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GUIDELINES:

Furniture, Fixtures and Equipment (FFE) - refers to certain tangible assets of The University of Houston that are needed to conduct daily business. FFE items are depreciating assets that have a useful life greater than three years and include movable furniture, fixtures and equipment that have no permanent connection to a building structure. Examples of FFE include desks, chairs, computers, electronic equipment, medical equipment, tables, bookcases, and partitions.

PROCESS:

During the planning process for new construction projects, it is typical to have a budget line item specific to the purchase of FFE. Historically, FFE has been budgeted at 10% of the conceptual construction budget with an additional 2.5% planned for technology purchases. FFE should be reported in the total project cost and documented in the project record at the commencement of the project. It is important from an auditing standpoint that the project manager is able to validate the receipt and placement of the FFE purchase within the project/project site.

At times, due to the nature of the purchase (student life, athletics, etc.), auxiliary units might prefer to process and purchase their own FFE associated with construction projects. This is allowable but must be processed as a separate transaction, apart from the project accounting record. The main construction project cannot serve as a pass-through for the purchase. In addition, a total dollar figure for FFE to be purchased by the auxiliary will still be included as a separate line item in the total project cost that is submitted to central administration and to the controlling board for approval with procurement method disclosed at that time. A notation will be made in the project file and in the Board documents indicating that these purchases will be made directly by the auxiliary unit and not through Plant Operations procurement. This would provide the university with a more streamlined process, while insuring proper accountability and use of project dollars.

In Summary:

- From the beginning of a project, FFE must be either in or out of the project process and record.
- FFE must be reported in the final report as part of the total project cost.
- Proper purchasing controls must be utilized with University and state guidelines, including prevailing wage law, to be followed for all project purchases regardless of purchaser entity.

All other project commitments and expenses will be processed by Plant operations including professional services and construction contracts.

All commitments and expenses for projects utilizing state capital dollars will still be required to be processed by the business services team within Plant Operations, including FFE purchases.