DEPARTMENT OF BUDGET & MANAGEMENT

CAPITAL AND NON-CAPITAL EQUIPMENT APPROVAL PROCEDURES

NOTE: Higher education agencies can utilize an equipment cost allowance instead of submitting an equipment list for review. See the Capital Budget Guide for additional details.

A. Submission of Equipment Lists

A completed Form G: Equipment and Furnishings Request should be submitted electronically to the Office of Capital Budgeting. Agencies should submit equipment lists no later than three months after the completion of design.

A completed Form G consists of:
   (1) itemized lists of all equipment being requested for capital funding, including the components of systems (these lists can be organized into separate tabs at the discretion of the submitting agency),
   (2) an equipment list summary which includes the totals for each itemized list/tab. Examples of both an itemized list and a summary list are provided in the Form G document as separate tabs.

The itemized list should include page numbers and a unique item number for all requested equipment. Items that are the same can have the same item number. In the itemized lists, furniture and equipment, information technology and audiovisual equipment should be grouped by system with the room locations identified. If an item is in multiple locations indicate this. To the extent applicable, an agency should submit supporting documentation including descriptions with dimensions, weight, materials and catalog references. This information can be submitted as a separate document and will assist DBM in making accurate eligibility decisions. Maryland Correctional Enterprises (MCE) should be contacted for assistance in determining current items of manufacture and their cost. Unit and total cost columns shall reflect the current (as of submission date) net anticipated cost for purchasing the equipment (catalog price less any discounts offered to the State or its agencies).

B. Equipment List Review

DBM will review each item on the list and determine the "Fund Source" by assigning a "C" for capital eligible equipment. Items that are not eligible will be designated "N" and should be purchased with other funds available to the agency.

C. Approval

DBM will provide a final, approved, consolidated list of equipment for the facility to the submitting agency. DBM may make changes to unit cost and quantity as deemed necessary. Once a submitting agency's list has been approved, the budget requests should be consistent with the approved list.

GENERAL REQUIREMENTS

1. Requests for funding should be made using Form G: Equipment and Furnishings Request. All equipment and furniture, information technology and audiovisual systems which are needed to make a project operational, should be listed regardless of projected fund source.

2. An electronic copy of Form G should be submitted to the Office of Capital Budgeting no later than three months after the completion of design.

3. Before initial submission to OCB, an agency should conduct a preliminary review and indicate the items the agency considers eligible for capital funding.

4. Agencies are responsible for checking the accuracy of the calculations in equipment lists. Each page of an equipment list should include a page total and cumulative total.

5. At the top of each page, complete the lines for agency, (name of) project, and fiscal year. The fiscal year is the year in which capital equipment funds will be requested.

6. On each line, list an item along with a suggested manufacturer and product number, if available. Remember that State law specifies that Maryland Correctional Enterprises products must be acquired if available, even if the product is available at a lower cost from a private vendor. For items that vary in size, include dimensions if available. Include weight of each item if available. Complete the Requested columns for quantity, net unit cost, and total cost. Note that total cost equals quantity times net unit cost. Round all costs to the nearest dollar.

7. At the bottom of the page, indicate the number of that page and the total number of pages. This can be done automatically if you use an Excel spreadsheet.

Department of Budget & Management Capital Equipment Eligibility Guidelines

	FF&E	A/V	IT	Non-Standard Equipment
Definition	Standard furniture, fixtures, and equipment that are not audio/visual or information technology in nature.	Systems using sight or sound to present, record or store information. This category includes the basic infrastructure needed to operate the audiovisual and security equipment, such as projectors and smart podiums.	Telecommunication systems used to store, transmit, and create data. This category includes information technology infrastructure (e.g., wiring, switches), networking equipment, servers, data storage devices, and related items.	Unique equipment costing at least $100,000 that is needed for highly specialized functions or activities and is intrinsically related to the programmatic needs in the facility. Examples include flight simulators and NMRs.
Lifespan / Durability	15 year minimum.	A minimum of 3 years and included as part of an overall project with a life of at least 15 years.		Minimum of 5 years and included as part of an overall project with a life of at least 15 years. In situations where no useful life data may be available, the cost of the system will be taken into consideration.
General Considerations	Eligible equipment is that which is necessary to get the building functional AND does not violate other criteria. Items are expected to remain functional under heavy use with regular maintenance. Items that break or become obsolete cannot be replaced using capital funds. The following criteria will make an item ineligible for capital funding: 1) Items with a high likelihood of theft due to size, portability, or attractiveness. 2) Items easily broken from heavy use. 3) Items considered elaborate or excessive in cost. 4) Items intended to replace current working equipment. 5) Items not related to the mission of the agency.			
Special Considerations	Based on capital funding best practices, low cost items may be considered ineligible, such as trash cans.	Factors of consideration include: room occupancy, level of use of the item, quantity requested, purpose, programmatic need, and relation to agency mission. The total cost of equipment with a useful life of less than 15 years may not exceed 25% of the state's share of capital equipment funding.		Justification for why the equipment is needed should be provided. In addition, the agency should provide information on how the equipment will be maintained over its useful life.
Systems	N/A	Eligible systems are those needed for the start-up of the building. Components that are critical and necessary to the operation of a system may be eligible. Based on criteria discussed elsewhere in this document, not all components of a system, such as training and licensing, may be eligible. Items normally considered ineligible may not be bundled to form a system. For example, bundling laptops into a system is not eligible.		
Specific Ineligible Items	Non-MCE items unless a waiver has been obtained. Personnel training. Software not integral to equipment function.	Training costs. Software not integral to equipment function. Software typically sold as separate item (e.g. Microsoft Office or a software upgrade). Custom software development. Personal computers. Tablets. Laptops. Licensing. Service agreements.		
Replacement Items	Capital funds will not be used to replace equipment for existing programmatic activities, including activities that will be relocated to a new facility. This includes items that have outlived their useful life or become obsolete. An agency requesting capital equipment funding will be required to submit a list of current usable equipment or pay up to 5% of the approved equipment list from non-capital funds unless the equipment is for a new function.			Replacement of non-standard equipment is not eligible.

Notes: Examples are for illustration only and may not hold true in specific or unique situations. AV and IT systems must be consolidated under one tab in Form G identifying the system components.