TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER
Finance Systems Management

Guidelines for Trade-Ins and Used Equipment

Trade-Ins

Equipment that has become inadequate for the needs of a department may be used as a trade-in toward the purchase of new equipment when the Property Custodian determines that such action is in the best interest of TTUHSC. The vendor quote must document the trade allowance and indicate the amount applicable to each appropriate new item from the Requisition. Trades are not allowed on Texas Smart Buy contracts and are not permitted for the lease or rental of equipment.

For a Trade-In, the department must initiate an Asset Removal Request in the Property Inventory System. The Property Inventory System can be accessed from the F & A Work Tools under the Finance portlet and Property Management. The application opens to the Property Inventory page.

- From the inventory page, check the **Trf/Rem** box located on the line item of the asset to trade-in and then click the **Remove** button.
- The New Removal page will be pre-populated with the Tag Number, Description, P0 Number, Manufacturer, Amount, Room, Serial Number, Model, and Acquired Date for the asset selected for trade-in.
- Select **Type** from the drop-down list and then select **Trade In**.
- Enter the requisition in the **Requisition Number for Trade In** field.
- In the **New Items from Requisition** section, enter the **Line #**, **Product Description**, and **Unit Price** for the new item, as well as the **Applied Trade-In** amount to be received for the item used as Trade-In, and then click the **Add** button.
- The Pick Up Date should be the date that the old item is removed from the department. The request can be saved and forwarded for submission without the Pick Up date, but the Property Custodian/Delegate cannot Sign and Submit the request until the items are removed from the department and the Pick Up Date has been entered.
- When the appropriate fields are complete, click **Save** to forward to the Property Custodian/Delegate for review and submission. The Property Custodian and Delegate will receive an email notification that they have a pending removal request to submit.

Used Equipment

As a general rule, fund managers should procure new equipment, but sometimes it is necessary or advantageous to purchase used or remanufactured equipment. The most common reasons are:

- The inability to secure new equipment;
- The lack of adequate funds for new equipment, or
- Used equipment will satisfy the agency's needs at a substantial savings.

Purchases of used and demonstrator equipment are to be processed as follows:

1. Written quotations must be obtained following the appropriate procedures applicable to the total purchase amount, or a proprietary purchase justification must be provided, if applicable.
2. Provide a signed statement from the suppliers guaranteeing the quality and condition of the equipment offered. It is strongly recommended, when possible, that the fund manager request a warranty to make available service and parts for the equipment for at least one year.
3. The fund manager must also state:
    a. The equipment has been personally examined, and
    b. Describe the condition and value of the equipment.

The fund manager is responsible for submitting the required supporting documentation by electronically attaching it to the purchase requisition. If the Purchasing Department determines that the purchase is appropriate, and the purchase is anticipated to exceed $15,000.00, competitive bids may be solicited.