

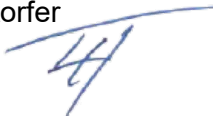


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July 1, 2021

MEMORANDUM

TO: Laura Belmonte
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FROM: Tim Hodge 

SUBJECT: Equipment Trust Fund Phase 35 – Notice and Call for Requests

I am writing to let you know that the Equipment Trust Fund (ETF) program will continue for 2021-22. This is a critical element of the university's funding resources, and we are pleased to be working with you on the next phase of the ETF program.

Virginia Tech was allocated \$10.33 million of the \$73.15 million funding approved by the 2021 General Assembly for Phase 35 of the ETF program, \$5.24 million for research, and an additional \$4.00 million for Agency 229 equipment and IT upgrades. The \$10.33 million is designated for equipment purchases in two areas: technological equipment and obsolescence or deficiency. The allocations may be used to purchase items for the following Education and General programs: Instruction, Research, Academic Support, Student Services, and Institutional Support. Consistent with prior years, allocations should not be used to purchase items for use in Public Service or Operation and Maintenance of Plant.

Please note that ETF is financed with tax-exempt bonds, which subjects all ETF-funded equipment to specific IRS rules that prohibit nongovernmental use. On an annual basis, the VT Office of Investments and Debt Management distributes surveys to verify that our tax-exempt bond financed buildings across campus remain in compliance with IRS rules. The purpose of this

memo is to ensure that ETF-financed equipment remains in compliance with the IRS rules. Generally speaking, significant use of ETF equipment by non-state or non-local governmental entities (including federal government entities) could be considered “bad use”. Although the use of ETF equipment traditionally falls within appropriate IRS guidelines, there may be certain areas which require further review. If you envision that 10 percent or more of the ETF equipment from your senior management area will be used by non-state or non-local governmental persons, please notify the Office of Investment and Debt Management so they can perform a more detailed analysis. For more information about private use, see “Private Business Use: A Primer” at <https://trs.virginia.gov/Boards-Authorities/Virginia-College-Building-Authority>.

In 2004, the university began utilizing a new allocation model for the distribution of ETF resources. The university intends to continue this allocation method for Phase 35. The resulting allocations are displayed in Attachment A. The model utilizes four drivers to set the baseline allocation: filled faculty FTE, lab WSCH delivered, PhD awards, and equipment expenditures (not including ETF purchases). The model also includes a fifth variable, equipment inventory performance, as a bonus element. These allocation parameters and the assigned weights remain unchanged from last year. The performance target for the equipment inventory was set at 95 percent of the dollar value of equipment inventoried during the past fiscal year. Additionally, the model sets aside an amount for the library and a strategic equipment purchase to allow the university the opportunity to accomplish the purchase of major equipment systems needed for strategic needs.

Until the final allocation amounts are distributed by SCHEV, we recommend that senior management areas use the 130 percent allocations (in Attachment B), which are based on the attached ETF model as a planning guide in developing equipment spending strategies for the year.

Overall, the program will work much the same as prior phases. The procedures for compiling the equipment lists to submit to State Council and eligibility criteria are the same as those used in the previous phase:

- a web-based collection system for your staff to enter equipment lists will open in July and will close August 27th, 2021.
- the university will submit its consolidated equipment list to State Council in September
- the university is optimistic that it will receive approval to issue purchase orders in late November or December
- the calendar of internal due dates has been set accordingly and is attached for your review (Attachment D).

Closure of Phase 35 is planned for June 2022. Ordering and receiving equipment purchases of \$19.5 million during this limited time period will be a challenge. Please consider this when you develop equipment requests for your area. No item should be ordered that would require a delivery period in excess of eight months. This will allow sufficient time for processing the requisition, delivery of the equipment and payment of the invoice. For Phase 35, we recommend that equipment items cost at least \$2,000.

The procedures for compiling the lists to submit to State Council are the same as those used in previous phases. You will recall that State Council allows us to itemize equipment purchases that equal, in value, the allocation plus up to thirty percent to allow for quick substitutions during the ordering phase. Because the State Council and the Virginia College Building Authority have restricted purchases to those items on the approved list, alternative purchases should be identified on the listing in case one of the high priority items is not available. The thirty percent margin will allow for this exchange, but please remember that the sum of purchases cannot

exceed the amount allocated to your area. For Phase 35, we encourage the purchase of equipment items with a minimum cost of at least \$2,000.

Consistent with prior communications on the 2021-22 ETF allocations, the allocations by college or vice-presidential area are shown on Attachment B, with an additional column showing the thirty percent margin. Please provide departmental allocations for your units as soon as possible to allow each department to enter requests totaling 130 percent of the allocation. Please forward a copy of the departmental allocations to Skylar Mouris (sky13@vt.edu) by August 27th, 2021.

To prepare the files that will be submitted to the State Council, we will again use a web-based collection process for obtaining the list of equipment items. To access the program, go to our home page at <http://www.obfp.vt.edu>. The list of items excluded from funding from ETF (Attachment C) and ETF Web User Guide (Attachment E) are attached to this memorandum and are posted on our website. SCHEV intends for the 2021-22 Equipment Trust Fund allocations to help achieve the following goals:

- Significantly reduce the amount of obsolete technology and equipment.
- Provide every student access to an appropriate level of information and technology.
- Establish a statewide network that supports and encourages sharing and cooperation.
- Provide every faculty member with appropriate equipment and training to use technology in support of teaching and learning.
- Support faculty in the introduction of new ways of instruction and learning, provide courses customized to student needs, and take advantage of distance-learning opportunities.
- Install high quality, easy-access, network-deliverable student support services, such as transcripts, grades, class scheduling, and account balance and payment information.
- Install management information systems that are flexible and directly accessible to users to help support administrative restructuring and cost-containment.

It is sometimes necessary for a department to request additional equipment items after SCHEV has approved the list. Similar to Phase 34, the process for requesting approval of additional equipment and assignment of new SCHEV reference numbers will be web-based for Phase 35. Additional information on this process will be forthcoming at the beginning of the ETF Phase 35 procurement stage.

Please submit your Phase 35 request list through the web-based system by August 27th. Questions about the Equipment Trust Fund program or compilation of the list should be directed to Skylar Mouris at sky13@vt.edu or 1-3557.

Attachments

CC: Candice Albert
Sherri Cook
Feride Daku
Cathy Duerbeck
Jeff Earley
Beth Ebel
Odie Fthenos
Pascha Gerni
Matthew Hammond
Bruce Heath

Mary Helmick
Kay Hunnings
April Hylton
Stacy King
Stephen Kleiber
Monika Lawless
Brad Martens
Heather Mayer
Ken McCrery
Ken Miller
Skylar Mouris
Ed Nelson
Beth Osborne
Erin Poff
Brenda Reed
Kathy Rogers
Julie Rosenberger
Brian Shabanowitz
Cindy Spangler
Barbara Starling
Rick Sparks
Will Walton
Melinda West

Virginia Tech
2021-22 ETF Allocation Formula - Phase 35

Summary of ETF Allocation

Total Equipment Trust Fund Allocation	\$ 19,572,097
Academic Computing (AIS)	600,000
Research Computing	621,735
Faculty Development Institute	1,213,241
Classroom Media Projects	100,000
Library	460,000
Virginia Tech Transportation Institute	500,000
Fralin Biomedical Research Institute	357,609
One-Time Allocations	11,343,057
Model-Driven Distribution to Colleges	\$ 4,376,455

One-Time Allocation

Faculty Startup	\$ 862,057
High Performance Computing (HPC)	4,550,000
Strategic Research Investments	1,931,000
VCE & AES Information Technology Upgrades	1,550,000
VCE & AES Equipment	2,450,000
Total One-Time Allocation	\$ 11,343,057

Strategic Allocation		Agriculture	Architecture	Business	Engineering	Liberal Arts & Human Sciences	Sciences	Veterinary Medicine	Natural Resources & Environment	Contingent Allocation	Total
10%	= \$ 437,646	A. Departmental Computing Support									
		256.84	143.48	142.24	415.68	455.58	393.45	134.64	90.77		2,033
		13%	7%	7%	20%	22%	19%	7%	4%		100%
		437,646	437,646	437,646	437,646	437,646	437,646	437,646	437,646		
		55,298	30,892	30,624	89,499	98,088	84,711	28,989	19,543		\$ 437,645
25%	= \$ 1,094,114	B. Instructional Support									
		8,582	16,233	1,579	31,752	6,032	27,192	11,671	3,533		106,574
		8%	15%	1%	30%	6%	26%	11%	3%		100%
		1,094,114	1,094,114	1,094,114	1,094,114	1,094,114	1,094,114	1,094,114	1,094,114		
		88,105	166,652	16,210	325,974	61,926	279,159	119,817	36,271		\$ 1,094,114
20%	= \$ 875,291	C. Graduate Instruction/Research Support									
		65	22	10	213	54	78	11	14		468
		14%	5%	2%	46%	12%	17%	2%	3%		100%
		875,291	875,291	875,291	875,291	875,291	875,291	875,291	875,291		
		120,945	41,146	19,326	398,370	101,619	145,882	21,197	26,807		\$ 875,291
30%	= \$ 1,312,937	D. Research Program Support									
		1,900,432	152,586	9,805	8,550,877	501,043	1,906,203	777,936	255,510		14,054,392
		14%	1%	0%	61%	4%	14%	6%	2%		100%
		1,312,937	1,312,937	1,312,937	1,312,937	1,312,937	1,312,937	1,312,937	1,312,937		
		177,535	14,254	916	798,808	46,807	178,074	72,673	23,869		\$ 1,312,937
		441,883	252,944	67,077	1,612,650	308,439	687,826	242,676	106,490		\$ 3,719,986
15%	= \$ 656,468	E. Equipment Inventory Performance Bonus									
		82,059	82,059	82,059	82,059	82,059	82,059	82,059	82,059		
		95%	95%	95%	95%	95%	95%	95%	95%		
		Yes	No	Yes	Yes	Yes	Yes	Yes	Yes		7
		82,059	-	82,059	82,059	82,059	82,059	82,059	82,059	82,059	656,468
										15,195,642	\$ 15,195,642
100%	\$ 4,376,455	Total ETF Allocation	523,941	252,944	149,135	1,694,708	390,498	769,885	324,735	188,549	\$ 19,572,096

**2021-22 Equipment Trust Fund Allocations
Phase 35**

	2021-22 Authorized Budget	30% Margin	130% Allocation
College Allocations			
Agriculture	523,941	157,182	681,123
Architecture	252,944	75,883	328,827
Business	149,135	44,741	193,876
Engineering	1,694,708	508,412	2,203,120
Liberal Arts & Human Sciences	390,498	117,149	507,647
Sciences	769,885	230,966	1,000,851
Veterinary Medicine	324,735	97,421	422,156
Natural Resources & Environment	188,549	56,565	245,114
Contingent Allocation	82,059	24,618	106,676
Library	460,000	138,000	598,000
Academic Computing (AIS)	600,000	180,000	780,000
Faculty Development Institute	1,213,241	363,972	1,577,213
Research Computing	621,735	186,521	808,256
Classroom Media Projects	100,000	30,000	130,000
Virginia Tech Transportation Institute	500,000	150,000	650,000
Fralin Biomedical Research Institute	357,609	107,283	464,892
Faculty Startup	862,057	258,617	1,120,674
Strategic Research Investments	1,931,000	579,300	2,510,300
High Performance Computing (HPC)	4,550,000	1,365,000	5,915,000
VCE & AES Information Technology Upgrades	1,550,000	465,000	2,015,000
VCE & AES Equipment	2,450,000	735,000	3,185,000
Phase 35 Authorized Budget	\$ 19,572,096	\$ 4,558,693	\$ 19,754,335

**EXCLUDED FROM FUNDING FROM ETF
FOR 2021-22**

The Following Items:In the Following Programs:

a. Library Books, Films, Videotapes, DVDs, and Library Materials	All Programs
b. Microfilm Collection and Materials (Readers are allowed.)	All Programs
c. Library Shelving	All Programs
d. Office Appurtenances (Blinds, Carpets, File Cabinets and Similar Items)	All Programs
e. Office Furniture (Desks, Chairs, Tables, and Similar Items)	All Programs
f. Transportation Equipment	All Programs
g. Equipment Normally Affixed to a Building or Functional as a Part of an Operating System of a Building	All Programs
h. Climate Control and Security Systems	All Programs
i. General Telecommunications Equipment	Public Service and Physical Plant
j. Buildings	All Programs
k. Equipment with a Useful Life Less Than 3 years for shorter-lived and 7 years for all other equipment	All Programs
l. General Applications Software (Microsoft Excel, Word, Lotus, etc.)	All Programs
m. Items Costing Less than \$500	All Programs
n. Used or Refurbished Equipment	All Programs
o. Copiers and Fax Machines	All Programs
p. Maintenance agreements, site licenses, warranties, training and consulting services	All Programs
q. Boats	All Programs
r. Fabrications (to build or construct customized equipment)	All Programs

**PHASE 35 CALENDAR
2021-22**

2021

- July 1** Office of Budget and Financial Planning (OBFP) sends Phase 35 Equipment Trust Fund allocations and instructions to Deans/Vice Presidents.
- July 1** Web-based collection system opens for users to enter equipment request information.
- August 27** Last day to enter equipment request information; web-based collection system closes to users.
- August 30 - September 3** OBFP aggregates the equipment requests; reviews the requests for ineligible items, assigns reference numbers, and prepares the data for submission to SCHEV.
- September** OBFP submits equipment list to SCHEV for review and approval.
- November-December** OBFP returns approved lists to departments after notification by SCHEV.

2022

- March 31** Final day for departments to enter ETF requisitions into HokieMart.
- June 17** Deadline for ETF invoices to be submitted to Controller's Office for payment. Please remember to work with Fixed Assets to ensure that all equipment is properly tagged and inventoried.

ETF Request System User Guide

The ETF Request system is a web-based application designed for collection of equipment request data for submission and approval by the State Council of Higher Education for Virginia. This system is administered by the Office of Budget and Financial Planning.

HOW TO

The following set of instructions will instruct the user on how to use the ETF Request System to create, modify, and delete equipment requests. Also how to use the batch upload for multiple requests, the reporting features, and the admin tools for administrators.

Accessing the System

The ETF Request system can be accessed by clicking the Equipment Trust Fund link on the Office of Budget and Financial Reporting website or by using the following URL: <https://etfrequest.vpfin.vt.edu>. To access the system the user must have a current Virginia Tech PID and password and be a designated ETF Request System user.

Steps to access the system:

1. Navigate to the ETF Request System authentication page via Login by one of the methods described above
2. Enter your Virginia Tech PID and password and press the Login button
3. The New Request screen is displayed.

Add New Request

Steps to add a new request:

1. Click the New Request link from the navigation bar.
2. Complete the following fields appropriately
 - a. Department Name – The department that is requesting the item. Must be within same senior management and only departments you have access to will show up in drop-down
 - b. Model – Provide a current model number for the requested equipment. This information may change at time of purchase; however, it is required for the approval process.
 - c. Description – Provide a brief description of the equipment. Please remember that this description should be singular in nature (i.e. Computer, Autoclave, etc.)
 - d. Manufacturer – Provide the name of the manufacturer (not the vendor)
 - e. Unit Price – Provide an estimate of the cost for the requested equipment.
 - f. Quantity – Number of requested equipment.
3. Press the Add Request button.
4. User will be notified that the request has been successfully saved.

User may also add request by using the modify table. At bottom of table you fill out fields just like the new request page. When all the information is entered, click the add button. User should see request loaded into table if valid request.

Batch Upload

To upload multiple requests, you can use the batch upload function to import them at one time. To do this:

1. Download the ETF Batch Request Template from here: <http://www.obfp.vt.edu/ETF/ETFRequestBatchTemplate.xlsx>.
2. Save the template to your computer and enter the requests that are to be made.
3. In the application, click the Batch Upload link from the navigation Bar.
4. Click the browse/choose file button and select the desired file to upload
5. Click the upload and view button. The requests will show on page in table. Review the requests and make sure the information is correct. Un-check the requests with errors.
6. Once ready, click save requests. User will be redirected to the Modify table where you can see the requests that were just saved.

Modify Previous Request

Steps to modify a previously entered request:

1. Click the Modify/Delete link from the navigation bar.
2. A list of equipment requests that you have access to will be displayed in a tabular format.
3. Find the equipment request that you would like to modify and press the edit link.
4. That equipment request edit text-boxes will be displayed with the requested information. Modify this information as needed.
5. Press the Update button when finished.
6. User should see the changes made in the table if so the request has been successfully modified.

Delete Previous Request

Steps to delete a previously entered request:

1. Click the Modify/Delete link from the navigation bar.
2. A list of equipment requests that you have access to will be displayed in a tabular format.
3. Find the equipment request that you would like to delete and press the Delete link.
4. Press OK on the confirmation popup to delete the request.
5. User should not see the request in the table now, if so that verifies that the deleted equipment is no longer present.

Create Report

To view a detailed report of the requested equipment for a department or senior management perform the following steps:

1. Click the Create Report link from the navigation bar.
2. On the Report Creation screen, select the type of report you would like to create.
3. Select the department or senior management that you would like the report to use.
4. Press the Download Report button. The report will be generated on screen.
5. User may print the report or save it as an Excel, PDF, or Word document.

Contact Information

The ETF Request System is administered by Finance Information Technology. Please refer to the following contact list when assistance is needed:

- For general policy related questions related to the current ETF phase contact **Skylar Mouris** at sky13@vt.edu or 540-231-3557.
- For help with technical problems contact email fitdev@vt.edu.