1.0 INTRODUCTION

The Higher Education Equipment Trust Fund (HEETF) was established by the General Assembly to provide funding to purchase equipment needed for instruction and research. The State Council of Higher Education for Virginia (SCHEV) works together with the Virginia College Building Authority (VCBA), and the Department of Treasury to administer HEETF through the financing of Trust Funds and the issuance of revenue bonds. Based on identified equipment needs, the General Assembly allocates appropriation to each Institution for the purchase of HEETF Equipment. Each institution then purchases equipment using their operating funds and submits requests for reimbursement from the Trust Fund.

Replacing General and Obsolete equipment is the primary focus for the Trust Fund; with an emphasis on accomplishing the following goals outlined by SCHEV:

- 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 the introduction of new ways of instruction and learning, provide courses customized to student needs, and take advantage of 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

2.0 PURPOSE

The purpose of this document is to clarify The Higher Education Equipment Trust Fund guidelines and establish consistent procedures for execution of the program.

3.0 DEFINITIONS

SYSTEM – An assemblage of instruments, modules, and components that together form a single functional unit which performs a specific task, and will remain assembled as a single functional unit for the entirety of its useful life. Examples: Oscilloscope with probes, recording spectrophotometer with demountable cell assembly and windows, etc. An order for 5 $100 keyboards for computers is not a system.

RETENTION PERIOD – The time-frame in which equipment will remain in service for its original purpose. For example, computing equipment (Desktops, Laptops, Computer Monitors, Tablets, and Printers) requires a minimum 4 year retention period (computing equipment purchased prior to July 1, 2018 currently requires a minimum 7 year retention period) while all other ETF equipment requires 7 years.
REQUISITION FORM – Formal request document for equipment purchases. This includes all information needed to process the purchase request for ETF (Equipment, quotes, suggested vendor, ETF number, etc.).

FREIGHT CHARGES – Charges for the transportation of goods. These charges can only be paid using VCBA funding if they are included in the total cost of the equipment.

INSTALLATION COSTS – Cost for unpacking, setting up, and testing the equipment. Building modifications, new electrical outlets, etc. are not allowable costs. Installation charges may be submitted for HEETF reimbursement only if they are included on the same payment voucher as the equipment.

ETF NUMBER – Number assigned to each item or system that serves as a cross-reference for SCHEV’s authorization records and VCBA’s payment process. The Budget Office will assign this number when the equipment is received so that Fixed Assets can tag the equipment appropriately.

4.0 GUIDELINES
- Each item and/or system must cost $500 or greater and not be considered an excluded item from the HEETF “Exclusion List” (See Attachments) in order to qualify for the ETF reimbursement.
- Small Purchase Credit Cards (SPCC) shall not be used to purchase ETF equipment.
- All ETF purchases must use the appropriate ETF index to ensure reimbursement. Purchases should not be made to a department index with the intention of transferring the charges later.
- In addition to the items identified in the exclusion list (attached), consumables, supplies or any equipment not expected to last the required retention are not permitted as an ETF purchase.
- ETF and Non-ETF equipment purchases should be requested on separate requisitions.
- Requisitions shall be received in Procurement Services by the dates designated in the university year-end financial calendar.
- All items and system components must be received and paid in full by the university before a reimbursement request is submitted to SCHEV for processing. As such, all items and system components ordered under this ETF cycle must be received and invoiced no later than the date specified in the university year-end financial calendar. This includes high tech research equipment requiring calibration/ installation/ software fine-tuning.
- Respective departments’ ETF budgets should be monitored and reconciled to ensure outstanding encumbrances are still valid or need to be liquidated. Budget managers must ensure that Departments monitor and reconcile orders and stay within the ETF Budget Allocation.
- Components of a system must be purchased together and entered on separate lines of the purchase order. Every effort should be made to order all components of the system from one vendor.
- Freight/shipping charges shall be entered on the same purchase order as the equipment, but on a separate line item with the appropriate NIGP commodity code (96286) and account code, 712190, inbound freight.
- Installation costs should be entered on the same purchase order as the equipment, but on separate line items.
Once an assemblage of components are deemed a “system”, they cannot be separated for partial disposal, i.e., a recording spectrophotometer with demountable cell assembly and windows that was approved as a system must be maintained as a system for the entire retention period and disposed of as a single unit.

5.0 PROCEDURE
I. All ETF orders will be processed through eVA. Departments may contact Procurement Services for guidance on sourcing goods or services. All eVA requisitions for ETF procurements shall be received in Procurement Services by March 9, of the respective calendar year for purchase. Additionally, all ETF items must be received and invoiced no later than the date specified in the year end calendar.

II. Requisitions
Each eVA requisition must be filled out completely and include the following:
1. eVA electronic requisitions, in any amount, must note “ETF” and the ETF budget code in the title line.
2. eVA requisitions should include the contract number in the appropriate field whenever applicable.
3. If the vendor you are suggesting for the order request is not in the eVA vendor database, please follow the instructions for using a non-registered eVA vendor.
4. Indicate on the requisition if prices quoted by the vendor include freight/shipping or if freight/shipping will be an additional charge. If freight/shipping is not included in the quote then freight/shipping shall be added on a separate line item with the appropriate freight/shipping commodity code number 96286 and account code 712190.
5. Indicate on the requisition if prices quoted by the vendor include installation, testing, or calibration.
6. If available, include information on any additional sources or vendors.
7. Systems:
   a. All component parts of a system, and any related freight and or installation costs, shall be submitted on separate line items on the purchase order. This ensures an entire ETF purchase is tracked through the Fixed Asset system and reported accurately to SCHEV for reimbursement.
   b. Any related software should be noted with cost on the same line item as the equipment.
   c. Multiple Vendors: While every effort should be made to utilize a single vendor for the purchase of a system, when multiple vendors are absolutely required,
      i. Note in the comment section of the requisition “System involves multiple purchase orders” and the associated requisitions or purchase orders, if available.
      ii. All POs associated with the “system” shall be assigned one ETF number.
8. eVA electronic requisitions require Index and account code for each line item. When purchasing a system consider the purpose of the system (Laboratory Equipment, Medical and Dental Equipment, etc.) instead of the component parts when identifying the appropriate account code for a “system”. All POs must use the appropriate ETF index to ensure reimbursement. Purchases should not be made to a department index with the intention of transferring the charges later.
III. Computer Purchases:
1. All faculty and staff desktop and laptop computer purchases shall be made via existing University contract vendors: Dell, SHI, Apple and others. Contact Procurement Services to assist with vendor selection.
2. In addition, please note that it is **not allowable to include add-on accessory items** such as iPad cover’s, keyboard’s, cases, etc. in order to meet the $500 cost requirement.

IV. Appropriate use of Banner expenditure accounts on all requisitions are critical for inventory tagging requirements and reconciliation with Finance reimbursement submissions to SCHEV. Consider the purpose of the system (Laboratory Equipment, Medical and Dental Equipment, etc.) instead of the component parts when identifying the appropriate account for a “system.” A listing of expenditure account codes may be found on the [Expenditures Accounting Codes web page](#).

V. Fixed Asset Management will ensure all inventory data is accurately entered into Banner prior to submission to SCHEV. It is critical that ETF Coordinators collaborate with the department Fixed Asset Coordinator and ensure their departments maintain inventory tracking and control systems.

VI. Signature Authority and Banner Access: One ETF index will be set up for each school/office with an ETF allocation. The Budget Office will review backup documentation and sign off on charges in these indexes in order to ensure that purchases are ETF eligible, and that they have all documentation necessary for SCHEV reimbursement.

VII. Retention Periods: ETF Computing Equipment (Desktops, Laptops, Computer Monitors, tablets, and Printers) must remain on the active inventory for a minimum of 4 years (any computing equipment purchased prior to July 1, 2018 must remain active for a minimum of 7 years). All other ETF equipment must remain on the active inventory for 7 years. **ETF equipment shall not be turned in to Fixed Assets Management for surplus/disposal during the retention period. In addition, systems must remain intact throughout the retention period and shall be disposed of as a single system. Once the equipment reaches the end of its useful life follow surplus property procedures listed on [Fixed Assets website](#).**

6.0 ATTACHMENT
- HEETF Exclusion List
**HEETF Exclusion List**

<table>
<thead>
<tr>
<th>The Following Items</th>
<th>The Following Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Library Books, Films, Videotapes, DVD’s and Library Materials</td>
<td>All Programs</td>
</tr>
<tr>
<td>b. Microfilm Collection and Materials</td>
<td>All Programs</td>
</tr>
<tr>
<td>c. Library Shelving</td>
<td>All Programs</td>
</tr>
<tr>
<td>d. Office Appurtenances (Blinds, Carpets, File Cabinets and Similar Items)</td>
<td>All Programs</td>
</tr>
<tr>
<td>e. Office Furniture (Desks, Chairs, Tables and Similar Items)</td>
<td>All Programs</td>
</tr>
<tr>
<td>f. Transportation Equipment</td>
<td>All Programs</td>
</tr>
<tr>
<td>g. Equipment Normally Affixed to a Building or Functional as a Part of an Operating System of a Building</td>
<td>All Programs</td>
</tr>
<tr>
<td>h. Climate Control and Security Systems</td>
<td>All Programs</td>
</tr>
<tr>
<td>i. General Telecommunications Equipment</td>
<td>Public Service and Physical Plant</td>
</tr>
<tr>
<td>j. Buildings</td>
<td>All Programs</td>
</tr>
<tr>
<td>k. Equipment With a Useful Life Less Than 3 Years</td>
<td>All Programs</td>
</tr>
<tr>
<td>l. General Applications Software (Lotus, Excel, Word, etc.)</td>
<td>All Programs</td>
</tr>
<tr>
<td>m. Items Costing Less Than $500</td>
<td>All Programs</td>
</tr>
<tr>
<td>n. Used Equipment</td>
<td>All Programs</td>
</tr>
</tbody>
</table>