

# FINANCIAL POLICY

## Policy 30920: Equipment Trust Fund

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### 1.0 Purpose

This policy describes the Higher Education Equipment Trust Fund (ETF) established to provide new or updated instruction and equipment for State institutions of higher learning.

### 2.0 Policy

2.1. The Higher Education ETF was established as a result of a need for new or updated instruction and research equipment in the academic areas of State institutions of higher education. These needs were broken down into five categories:

1. Academic Computing
2. Engineering
3. Biological and Physical Sciences
4. Obsolescence
5. Other

2.2. To finance these needs, the Virginia College Building Authority (VCBA) sells revenue bonds. Allocations of this money is made annually to the State institutions of higher education over a three-year period. These institutions will not actually receive the allocation, but will submit equipment invoices for payment by the VCBA. The VCBA will hold title to ETF purchases and will lease this equipment to those institutions. The State funds the institution's Lease payment.

2.3. Basic stipulations for ETF items are:

- a. Equipment must have a cost of \$500 or greater.
- b. Equipment must be used within the Commonwealth of Virginia.
- c. Equipment must have a useful life of three years or more.
- d. Certain types of equipment are excluded:
  - Library books, materials, and shelving.
  - Microfilm collections and material.
  - Software for microcomputers.
  - Office equipment.
  - Transportation equipment.
  - Desks, chairs, and tables.
- e. Equipment normally affixed to a building or functional as a part of an operating system of a building:

- Climate control and security systems.
  - General telecommunications equipment, except that required for approved programs, related courses or research activities.
  - Buildings
- 2.4 ETF assets can be visually distinguished from College-owned assets by the letters “VCBA” and an orange vertical stripe on the asset tags. Also, the 7-digit asset number will begin with the letter “E.”
- 2.5 All participating departments should retain ETF documentation in accordance with the College Records Retention Policy and procedures.
- 2.6 Since this equipment will not be paid for or owned by the College, special procedures will need to be followed for ordering, approving payment of, and controlling ETF items.
- 2.7 Equipment Split Funded with Federal Grant Monies
- 2.7.1. When equipment is split funded between ETF and grants and federal agencies, title technically belongs to the VCBA, even though the federal agency may have the right to transfer the equipment. If the agency exercised its right, the department that purchased the equipment with federal grant funds must replace the equipment, so as not to violate the terms of the VCBA lease agreement.

### **3.0 Procedures**

### **4.0 Definitions**

### **5.0 References**

### **6.0 Point of Contact**

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### **7.0 Approval and Revision Dates**

Reviewed and Approved by: Suzanne Swinson February 11, 2008

President's Council February 18, 2008