payments over any period of time, a lease-purchase agreement (with either the equipment supplier or a third-party financing entity), and a gift are all proper and possible ways of paying for equipment, inventoried or not. Equipment that meets the above definitions and is acquired as part of the construction or remodeling of a building or facility must be separately inventoried. Equipment purchased using some form of extended payment is to be treated exactly the same as equipment purchased with a single payment. The equipment's value is the total sum of all payments including interest.

D. *Leased-Rented Equipment:* Equipment that is leased (with no intent to purchase), rented, or placed for demonstration purposes only is not inventoried. Leased equipment that has only a nominal buy-out clause is to be considered a lease-purchase. (Record rented or demo equipment in the department's Sensitive Equipment List.)

- E. *Reconciliations:* Deans, directors, cost center managers and department heads are responsible, within their area, for reconciling annual physical inventories with periodic or special Purchasing Department reports. The accuracy of such reconciliations shall be documented by signed certification.
- F. *Purchasing Equipment Through Workday:* Equipment must be purchased using a Workday requisition using a Goods line with the proper trackable spend category. When the equipment is received, it needs to be logged using a Workday Receipt. It will then be sent to the Business Asset Accountant.
- G. *Inventory Tags and Responsibility:* Every piece of inventoried equipment must have the proper inventory tag affixed, and it must be logged into AssetWorks-Workday with the make, model, serial number, and location. As part of every NSHE employee's responsibility to properly care for NSHE property, employees are also responsible that equipment is properly recorded. The safekeeping of all System property regardless of value, is everyone's responsibility. Everyone is responsible for ensuring equipment is secure and for timely reporting of equipment status and discrepancies.
- H. *Fabricated Equipment:* If inventoried equipment is to be fabricated, the responsible department must have a Workday Project Number assigned (for tracking purposes) prior to beginning the fabrication process. A fabrication is a piece of equipment that is being created and constructed by NSHE. Generally, each part of a fabrication would not cost enough (over \$10,000) to be capitalized and would not function as a separate piece of equipment. There are exceptions, as in lasers, where the parts that make up the finished piece of equipment are over \$10,000 but these parts must meet the unable to function alone criterion. **If a piece of a fabrication can function on its own, and is over \$10,000, it is a piece of equipment and must be tagged separately.** A fabrication must, when complete, be \$10,000 or over in value. Equipment being fabricated by outside suppliers-contractors is not a fabrication. Equipment, such as a seismic table that is constructed to be destroyed in an experiment is not a fabrication. The construction of fabricated equipment should not last longer than two years. If it does go beyond the two-year limit, a request to continue must be submitted to the Controller's Office with a detailed explanation as to why the project was not finished in the allotted time, as well as supplying a new projected completion date. Fabrications must have a termination date.
- I. *Betterments:* A betterment of inventoried equipment is any modification which changes or alters a unit's original function/design and certain major repairs (over \$10,000). Contact BCN Purchasing to determine if a repair is deemed major. The inventory number will remain unchanged with the betterment, but the depreciation schedule and the useful life may need to be adjusted. Adjustments, if necessary, will be coordinated with the institution's Controller's Office.
- J. *Loaning Equipment:* If inventoried equipment is to be loaned to an entity outside NSHE, a written agreement with the other entity, approved by the President of the institution, and recorded in AssetWorks, must be completed detailing the terms of the loan and the responsibilities of all parties. The change of actual location of any inventoried equipment from its recorded location must be immediately updated in AssetWorks.
- K. *Transferring Equipment:* If responsibility for the equipment is being changed between departments or responsible person, the responsible person must initiate the transfer of equipment in AssetWorks. The transfer is NOT complete until the receiving person completes the transfer in AssetWorks. The new responsible person must update the Cost Center, Unit, Fund and Function to include additional Worktag (program) and location if applicable.
- L. *Stolen Equipment:* If equipment is found to be stolen, a police report is to be initiated immediately, and if the equipment was inventoried, the Asset Management unit must be notified.

- M. *Surplus*: Disposal of NSHE property is coordinated through Surplus, a unit within Business Center North (BCN) Purchasing. All transfers to Surplus must be completed in AssetWorks. Surplus will decide on a course of action based on age, condition, usefulness to other departments, disposal or salvage value, and costs to remove the property. If the property is deemed to be worthless or a safety hazard, Surplus will coordinate its disposal as refuse. Equipment and furniture disposed of by one department but deemed to have some useful life will first be made available to other departments. NSHE departments may avail themselves of this merchandise without cost. Merchandise not claimed by NSHE departments beyond thirty (30) days, and items deemed to be unacceptable for re-use within the System, will be disposed of through on-line sale, public sale, sale to surplus or salvage dealers, or disposal through donation or refuse. See Surplus Policy and Procedures.