

Marietta College
Marietta, Ohio
17 April 2002

Policy for Acquisition, Management and Disposal of Capital Assets

SCOPE: This policy applies to any and all capital assets acquired by Marietta College. Capital assets are defined as real estate, underground real estate improvements, including mineral rights, buildings and similar structures, vehicles, equipment valued at more than \$2,500, furniture and furnishings valued at more than \$2,500, and computer equipment valued at more than \$1,000. The value stated in the previous sentence is the value of the capital asset at the time of acquisition. Acquisition is defined as procurement of the capital asset, whether by purchase or by lease-purchase, or transfer of ownership of the capital asset to the College as a gift.

ACQUISITION: Marietta College will acquire capital assets as required to support pursuit of its institutional mission and programs. Capital assets will be acquired in a methodical, business-like manner. The College will consider the life cycle cost of the asset in initially determining whether or not to acquire it. Life cycle costs include, but may not be limited to, the cost of purchase or lease, including transportation and set-up costs, and costs associated with user training, asset maintenance, and asset repair. When acquisition is through procurement, the College will develop detailed written specifications for the asset and will submit requests for quotation/proposal to at least three (3) qualified vendors. The College will a priori identify qualified vendors by methods that are acceptable to the Vice President for Administration and Finance. Repeat vendors are considered qualified unless the vendor has experienced significant financial or organizational changes since the last purchase by the College.

Upon securing quotations/proposals from qualified vendors, the College will identify the best value, which considers price, quality, optimal delivery, and other factors, and will issue appropriate documentation to the most qualified vendor as a means of initiating the acquisition of the capital asset. Best buy is defined as the asset that most closely meets the specifications, at the best value, and with the optimal delivery lead time. Appropriate documentation is usually a purchase order or a acquisition contract agreement. Unless arranged in advance with Physical Plant, vendors are expected to deliver products to the end user, to assemble, set up, and /or install the product, and to remove resulting debris from campus.

Special acquisitions may be available from only one vendor and is thus a sole source acquisition. In this case, the College will negotiate the best possible price from the vendor and will secure a written quotation/proposal confirmation. In negotiating the best possible price, the College will attempt to secure the lowest price charged by the vendor to *any* customer for the asset being acquired.

Upon delivery of the asset to the College or other final delivery point, the College will affix an inventory tag to the asset, record acquisition of the asset in its capital asset inventory database, and amend its property insurance policy to include the asset. If it is not possible to secure an inventory tag (e.g., computer software), the College will still record acquisition in the inventory database and amend the property insurance policy accordingly.

MANAGEMENT/MAINTENANCE: For the life cycle of the asset, the College will use and maintain it for its intended purpose, consistent with institutional mission and programs. If it is possible to use the asset beyond its scheduled life cycle, even at lesser capacity, the College will attempt to do so, within reason. During the life cycle of the asset, the College will use and maintain the asset in a manner consistent with that recommended by the vendor, manufacturer, contractor, or fabricator. This entails appropriate levels of training by asset users and regular maintenance of the asset in order to extend the useful life of the asset. Regular maintenance may be scheduled or episodic and may be accomplished in-house or by an external qualified maintenance provider.

DISPOSAL: If asset features, condition, or performance decline such that the asset no longer fulfills the purpose for which it was acquired or for which it is currently needed, the department responsible for maintenance of the asset may recommend disposal of the asset. Recommendation for asset disposal should be made by the appropriate department head to his/her Vice President, or the Vice President's designee. The Vice President or designee will then recommend disposal to the Vice President for Administration and Finance, who will determine if and how disposal will occur. If the Vice President determines that the asset should be disposed, the asset will be declared to be surplus. The Vice President for Administration and Finance may convene a committee to advise regarding surplus declaration and disposal decisions. Disposal decisions and methods will be documented in accordance with good business and accounting practices. Specific procedures for the disposal of computer-based equipment are identified at the end of this document.

DISPOSAL OPTIONS: The College will maximize the salvage value of any surplus asset. Accordingly, the College will attempt to sell any surplus asset to available markets, including College employees. The College will establish a price for the surplus asset. Negotiation of a lesser price will be at the sole discretion of the Vice President for Administration and Finance. If there is no resale market for a surplus asset, the College will offer the asset to bona fide not-for-profit organizations who may benefit from ownership. In this case, preference will be given to local organizations. If not-for-profit organizations are not interested in receiving the asset, the College may dispose of the asset by whatever means is necessary. The Vice President for Administration and Finance will determine how to fund any costs associated with asset disposal. Similarly, the Vice President will determine the disposition of any proceeds realized from disposal of the asset.

DISPOSAL OF COMPUTER-BASED EQUIPMENT

Because of the special nature of computer-based equipment, it is appropriate to identify specific disposal procedures for this type of equipment. Disposal procedures are described below.

Departments or divisions wishing to discard computer-related equipment or who are receiving new computer-related equipment should contact the Office of the Director of Information Technology for guidance regarding disposal of equipment to be discarded or replaced. On initial contact with the Director, departments or divisions should provide the following information:

1. model number of the equipment;
2. complete configuration information;
3. inventory tag number;
4. number of times the equipment was upgraded;
5. year purchased;
6. statement indicating that the equipment cannot be used for any other purpose in the department; and,
7. statement outlining steps to be taken for the equipment replacement (including budget information).

After the information is received, the Office of Information Technology will identify a staff member to inspect the equipment and will advise the department regarding disposal. No equipment may be discarded if it is still under warranty. Any equipment that is adequately performing its intended function should not be discarded, irrespective of its age. The IT department will advise the Vice President for Administration and Finance on disposal of equipment identified to be discarded by departments and divisions. One of the following steps will be recommended with the final approval (in writing) of the Director of Information Technology:

1. using the equipment for spares or parts;
2. cost effectiveness of doing an equipment upgrade;
3. moving the equipment to another department;
4. selling the equipment;
5. donating the equipment to a non-profit organization;
6. providing the equipment to employees via silent auction on an "as is" basis; or,
7. providing the equipment to employees free of charge on an "as is" basis.

When steps 4 and 5 are recommended, disposal of equipment will be the responsibility of the Vice President for Administration and Finance. Disposition of funds realized from step 3 will be determined by the Vice President for Administration and Finance. A small (3 person) committee will be formed to administer step 6 or 7. Staff and faculty who can show that the gift of the equipment will further the technology goals of the college are more likely to be awarded machines under step 7.

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