



Equipment/Movable Property Inventory Control	
Responsible Official: Chief Financial Officer	Responsible Office: Procurement and Contract Services

### Policy Purpose

All governmental entities are required by state and federal law to establish and maintain a system of internal control. The purpose of this policy is to outline 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.

### Policy Statement

To ensure proper accountability, the University will maintain an accurate inventory record of all equipment and sensitive items purchased by or donated to the University, regardless of the source of funds, or if it is received via gift or on loan to the University. Inventory processes will ensure proper recording, movement, periodic inventory, and eventual disposal of fixed assets. Inventory records will include additions, permanent interdepartmental transfers, and deletions of equipment. Ownership of property acquired by the University rests with the State of Tennessee, whether acquired by departmental funds, grants, or by gifts. The University will not be responsible in any way for the personal property of others used or kept on University property.

Authority: All policies related to internal control (cash receipts, procurement, payment processing, accounting, budgeting) should use as authority the U.S. Government Accountability Office [Standards for Internal Control in the Federal Government GAO-14-704G](#) (the “Green Book”) [f](#) and the State of Tennessee [Internal Control and Compliance Manual for Governmental Entities and Other Audited Entities in Tennessee](#)

### 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

Surplus Property

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.

Equipment no longer usable/useful to the department that has possession.

Policy History

Effective Date: 11/10/17

Revision Date:

Procedure (s)

- I. Equipment and sensitive items are tagged by the Central Receiving Supervisor as University property.
- II. The Central Receiving Supervisor ensures equipment is inventoried annually. Sensitive minor equipment is verified using a random sampling method. Unannounced random checks of departmental inventories may be performed at any time.
- III. Each department head locates each item in their inventory and ensures that all ETSU property is accounted for and in the identified location.
- IV. The department head locates any item not in the identified location and communicates the correct location to the Central Receiving Supervisor.
- V. The department head reports items not located during the inventory process as unaccounted for to the Central Receiving Supervisor using the Missing Equipment form.
- VI. Lost, stolen or missing equipment is reported immediately upon discovery to the Central Receiving Supervisor via a Missing Equipment form. The Central Receiving Supervisor distributes copies of the form to Public Safety and Internal Audit.
- VII. When items are traded, sold, lost, stolen, destroyed, permanently transferred, or become surplus to the needs of the University the deletions are submitted via the Equipment Inventory Change/Deletion Request form.
- VIII. Department heads notify the Central Receiving Supervisor using the Equipment Inventory Change/Deletion Request form anytime equipment is moved from one room to another within the department.
- IX. Equipment that is taken off campus is the responsibility of the department. Each department maintains written records, according to their own internal processes, for University property taken off campus.
- X. To transfer equipment between departments, the department heads complete the Equipment Inventory Change/Deletion Request form and submit it to 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 deletes the equipment from the inventory of the transferring department and adds it to the inventory of the receiving department.

- XI. Items owned by the federal government and other contracting agencies is inventoried and identified in the inventory system. This method of accounting is also followed for all other equipment in possession of, but not owned by, the University.
- XII. Department/unit heads notify the Central Receiving Supervisor in writing when Items on loan to the University enter or leave the campus of the University.
- XIII. All requests for repairs to University equipment are submitted to the Purchasing Department on a purchasing requisition. The requisition includes; 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 is issued to a vendor for estimate of repair. If the estimate is reasonable the purchase order is amended authorizing the vendor to proceed with necessary repairs. If the repair expense is not justified the purchase order is cancelled. Repairs to equipment that must be made off campus are processed through Central Receiving where complete records of all outgoing and return shipments are maintained. The Central Receiving Supervisor is 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.

#### Procedure History

Effective Date: 11/10/17

Revision Date:

#### Related Form(s)

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

[Missing Equipment Form](#)

#### Scope and Applicability

Primary: Business and Finance