

Section: Business and Support Operations

Section Number: 3.6.1

Subject: Equipment: Inventory Procedures and Policies

Date of Present Issue: 06/17/02

Date of Previous Issues:
07/80, 07/89, 02/93, 06/96, 07/97,
06/00

POLICY:

Department heads are responsible for equipment purchased for, or assigned to their respective departments, regardless of the source of funds. Business Operations is responsible for coordinating the annual inventory audit of University- owned movable equipment and for maintaining and updating inventory records. Movable equipment to be carried on inventory will be determined as follows:

1. Movable equipment costing less than \$2,500.00 will not be included on the inventory.
2. Movable equipment with a life expectancy of less than three years will not be included on the inventory.
3. Movable equipment costing \$2,500.00 or more will be tagged for identification and carried at cost (plus any related expenses) on the inventory.
4. Movable equipment included on the inventory will be depreciated on the financial records based on the adopted expected life schedule. (see section 3.6.7)
5. Tagged equipment paid for from grants to the University will have a "G" classification.
6. Tagged equipment paid for, acquired by, or primarily for use by Auxiliary Enterprises will have an "A" classification.
7. Tagged equipment donated to the University through LSSU foundation will have a "F" classification.
8. All other equipment to be tagged will be identified with the prefix "S".

PROCEDURE

<u>WHO</u>	<u>DOES WHAT</u>
Business Operations	<ol style="list-style-type: none">1. Retains copies of all purchase orders and paid invoices for equipment that is to be assigned a tag number and files them in a Purchase Order Binder by purchase order number.2. Assigns and attaches tags after the equipment has been delivered and accepted by the department.3. Develops and maintains a computer list of equipment purchased, moved or deleted from inventory. This will be used to prepare a depreciation report showing the amount of depreciation for the year and original value of all items on the equipment list.4. Prepares entries to capitalize equipment acquired during the year valued at \$2,500.00 or more.
Department Heads	<ol style="list-style-type: none">1. Tracks movable equipment, and completes an Equipment Disposition and Transfer form when necessary. This form is located in Excel on the O: drive.

	2. Conducts annual physical audit of inventory and certifies the list provided by Business Operations.
Business Operations	1. Conducts physical audits to ensure procedures are followed.

Trade-in, Transfer or Sale

Purchasing Department will notify Business Operations when equipment is traded in or sold, by use of Equipment Disposition and Transfer form. Business Operations will remove all tags from equipment prior to trading, sale or disposal. Refer to section [3.6.2](#).

Theft of Equipment

Department heads must notify Security of any theft and ensure proper paperwork is filled out.