---The Ledger

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Revisions to Finance and Business Policies

Below are summary updates regarding revisions to three university policies.

Policy 3951: Transfer of Equipment between Domestic Institutions

http://www.policies.vt.edu/3951.pdf

The purpose of this policy is to clarify the university's ownership interest in equipment, outline compliance standards and define the **limited circumstances** under which equipment may be transferred or sold to a new institution. The most common scenario prompting requests from faculty members occurs when they choose to leave the university prior to the conclusion of a sponsored project, and seek to transfer the project and its related equipment and supplies to their new institution.

Major changes to the policy include:

1. Procedures for receiving equipment transferred from other domestic institutions which resulted in retitling the policy from "Transfer of Equipment from the University to Other Domestic Institutions" to "Transfer of Equipment between Domestic Institutions". Highlights from the new section, 2.2 Receiving Equipment from Another Domestic Institution are below.
    - Responsibility is assigned to the department managers for ensuring faculty members bringing equipment to the university notify the fixed assets equipment coordinator, FAEIS, and the Office of Sponsored Programs (OSP).
    - Failure to notify FAEIS prevents the asset from being covered under the university insurance policy. In addition, if the equipment is on loan from a federal sponsor and the department fails to notify FAEIS and the OSP it puts the department financially responsible for loss of or damage to the equipment. It also prevents the university from being compliant with federal guidelines, Title 2 of the Code of Federal Regulations, "Uniform Guidance" 200.313(d). This regulation requires property records to be maintained in a controlled system to ensure adequate safeguards to prevent loss, damage, or theft of the property.
    - Any cost to be incurred for the transfer of the equipment assets (transportation, insurance, etc.) is the responsibility of the university department.

- University employees are not authorized to accept moveable equipment and supplies from other entities until documentation is obtained regarding ownership and conditions of the no-cost transfer or purchase.

2. Departments are assigned with the responsibility to delete sensitive university information or data from all information technology resources being transferred to another domestic (or foreign) institution. This action is to ensure all university information is handled with appropriate security and access controls.
3. The threshold requiring Dean or Vice President approval was altered from $10,000 to $25,000 to factor in the price inflation of equipment since the policy was established in 2003.

Other elements of the policy include the following:

Generally, the university has sole ownership of, or title to, all equipment acquired with the following exceptions:

- Equipment acquired through sponsored projects where the sponsor retains title to or an equity interest in the equipment or where the sponsor furnishes equipment to be used in the performance of the project and requires its return at the completion of the project.
- Equipment acquired on federally-sponsored projects sometimes results in the university having conditional title for the duration of the sponsored project, and the final determination of ownership is made upon the conclusion of the project in accordance with 2 CFR 200.313.
- Equipment on short-term loan from another institution.
- Leased equipment (unless such equipment meets the criteria for a capital lease).

Generally, the source of funding determines ownership and whether the equipment can be transferred at no cost or whether the receiving institution must pay for it. Revisions were made to the three scenarios below to provide guidance on the variables to consider when determining the reasonability of an equipment transfer.

1. Equipment and supplies purchased on a transferring sponsored project:

   Ownership of equipment and supplies associated with the project should be resolved according to the terms and conditions defined by the sponsor.

   - A no-cost transfer is appropriate only if the total cost of the equipment or supplies was paid from the sponsored project.

   - If any portion of the cost of the equipment or supplies were paid for with other Virginia Tech sources of funds, then the university must recoup the appropriate portion of the university's cost through the Surplus Property sales process described in item three below.

- When university resources are used to satisfy equipment or supplies cost-sharing commitments, Virginia Tech's obligation should be proportionately reduced to the amount expended on the project.

2. Equipment purchased on a terminated sponsored project:

   When the university has title to the equipment purchased on sponsored project, the university must recoup the appropriate portion of the purchase cost through the Surplus Property sales process described in item three below. If the university has conditional title to federally funded equipment with a current per-unit fair market value in excess of $5,000 a refund is due to the federal agency for its proportional share of the fair market value in accordance with 2 CFR 200.313

3. Equipment and supplies owned by the university, and purchased from Virginia Tech sources other than a sponsored project:

   This includes equipment and supplies purchased from state funds (E&G or recovered overhead), Equipment Trust Fund (ETF) bond proceeds, and all other sources of non-sponsored funds. In these cases, university Policy 3955, Management of Surplus Material applies and is used to determine the sales price of the equipment. A no-cost transfer is normally prohibited.

   In addition, the approvers as listed in Section 2.1.1 must determine that the request will not create a detrimental impact on the university, declare the equipment or supplies as surplus property. The department will work with Fixed Assets & Equipment Inventory Services (FAEIS) to complete the sale. **Furthermore, if the equipment was purchased with Equipment Trust Fund bond proceeds and the equipment is less than SEVEN years old, it cannot be sold unless the department replaces the item with a similar piece of equipment thereby preserving the collateral for the bonds issued to fund the ETF program.**

Approval authority for transfer or sale of equipment and supplies is based upon the aggregate acquisition cost of the equipment and supplies to be transferred or sold and the position of the exiting faculty member. The policy now provides a table establishing the approval authority for transfers and sales of equipment or supplies.

The procedures section has been expanded to reflect current practices and outlines the responsibility and accountability of departments, FAEIS and the OSP.

The form titled "Equipment Request to Transfer to another Domestic Institution" has been revised to assist in streamlining the request process and to reflect the changes identified above. The former process included a second form titled "Detail Equipment

Request to Transfer to another Domestic Institution". This form has not been widely used and has been removed from the Controller's Office website. An alternative to this is for departments to provide the Manager of FAEIS with a list of equipment and supplies the exiting faculty member would like to take to their new institution. Based on the request, the Manager of FAEIS will extract data from the university property management system and provide the department with a report identifying ownership and the funding sources used to purchase the items. Departments should begin using the revised form "Request to Transfer/Sell Equipment to Domestic Institution" available on the Controller's website.

Policy 3260: Prompt Payment Policy

http://www.policies.vt.edu/3260.pdf

Minor revisions were made to the policy which outlines the guidelines and procedures to follow to achieve compliance with the Virginia Prompt Payment Act.

Additions include the following:

- Clarification on documenting disputes on invoices received centrally. If the vendor invoice is received directly by the department, an explanation and the resolution date should be noted on the invoice. If the invoice is received centrally in the Controller's Office, then the explanation and resolution date should be documented on the receiving report in the HokieMart.
- Documents containing Personal Identifying Information (PII) should be delivered by campus mail and not attached as documents in HokieMart.
- Departments has the option to upload additional documentation related to the receipt of goods or services, such as packing slips or bills of lading.

Policy 3615: Electronic Delivery of Wages, Salaries, Reimbursements and Refunds

http://www.policies.vt.edu/3615.pdf

This policy underwent a complete revision documenting the university's current practices of requiring the payment of wages or salaries, travel or expense reimbursement, and student refunds be processed by direct deposit in lawful money of the United States into an account in the name of the employee or student at a financial institution in the United States designated by the employee or student. The revision resulted in retitling the policy from "Electronic Delivery of Paychecks" to "Electronic Delivery of Wages, Salaries, Reimbursements, and Refunds".

- It is the responsibility of the employee or student to access the on-line enrollment system within your VT personal portal (Hokie Spa, MyVT or one campus). Once enrolled, they will be able to view their designated bank account(s), add additional account(s) and delete existing account(s). It is the employee's responsibility to verify that the bank account information on-file is current.

- Except for Federal Work-Study (FWS) compensation, if an employee hired after January 1, 2010, fails to designate an account at a financial institution, the university may at its discretion pay wages or salaries by crediting a prepaid debit card or card account from which the employee is able to withdraw or transfer funds.
- The university will provide electronic notification of direct deposit payments unless the recipient elects not to receive this notification.
- Employee earnings and deductions statements will be available electronically at least two days prior to the scheduled pay date. It is the employee's responsibility to furnish a current email address to which direct deposit notifications can be sent electronically.
- Students and employees are responsible for verifying that funds transferred electronically are available at their financial institution before spending the funds.
- Students and employees are allowed a maximum of two payroll deposit accounts and a third additional account for student refunds or travel reimbursement.
- Students and employees can change their designated account(s) at any time to become effective on the system indicated dates.
- If an employee has incurred travel and/or meals expense(s), the Commonwealth of Virginia requires the university to reimburse the employee through direct deposit.

In order to accommodate changes in employee authorizations and to comply with federal financial aid regulations, this policy allows for the following exceptions:

- Wage employees who do not have a bank account and will only be employed one or two pay cycles.
- Employees can receive a paycheck for one to two periods while establishing a new account.
- Federal Work Study students are not required to provide authorization for direct deposit at hire.
- Federal Student Aid (FSA) refunds. Students who do not provide banking information by enrolling in direct deposit, and are owed a refund of FSA, will receive a refund check that will be mailed to the permanent address on the student record at the time the refund is processed. Requests for replacement checks will not be accepted by the Bursar's Office until 14 calendar days after the date the check was issued.