University of Southern Mississippi

Equipment Card

Quick Guide

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Overview

Procurement and Contract Services has developed an Equipment Procurement Card which may be used for Equipment purchases. The Equipment Card (E-Card) purpose is to replace the traditional purchasing method of requisition, purchase order, delivery, invoicing, check disbursement, and storage. The efficiency and flexibility of the Ecard allow Faculty and Staff to better focus on the value-added aspects of their jobs. The savings from reduced paperwork and online processing provides a direct benefit to the department's bottom line.

This User Guide will provide the user with the Policies and Procedures necessary to remain in compliance with university policy as well as State Purchasing Law.

Equipment Definition

Property (Equipment) is defined as all furniture, vehicles, equipment, and other State Property having a useful life expectancy of at least one year and a cost of $1,000 or more. All items under $1,000 in value are not required to be placed in inventory excluding specialty items. The Equipment Exception List may be found at Equipment Items and Exceptions

USM's "micro-purchase" threshold will be $5,000 and below, i.e., multiple quotes are not required, and the "simplified acquisitions" threshold will be between $5,000.01 and $75,000, i.e., where informal quotes are solicited. And generally, purchases above $75,000 will involve solicitations that are advertised and received as sealed bids or are sole-sourced if only one source of supply exists. You must verify if the equipment is on a current state contract (where quotes or bids are not generally required). Procurement buyers are available to assist with verifying those state contracts. Lastly, verify if the vendor will accept an E-Card payment (without processing fees).

Please understand that ALL donated and purchased equipment (regardless of state auditor guidelines) is PROPERTY of the University of Southern Mississippi. Contact Property Control for equipment that must be tagged and inventoried.

Application Process

The application and cardholder agreement for the Equipment Procurement Card may be found on the Procurement and Contracts website. The application process is identical to the Procurement Card application process includes training, a review of policies and procedures along with signed cardholder agreement. Signature authority (Next higher budget authority for your department) signature is required on several documents.

 The E-Card can ONLY be used for Equipment Purchases. Non-equipment items directly related to the equipment purchase are allowable on the initial purchase. After that, all other non-equipment purchases must be purchased using the procurement card.

What card do I use????	
Equipment Card	Items that will be tagged as property
Procurement Card	Items that do not require tagging

If you are unsure whether an item is considered equipment, please contact Procurement and Contracts or Receiving and Property Control for verification of Equipment status.

There will be a default account code (606498) and budget string (Dean's Budget Failure Default) assigned as default to the Equipment Card. When completing your reconciliation in Soarfin, you will be required to change the equipment account code and budget string to reflect the specific item purchased.

Office of Research Administration Approval

The Equipment Card may be utilized for purchases on grant funds. Careful judgment must be exercised before you purchase using grant funds. You must clearly understand what constitutes an allowable charge to your sponsored project.

Definition: Sponsored Project is a grant, contract, or other arrangement formalizing the transfer of money from a sponsor to the university with the intent to either carry out a public purpose or provide a direct benefit for the sponsor.

Checklist:

- *Purchases are permitted provided that the item purchased is an allowable charge to the project.
- Must meet the terms and conditions of the award.
- Departments should include in reconciliation comments the purpose and direct benefit of E-Card purchases to the sponsored project.
- The restricted sponsor fund cannot be used as a clearing account for card purchases.
- The account code assigned to the purchase must accurately describe the expenditure.
- The invoice date must be within the period of performance.

Please refer to the Office of Research Administration (ORA) website to consult with an Accountant the determination if your purchase is allowable for the grant you have chosen. In the event ORA deems your purchase is not allowed, the expense must be moved to another budget or risk being moved to your dean's default budget.

How to Buy

The PCard has a transaction limit of $5,000.00 to prevent purchases that require a purchase order. The E-Card should be the first and primary method of payment for equipment purchases (under or over $5K).

Ensure all items are purchased in one transaction. If the purchase contains items that are purchased separately and are not items that would be tagged, the remaining non-taggable items should be purchased with the Pcard.

> *Example: Laptop and docking station with wireless keyboard and mouse. If Keyboard and mouse are purchased separately later, they should be purchased with the P-Card, not the E-Card.*

Technology Purchases

Technology requirements and policies are still in place with the Ecard. The purchase of computers, tablets, or any technology would still go through iTech and are not allowed on the Ecard or Pcard without iTech and buyers' review. Buyers would continue to approve any technology purchases that iTech has referred to purchasing. Buyers will decide on the best method of payment, purchase order, or credit card use.

The University of Southern Mississippi and all Institutions of Higher Learning (IHLs) are required by law to follow Mississippi Department of Information Technology Services (ITS) procedures for information technology procurements. ITS has delegated compliance responsibility for technology purchases between $5,000 and $250,000 to the IHL Chief Information Officers (CIOs). All technology purchases over $250,000 must go through ITS for approval and may require IHL approval.

Additional information can be found on iTech's website under the Technology Procurement Policy and the ITS Procurement Manual.

Initiate your request with ITech. They must review the purchase to meet campus requirements. Computer Purchases: https://www.usm.edu/itech/computers-departmental-purchases.php

1. *Locate an item you would like to purchase.*
2. *Verify the desired item has a supported configuration. Supported Computers https://www.usm.edu/itech/computers-departmental-purchases*
3. *Download non-standard computer form (2-page PDF)*
4. *Send requests to iTech at computer.orders@usm.edu. Any configuration outside our standard models or recommended exceptions will not be supported by iTech. iTech will either place an order or refer the purchase to Procurement.*
5. *Cardholders will contact Buyers to either purchase by PO or request buyer approval to use the Ecard. The cardholder must provide buyers with quotes for the items requesting purchase and any emails from iTech. Send email to procurement buyers requesting permission to buy using the Ecard (tax-exempt).*
6. *If a PO is done, the Property is automatically notified about the purchase and is prepared for its arrival to make sure it is tagged.*
7. *If Ecard is used, the Property is automatically notified. Supplemental quotes should be uploaded with the purchase receipt when the transaction appears in Soarfin.*

8. *Contact Property to have item tagged promptly if purchased at POS.*

Equipment that must be tagged and inventoried.

Please understand that **ALL** donated and purchased equipment (regardless of state auditor guidelines) is PROPERTY of the University of Southern Mississippi.

The following list and/or dollar threshold are subject to change. If you have any questions about whether an item would be considered inventory equipment, please contact Purchasing of Property Accounting **X66137**.

A. Equipment with a cost of $1000 or More

    B. EXCEPTIONS to the $1000 rule (ALL considered inventory must be tagged):

1. WEAPONS

2. CAMERAS and CAMERA EQUIPMENT WITH A COST OF **$250 or More**

3. TWO WAY RADIO EQUIPMENT

4. TELEVISIONS WITH A COST OF **$250 or More**

5. LAWN MAINTENANCE EQUIPMENT

6. CELLULAR TELEPHONES

7. MAJOR COMPUTER COMPONENTS:

   o PRINTERS AND MULTI-PURPOSE MACHINES WITH A COST OF **$250 or More**

   o HARD DRIVES

   o CPU's

8. IPODS WITH A COST OF **$250 OR MORE**

9. CHAINSAWS

10. AIR COMPRESSORS

11. WELDING MACHINES

12. GENERATORS

13. MOTORIZED VEHICLES

14. DRONES WITH A COST OF **$250 OR MORE**

C. Former Exception Items Now Only Subject to the $1000 Rule:

1. RECORDERS

2. MP3 PLAYERS

3. TYPEWRITERS

4. APPLIANCES (AIR CONDITIONERS, REFRIGERATORS, MICROWAVES, ETC...)

5. VCR'S

6. STERLING SILVER

7. SCANNERS

8. DICTATING EQUIPMENT

9. ANTIQUES

10. MODEMS

Purchases below $5,000

Equipment with a cost of $1,000 or more is inventoried. There are several items considered equipment with a cost less than $1,000 but more than $250.00 that are also considered inventory. There are some items like Hard Drives that are taggable items regardless of cost. Review Equipment Items and Exceptions before purchase.

Purchases over $5,000

Equipment Purchases using the Equipment card <u>can exceed</u> $5,000.00. Additional quotes are required and must be uploaded.

Purchases that involve an expenditure of more than **five thousand dollars ($5,000.00)** but not more than **seventy-five thousand dollars ($75,000.00)**, <u>exclusive of freight and shipping charges</u>, may be made from the lowest and best bidder without publishing or posting an advertisement for bids, **provided at least two (2) competitive written bids** have been obtained.

> *Note for seeking bids/quotes: The second quote does not have to be name brand to name brand but rather functionality comparable. For example, a Samsung TV and LG TV would be comparable because they have the same function.*

After you have done your quote research for your purchase, verify the vendor will accept an E-Card payment (without processing fees) and no tax will be charged.

- Proceed with your purchase.
- <u>Upload your two quotes (purchase counts as one) for purchases over $5,000</u>.
- Upload your tax-exempt receipt to Soarfin.
- Use a budget string that has a budget set up for equipment purchases.
- Validate budget.
- Send to Workflow

If you need assistance, the buyers in Procurement are available to answer any questions.

Please be aware you cannot artificially break up a purchase to circumvent the law* ($5,000 rule).
- **You cannot use the Procurement Card to make equipment purchases without approval.**
- **You cannot use multiple cards to make the purchase.**
- **You cannot do half on a purchase order and the rest on the PCard.**
- **You cannot split half the purchase on one day and the rest on another.**
- **You cannot split this order up over multiple transactions throughout the month.**

*Section 31-7-13, Mississippi Code 1972, Annotated is the State law that will not allow it. State law is based on the total purchase price for commodities, no matter what the items are.

All purchases require delivery to campus central receiving locations where items will be tagged if required.

Shipping Addresses

Items purchased must be delivered to campus receiving for inventory (tag). Personal addresses are not allowable with the use of purchasing cards.

The shipping address must include the following to guarantee your delivery will make it to your department.

The Receiving address for
USM-Hattiesburg
ATTN: (Purchasers Name) /USM Receiving
Purchasers Building Name and Room Number
2609 W. 4th Street
Hattiesburg, MS 39406

The Receiving address for
*USM **Cedar Point**:*
ATTN: (Purchasers Name) /USM Receiving
Purchasers Building Name and Room Number
103 McIlwain Drive
Ocean Springs, MS 39564.

The Receiving address for
*USM **GCRL**:*
ATTN: (Purchasers Name) /USM Receiving
Purchasers Building Name and Room Number
703 E Beach Boulevard
Ocean Springs, MS 39564

The Receiving address for
*USM **Gulf Park**:*
ATTN: (Purchasers Name) /USM Receiving
Purchasers Building Name and Room Number
730 E Beach Boulevard,
Long Beach, MS 39560.

Equipment Account Codes

You cannot use account codes that are not equipment codes with the Ecard. DO NOT purchase non-equipment accessories or items that do not require a tag with the Ecard.

The Equipment Account Code List has some equipment items assigned to a commodity account code. Items that have been inventoried in the past (computers — $250+, cameras — $250+, lawn equipment — any cost, furniture — $1,000+, etc.) that are per item under $5,000 still should be purchased with the Equipment Procurement Card. You should still reference the Equipment Exception List found on the Receiving & Property Controls website as to what should be inventoried and at what price.

606411	Office Mch, Furn, Fix < $5000	608221	Vehicles Over $5000
606412	Vehicles < $5000	608231	Farm Equip Over $5000
606413	Farm Equip < $5000	608241	Medical Equip Over $5000
606414	Medical Equip < $5000	608251	Data Proc Equip Over $5000
606415	Data Processing Equip <$5000	608255	Lease-Purchase - Equip
606416	Radio TV Equip < $5000	608261	Radio & Tele Equip Over $5000
606417	Scientific Equip < $5000	608271	Scientific Equip Over $5000
606418	Other Equip < $5000	608291	Other Equipment Over $5000
606419	Tech HW/Equip Inc	608293	Hurr Katrina- Off Mach > $5000
608200	C/O Equipment	608294	Hurr Katrina - Vehicles
608201	Equip Beg Bal Expense	608296	Hurr Katrina -Data Proc >$5000
608211	Off Mach Furn Fix Over $5000	608999	Elimination of EQUIP Serv Aux

If you are unsure of the specific account code, please contact Procurement and Contracts Services.

Reconciliation

The steps required for reconciling the Equipment Card are relatively the same as the steps for the Procurement card. Transactions for both cards will appear under the Reconcile Statement. Equipment transactions are identified by the card issuer field as **EQUIP**. Procurement card transactions are identified by the card issuer field as **VISA**.

Reconcile Statement
Procurement Card Transactions
☐ Display Unmasked Card Number
☐ Run Budget Validation on Save

Bank Statement

		Employee Name	Card Issuer	Card Number▽	Transaction Number	Trans Date ▽	Merchant	*Status▽	Transaction Amount	Currency
1	☑	Test,Deuce T	EQUIP	************1820	2469216012410056722 7545	05/03/2020	AMZN Mktp US	Staged	23.99	USD
2	☐	Test,Deuce T	EQUIP	************1820	2469216012310050569 2520	05/02/2020	AMZN Mktp US	Staged	54.00	USD
3	☐	Test,Deuce T	EQUIP	************1820	2469216012310051523 8355	05/02/2020	AMZN Mktp US	Staged	54.00	USD
4	☐	Test,Deuce T	EQUIP	************1820	2469216012310062028 2967	05/02/2020	AMZN Mktp US	Staged	42.99	USD
5	☐	Test,Deuce T	EQUIP	************1820	2469216012210020733 1824	05/01/2020	AMZN Mktp US	Staged	44.99	USD
6	☐	Test,Deuce T	EQUIP	************1820	2469216012210089349 0389	05/01/2020	AMZN Mktp US	Staged	31.75	USD
7	☐	Tala,William	VISA	************1820	2469216012110011402 8654	04/30/2020	AMZN Mktp US	Staged	32.08	USD
8	☐	Tala,William	VISA	************1820	2469216012110011484 7038	04/30/2020	AMZN Mktp US	Staged	31.75	USD
9	☐	Tala,William	VISA	************1820	2469216012110011550 9538	04/30/2020	AMZN Mktp US	Staged	32.08	USD

☑ ☐ Clear All   Stage   Validate Budget

Prohibited Purchases

The following is a limited list of non-equipment purchases that are prohibited with the E-card Card. For a full list of Equipment Items and Exceptions. The list and/or dollar threshold are subject to change. If you have any questions about whether an item would be considered inventory equipment, please contact Purchasing of Property Accounting.

- Gasoline
- Travel-related expenses.
- Cash Advances
- Radioactive, Explosive, or other Hazardous material
- Ammunition, Firearms
- Items for personal use
- Alcoholic beverages
- Gifts to employees
- Items on back order
- State Contract items without prior Procurement & Contracts approval

FAQ

How much can I buy before I must get written quotes or how much before we must advertise for bids?

- State law requires that purchases from $5,000 to $75,000 require two written quotes, and purchases over $75,000 must be advertised and sealed bids received.

Do I need buyer approval to use the ECard?

- No, if you have reviewed the policies and inventory list for the item you are purchasing if your 2 quotes for purchases over $5,000 you may proceed.
- Yes, for purchases over $75,000, completing the sole source processing or verifying that the equipment is on a current state contract (where quotes or bids are not generally required).
- Buyers are available for any questions you may have.

What account codes do we use?

- Codes are found in SOARFIN by clicking the magnifying glass next to the Account field within the budget string; or by visiting http://www.usm.edu/controller/chart-accounts.

Can I purchase a new laptop or computer?

- Review Technology Purchases. The purchase of computers, tablets, or any technology must meet campus requirements. Send requests to iTech at computer.orders@usm.edu

Can I have items delivered directly to me?

- No, items need to go through Property Control for control purposes.

Can I split orders when it is for two different items or jobs?

- No. State law will not allow it. If you are not sure, please contact Purchasing Buyers to assist.

How do I get my item tagged?

- Contact Property Accounting the department responsible for tagging all university equipment purchased by Ecard, Purchase Order, and in rare approved instances on the Pcard.

How do I fix a budget error?

- Check Eaglevision to make sure you are using a valid budget string!
- Click on Error Message to see the type of error.
- Error: No Budget Exists: No equipment line in the budget. When using the equipment account codes you should make sure the budget string you are using has an equipment line. Check with the Office of the Controller or Budget Office to make sure your budget has funds allocated for equipment purchases.

Contact List

Hattiesburg

Purchasing

procurement@usm.edu

601.266.4131

Fax 601-266-5182

Procurement Card and E-Card Administrator, 601.266.6711

pcard@usm.edu

Property Control

Physical Address: USM Property Control Division 2609 West 4th Street Hattiesburg, MS 39401

Mailing Address: USM Property Control Division 118 College Drive# 5086 Hattiesburg, MS 39406

Property Control Manager, 601.266.4302

Senior Property Clerk, 601.266.6274

Receiving Supervisor, 601.266.5431

Inventory Clerk, 601.266.4658

Fax 601.266.6137

Gulf Coast Research Lab

Purchasing Manager Gulf Coast Research Laboratory, 228.872.4245

Office of Research Administration (ORA)

Contacts: https://www.usm.edu/research-administration/directory-services.php

Email: sponsoredprograms@usm.edu 601.266.4119