

**PROCUREMENT SERVICES ACQUISITIONS AND INVENTORY MANAGEMENT**

**GUIDEBOOK**

This reference document provides simple guidelines on the proper method the most common for management of Western University of Health Sciences furniture, fixtures, and equipment (FF&E).

**DISPOSITION OF FF&E**

The disposition of FF&E will fall into one of the following categories:

## Obsolete FF&E:

When FF&E is confirmed and authorized by an Acquisitions and Inventory Management associate as obsolete it may be destroyed and discarded or it may be salvaged for scrap. The proceeds of sales must be deposited into the General University fund.

## Surplus FF&E:

When FF&E is confirmed and authorized by an Acquisitions and Inventory Management associate as surplus, the following must be considered in order: 1) transfer from one custodial college/department to another custodial college/department; 2) donated to a non-profit charitable/community organization; 3) sold "as is" at market value to the public (excluding WesternU faculty, staff, administration, and students).

## Trade-ins:

University FF&E may be traded for like equipment only. An Acquisitions and Inventory Management associate must be consulted to determine the University's declared value of the subject FF&E. The declared value must dictate whether the trade-in offer is acceptable. Once approval is received, then an Acquisitions and Inventory Management associate will update the University's Inventory System to reflect the sale and disposition of the old equipment.

## Transfer of sponsor-owned FF&E

FF&E which is owned by a sponsor and under the custody of the grant/contract Principle Investigator must, upon update of the University Inventory System, be released by an Acquisitions and Inventory Management associate if ownership is being transferred to another entity.

**PHYSICAL INVENTORY**

Acquisitions and Inventory Management will conduct an independent physical inventory of capital FF&E (over $1000.00) for each department to ensure control and disposition of FF&E. Acquisitions and Inventory Management physical inventory schedule will be based on a three- year cycle. At the beginning of a Fiscal Year, Acquisitions and Inventory Management will contact the appropriate administrator, for departments identified for the physical inventory for that specific fiscal year, to determine the specific timeframe to conduct the physical inventory.

College/department operations directors or administrator will be notified prior to Acquisitions and Inventory Management conducting the physical inventory. Acquisitions and Inventory Management will forward an email notification to the appropriate director/administrator. The notification will include the listing of inventory and the scheduled timeframe of the physical inventory. Acquisitions and Inventory Management will coordinate the physical inventory with a college/department representative.

Upon completion of the physical inventory, Acquisitions and Inventory Management will forward a preliminary inventory report to the college/department operations directors or administrator identifying any discrepancies. Any FF&E on the inventory listing which are not found by Acquisitions and Inventory Management or any FF&E found by Acquisitions and Inventory Management but not currently on the inventory listing will require submittal of the appropriate documentation as defined in Acquisitions and Inventory Management procedures. Upon resolution of the discrepancies, Acquisitions and Inventory Management will forward a final inventory report to the college/department operations directors or administrator.

**FF&E TRADE-INS**

When the purchase of new FF&E is contingent upon the trade-in of University FF&E, the college/department representative must notify the Director of Procurement Services before completing a requisition for the new purchase.

Before releasing the trade-in item to the vendor, the college/department representative must contact an Acquisitions and Inventory Management associate to have the inventory barcode tag removed.

An Acquisitions and Inventory Management associate will complete the “Property Disposal

Form” and remove the item from the FF&E inventory system.

**SURPLUS AND OBSOLETE FF&E DECLARATION**

To ensure that members of the WesternU community follow proper disposition guidelines for WesternU owned FF&E in accordance with local, state, and federal standards and regulations.

To maintain accurate inventory records for the purpose of audits, insurance and full utilization of depreciable FF&E.

To ascertain if any potential salvage value of surplus FF&E to help offset the cost of disposal.

**SELLING UNIVERSITY FF&E**

If the sale of University FF&E is deemed appropriate and approved by the Director of Procurement Services, the transaction will be administered by the Purchasing Department under a process that ensures impartiality and minimizes WesternU's risk exposure to product liability, sales tax exemption regulations, potential loss of commercial discounts and potential violations of special pricing structures, if deemed a reseller. Departments/Colleges are strictly prohibited from gifting or selling University FF&E directly to WesternU faculty, staff, students and other individuals.

Responsibilities:

The Department/College:

1. When a department/college has FF&E that are no longer used or needed by that department/college, the college/department representative shall notify an Acquisitions and Inventory Management associate.
2. A "declaration and disposal form and detail sheet" shall be completed and submitted to an Acquisitions and Inventory Management associate.
3. Coordination of inter-department transfer when an asset/property is requested.

The Acquisitions and Inventory Management Associate:

1. Once the "declaration and disposal form and detail sheet" are received, notification will be made to other departments via email of the availability of the FF&E if it has sufficient continuing value.
2. If/when another department requests the FF&E, then an Acquisitions and Inventory Management associate will be notified and an "Inter-Department Transfer Form" must be completed.
3. Update FF&E Inventory once the relocation has taken place.

The Facilities Department:

1. Relocation of asset/FF&E via the "office and equipment relocation” form.

If no department requests the FF&E within ten (10) working days of the date the list was sent, an Acquisitions and Inventory Management associate will contact Facilities to have the equipment transferred to the FF&E storage area. If there is not sufficient storage space or the FF&E has been in storage for an excessive amount of time the FF&E will be reviewed, and its status may change to FF&E and will be subject to the policy as such.

**RELOCATION OF FF&E**

Before an item is transferred from one permanent location to another, the college/department representative initiating the transfer must first contact an Acquisitions and Inventory Management associate.

An Acquisitions and Inventory Management associate shall fill out a “Property Transfer Form”. This form must be signed by an Acquisitions and Inventory Management associate, the college/department representative, and, if applicable, the future college/department representative prior to the physical transfer of the FF&E.

Depending upon the FF&E, an Acquisitions and Inventory Management associate will make arrangements with either IT or Facilities, if necessary.

**MISSING, STOLEN, OR VANDALIZED FIXED FF&E**

If FF&E is missing, vandalized, or stolen, it is the responsibility of an Acquisitions and Inventory Management associate to report the incident to WesternU Campus Security and an Acquisitions and Inventory Management associate as soon possible after the discovery is made. An Acquisitions and Inventory Management associate will consult with the Office of Risk Management to evaluate and recommend action to be taken to recover the value of the FF&E.

In the case of missing FF&E, an Acquisitions and Inventory Management associate shall instruct the college/department representative to complete a "Missing Property Form".

In the case of theft or vandalism, WesternU Campus Security shall provide a copy of the police report to both an Acquisitions and Inventory Management associate and the college/department representative.

In both cases, if it is determined that the FF&E is not recoverable, an Acquisitions and Inventory Management associate shall complete a "Property Disposal Form" which must be signed by the college/department representative and an Acquisitions and Inventory Management associate. The item will be removed from the official inventory list.

**PREMISES**

Employees may be held liable for loss or damage to FF&E taken off campus if the loss or damage results from negligence, intentional act, or failure to exercise reasonable care. If loss or damage occurs, the requestor may be held financially responsible for replacement or repair.

Therefore, employees must exercise great care to ensure that the FF&E is used solely to perform business-related tasks.

**ACCEPTING DONATED FF&E PROCESS**

1. Before acceptance, all donations must be approved by the cognizant WesternU department chair;
2. Donors must provide proof of clear title to the FF&E;
3. Donated FF&E shall be tagged and added to the inventory system at fair market value, as established by the donor;
4. Copies of supporting documents and acceptance forms shall be forwarded to the Director of Purchasing and to an Acquisitions and Inventory Management associate;
5. Whenever practical, donated items should be delivered to the Central Receiving Department for tagging and delivery to departments. If the donated item is delivered directly to the department, the college/department representative shall promptly notify an Acquisitions and Inventory Management associate so that tagging and paperwork can be completed in a timely manner.

**GLOSSARY OF TERMS**

|  |  |
| --- | --- |
| Term | Definition |
| Acquisitions and Inventory Management Associate | An employee under the direction of the University Procurement Services Director.  |
| Disposition | Refers to the final settlement of FF&E that results in FF&E no longer listed as part of the University’s Asset listing. This may occur through the sale, exchange, transfer, disposal, or loss of FF&E. |
| FF&E | Movable furniture, fixtures, and equipment that are not permanently connected to real property. FF&E over $1000 are subject to depreciation. |
| Obsolete | May be either capital or non-capital FF&E that either: 1) has no economic or service value to the University; or 2) can no longer be operated in safe manner; or 3) cannot be operated in an economic manner. |
| Surplus | Capital or non-capital FF&E that either: 1) may have some economic value; or 2) is fully operational. However, it has no service value to the original purchaser. |