

# **Buylines, a Purchasing Newsletter March 04**

## **Issue 4**

Normally the purchasing newsletter is sent in hard copy. For 2 reasons this issue will be by e-mail. First, my “editor”, Lee Jennejohn is out on disability and I don’t know how to run the software ☺. And second, it was more cost effective to send it e-mail.

### **A Note from the Director of Purchasing**

As we all are made aware of the financial restraints on the Institute, purchasing is also trying to do its part in helping the Institute save money by monitoring the prices of purchased goods. Since January, I have been working with the budget department to review purchase requisitions and to determine which requisitions can be delayed until July 1, 2004. Although this is a painful process, I have been happy to see the number of departments who are truly taking a hard look at their expenses and cutting back and delaying purchases. We are making a difference and by working together we have been able to provide savings for the institute. I am continually looking for more savings and better costs for the Institute. Did you know RIT spends about 1 million/year on office supplies? By negotiating a new contract with Boise, we were able to lower the cost of office supplies by 16%. It just takes a little effort by everyone to make a big difference. Are there other areas where we can save? Absolutely!! Please pass on any ideas to my department that could lower the cost of purchased goods. I’ll check out the ideas and see which ones are viable for RIT.

### **The “Low Down” on White Board Markers**

It has been brought to my attention that “low odor” white board markers leave a ghosting effect on white boards. What this means is that after you erase the board there is a shadow left on the board. This does not happen when using regular white board markers. Please do not purchase low odor markers. If anyone has found a low odor marker that does not ghost, please contact the purchasing department so we can pass the word on.

### **New Purchasing Course in the CPD Accounting Series**

We are pleased to report that the first session of the new purchasing basics course was a smashing success. The class size was at capacity with more people on a waiting list. CPD is trying to schedule in another session to accommodate the employees who wanted to attend. Part of the class was devoted to negotiating. The speaker, Tina Karol, used examples of negotiating disasters and success stories. Being in the purchasing field for 20 years, Tina had some great stories to tell. Everyone appreciated the real life examples. The course is recommended to anyone who is involved in purchasing decisions.

## **Where do you get your business cards and stationery?**

Did you know there is an RIT identity policy? There are strict policies on how our logo and name is represented. For this reason, all RIT business cards and stationery must be printed in the HUB. The HUB has the artwork and the set up for all the accepted printing of these items. Also, all newly printed stationery is to have the RIT 175<sup>th</sup> anniversary logo on it. The HUB can ensure your stationery meets the RIT identity policy.

## **What is Capital Equipment?**

Capital equipment is defined as an article of non expendable, tangible personal property with a useful life of more than one year and an acquisition cost (including freight and installation charges) of at least \$1,500. RIT also capitalized software with a cost of \$100,000 or more.

## **Placing a requisition for capital equipment**

When placing an order for capital equipment, the description is very important. Within the first 20 spaces in the description field, you must describe the object such as, “computer” or “vehicle” The oracle report on capital expenditures doesn’t display the whole description field so you need to tell what the purchase is in the first few letters.

## **What’s the right object code?**

Jane McGrath Briggs has asked for my help in checking object codes used for capital purchases. Please note the following guidelines.

Furniture – Most furniture is not inventoried due to the per item cost being below \$1,500.00. If one part of the furniture is over \$1,500 (let’s say a stand alone desk is over \$1,500), then just that one piece is capitalized and the object code would be 16200. The object code for pieces under \$1,500 is 84000.

Computers and Equipment with Multiple Parts – All parts for a computer (monitor, keyboard, drives, etc) are considered one piece of equipment. If upgrades such as additional memory and extra drives are part of the original purchase, they should be charged to 16200 also. Printers purchased with computers are normally under \$1,500 and should be charged to 84000. Warranties, which are an additional cost, are not a cost of the equipment and are to be charged to 80000.

Software/License/Permits – Capitalization threshold on software is \$100,000 (not \$1,500). Operating software purchased with the equipment is considered part of the cost of the equipment (i.e. Windows, Linux). Application software purchased with a computer is generally not part of the cost of the equipment and is charges to 73750 (i.e.

Microsoft office). Application software purchased with, and necessary for the operation of the equipments, is part of the equipment and is charged to 16200 (i.e. software purchased with lab equipment which is integral to the equipment operation).

Freight – Freight is included in the cost of the equipment and is charged to 16200.

Installation – Installation is included in the cost of the equipment and is charged to 16200.

If you have any questions, you can call Jane McGrath Briggs at 54933 or [jfmcto@rit.edu](mailto:jfmcto@rit.edu)