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June 13<sup>th</sup>, 2024

**MEMORANDUM**

**TO:** Laura Belmonte (CLAHS)  
Cyril Clarke (Provost)  
Zachary Doerzaph (VTTI)  
Stefan Duma (ICTAS)  
Michael Friedlander (HS&T)  
Alan Grant (CALs)  
M. Daniel Givens (CVM)  
Tsai Lu Liu (AAD)  
Sharon Pitt (VPIT)  
Kevin Pitts (COS)  
Julie Ross (COE)  
Soanee Sarker (PCOB)  
Daniel Sui (OVPRI)  
G. Don Taylor (Provost)  
Tyler Walters (Libraries)  
Paul Winistorfer (CNRE)

**FROM:** Tim Hodge 

**SUBJECT:** Equipment Trust Fund Phase 38 – Notice and Call for Requests

I am writing to let you know that the Equipment Trust Fund (ETF) program will continue for FY25. 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. Consistent with last fiscal year, the university expects that SCHEV will request the ETF wishlist submission in July 2024. While SCHEV’s wishlist submission deadline is earlier than prior fiscal years, this change is consistent with the goal of authorizing the ETF wishlists earlier in the fiscal year.

Virginia Tech was allocated \$10.33 million of the \$69.65 million funding approved by the 2024 General Assembly for Phase 38 of the ETF program and \$5.24 million for research. 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>.

For FY25, the university developed a workgroup to review the Equipment Trust Fund allocation model and make recommendations to better align equipment allocations to support the Virginia Tech Global Distinction Initiative. To do so, the use of the 2004 allocation model for the distribution of Equipment Trust Fund is continued, however the weights in the college allocation model were adjusted and the overall college allocation was increased, along with increases in support for high performance computing and strategic research equipment. The college allocation model utilizes four drivers to set the baseline allocation: filled faculty FTEs, lab weighted student credit hours delivered, Ph.D. awards, and equipment expenditures (less ETF). The model also includes a fifth variable, equipment inventory performance, as a bonus element. The performance target for the equipment inventory was set at 95.0% of the number of items and dollar value of equipment inventoried during the current fiscal year for Phase 37. The allocations developed from this model for FY25 are shown on Attachment A.

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 to develop equipment spending strategies for the year.

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 June 12<sup>th</sup>, 2024 and will close July 12<sup>th</sup>, 2024.
- the university will submit its consolidated equipment list to State Council.
- the university is optimistic that it will receive approval to issue purchase orders in Summer 2024.
- the calendar of internal due dates has been set accordingly and is attached for your review (Attachment D).

Closure of Phase 38 is planned for June 2025. Ordering and receiving equipment purchases of \$15.6 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.

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 38, we encourage the purchase of equipment items with a minimum cost of at least \$2,000.

Consistent with prior communications on the FY25 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 requests to Sylvia Conner ([scconner@vt.edu](mailto:scconner@vt.edu)) by July 12<sup>th</sup>, 2024.

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 ETF home page at <https://www.obfp.vt.edu/budgetprocesses/etf.html>. 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 FY25 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 37, the process for requesting approval of additional equipment and assignment of new SCHEV reference numbers will be web-based for Phase 38. Additional information on this process will be forthcoming at the beginning of the ETF Phase 38 procurement stage.

Please submit your Phase 38 request list through the web-based system by July 12<sup>th</sup>, 2024. Questions about the Equipment Trust Fund program or compilation of the list should be directed to Sylvia Conner at [scconner@vt.edu](mailto:scconner@vt.edu) or 1-7450.

#### Attachments

CC: Simon Allen  
Christine Absher  
Candice Albert  
Lynne Caver  
Sylvia Conner  
Sherri Cook  
Ashley Crawford  
Cathy Duerbeck  
Jeff Earley  
Beth Ebel

Odie Fthenos  
Matthew Hammond  
Bruce Heath  
Mary Helmick  
April Hylton  
Stacy King  
Stephen Kleiber  
Parker Mabe  
Brad Martens  
Tony Mastracci  
Ken McCrery  
Skylar Mouris  
Ed Nelson  
Erin Poff  
Kathy Rogers  
Julie Rosenberger  
Amy Sebring  
Cindy Spangler  
Rick Sparks  
Barbara Starling  
Brad Sumpter  
Will Walton  
Melinda West

**Virginia Tech  
FY25 ETF Allocation Formula - Phase 38**

**Summary of ETF Allocation**

Model-Driven Distribution to Colleges	\$4,500,000
One-Time High Performance Computing	2,601,753
Library	360,000
Virginia Tech Transportation Institute	350,000
Fralin Biomedical Research Institute	357,609
Faculty Development Institute - TLOS	1,150,000
Academic Computing (AIS) - Banner Machines	600,000
Classroom Media Projects	100,000
HPC/Research Computing	1,621,735
Strategic Research Investments	2,931,000
Faculty Startup	1,000,000
<b>Total Equipment Trust Fund Allocation</b>	<b>\$15,572,097</b>

<b>Strategic Allocation</b>	<b>Agriculture</b>	<b>Architecture</b>	<b>Business</b>	<b>Engineering</b>	<b>Liberal Arts &amp; Human Sciences</b>	<b>Sciences</b>	<b>Veterinary Medicine</b>	<b>Natural Resources &amp; Environment</b>	<b>Contingent Allocation</b>	<b>Total</b>	
<b>5%</b> = \$ 225,000 <b>A. Departmental Computing Support</b>											
Filled Faculty FTEs (Sept 2023)	278.10	157.99	163.11	457.90	438.16	417.43	139.37	90.36		2,142	
Proportion of FTEs	13%	7%	8%	21%	20%	19%	7%	4%		100%	
Total Faculty Support Funds	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000			
<b>Faculty Computing Support</b>	<b>29,206</b>	<b>16,592</b>	<b>17,130</b>	<b>48,089</b>	<b>46,016</b>	<b>43,839</b>	<b>14,637</b>	<b>9,490</b>		<b>\$225,000</b>	
<b>20%</b> = \$ 900,000 <b>B. Instructional Support</b>											
Lab WSCH (FY23)	7,685	16,351	1,770	31,373	3,677	24,461	10,345	3,265		98,927	
Proportion of WSCH	8%	17%	2%	32%	4%	25%	10%	3%		100%	
Total Instructional Support	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000			
<b>Undergraduate Instructional Support</b>	<b>69,915</b>	<b>148,755</b>	<b>16,103</b>	<b>285,420</b>	<b>33,452</b>	<b>222,537</b>	<b>94,115</b>	<b>29,704</b>		<b>\$900,000</b>	
<b>20%</b> = \$ 900,000 <b>C. Graduate Instruction/Research Support</b>											
PhD Awards (3 Year Avg)	54	6	12	209	61	82	7	10		443	
Proportion of Awards	12%	1%	3%	47%	14%	19%	2%	2%		100%	
Total Graduate Instructional Support	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000			
<b>Graduate Instructional Support</b>	<b>110,467</b>	<b>12,877</b>	<b>23,720</b>	<b>425,602</b>	<b>124,699</b>	<b>167,395</b>	<b>14,232</b>	<b>21,009</b>		<b>\$900,000</b>	
<b>40%</b> = \$ 1,800,000 <b>D. Research Program Support</b>											
Average Annual Equipment Expenses	4,309,436	281,658	135,097	11,401,695	416,198	2,798,446	1,727,858	520,019		21,590,407	
Proportion of Annual Expenses	20%	1%	1%	53%	2%	13%	8%	2%		100%	
Total Research Program Support	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000			
<b>Research Program Support</b>	<b>359,279</b>	<b>23,482</b>	<b>11,263</b>	<b>950,563</b>	<b>34,699</b>	<b>233,307</b>	<b>144,052</b>	<b>43,354</b>		<b>\$1,800,000</b>	
<b>Baseline Allocation</b>	<b>568,868</b>	<b>201,706</b>	<b>68,216</b>	<b>1,709,675</b>	<b>238,866</b>	<b>667,078</b>	<b>267,036</b>	<b>103,557</b>		<b>\$3,825,000</b>	
<b>15%</b> = \$ 675,000 <b>E. Equipment Inventory Performance Bonus</b>											
Proportional Allocation	84,375	84,375	84,375	84,375	84,375	84,375	84,375	84,375			
Performance Target for FY24	95%	95%	95%	95%	95%	95%	95%	95%			
Meets Target	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		8	
<b>Equipment Inventory Performance Support</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>84,375</b>	<b>-</b>	<b>\$675,000</b>
<b>F. Other</b>											
<b>100%</b> = \$ <b>4,500,000</b> <b>Total ETF Allocation</b>	<b>\$653,243</b>	<b>\$286,081</b>	<b>\$152,591</b>	<b>\$1,794,050</b>	<b>\$323,241</b>	<b>\$751,453</b>	<b>\$351,411</b>	<b>\$187,932</b>	<b>\$11,072,097</b>	<b>\$11,072,097</b>	

**FY25 Equipment Trust Fund Allocations  
Phase 38**

	<b>FY25 Allocation</b>	<b>30% Margin</b>	<b>130% Allocation for Wishlist</b>
Agriculture	\$653,243	\$195,973	\$849,215
Architecture	286,081	85,824	371,905
Business	152,591	45,777	198,368
Engineering	1,794,050	538,215	2,332,264
Liberal Arts & Human Sciences	323,241	96,972	420,213
Sciences	751,453	225,436	976,889
Veterinary Medicine	351,411	105,423	456,834
Natural Resources & Environment	187,932	56,380	244,311
One-Time High Performance Computing (HPC)	2,601,753	780,526	3,382,279
Library	360,000	108,000	468,000
Academic Computing (AIS) - Banner Machines	600,000	180,000	780,000
Faculty Development Institute - TLOS	1,150,000	345,000	1,495,000
HPC/Research Computing	1,621,735	486,521	2,108,256
Classroom Media Projects	100,000	30,000	130,000
Virginia Tech Transportation Institute	350,000	105,000	455,000
Fralin Biomedical Research Institute	357,609	107,283	464,892
Strategic Research Investments	2,931,000	879,300	3,810,300
Faculty Startup	1,000,000	300,000	1,300,000
<b>Total Distribution</b>	<b>\$15,572,097</b>	<b>\$4,671,629</b>	<b>\$20,243,726</b>

**EXCLUDED FROM FUNDING THROUGH ETF  
FY25**

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 38 CALENDAR  
FY25**

**2024**

- June 12** OBFP sends Phase 38 Equipment Trust Fund allocations and instructions to Deans/Vice Presidents.
- June 12** Web-based collection system opens for users to enter equipment request information.
- July 12** Last day to enter equipment request information; web-based collection system closes to users.
- July 15-19\*** OBFP aggregates and reviews the equipment requests; assigns reference numbers, and prepares the data for submission to SCHEV.
- July 19\*** OBFP submits equipment to SCHEV for approval.
- August\*** OBFP returns approved lists to departments after notification by SCHEV. Spending is authorized.

**2025**

- March 31** Recommended final day for departments to enter ETF requisitions into HokieMart to ensure equipment can arrive before June deadline. Orders can still be placed after this date, but be mindful of the timeline for receiving, paying, and tagging.
- June 13** 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.

\*estimated dates, subject to change per SCHEV timeline



## 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.

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### HOW TO

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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://etfssystem.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 the [ETF Home Site](#).
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 **Sylvia Conner** at [scconner@vt.edu](mailto:scconner@vt.edu) or 540-231-7450.
- For help with technical problems contact email [fitdev@vt.edu](mailto:fitdev@vt.edu).