



**Minnesota State Colleges and Universities
System Procedures
Chapter 5 – Administration
Procedures associated with Board Policy 5.14**

5.14.1 Computer Sales, Leasing and Support

Part 1. Authority. *Board Policy 7.1, Authority*, delegates to the chancellor authority to develop procedures to implement this policy.

Minn. Stat. Section 136F.59, Technical Equipment - Computer Sales and Support, authorizes colleges and universities to sell computers and related products to state college and university staff and students to advance their instructional and research abilities. A private vendor must be contracted with for service, maintenance, and support of computers and related products sold by the college or university. This procedure does not apply to sales by contractors of the college or university, such as bookstore management firms.

Part 2. Guidelines. Pricing policy for computer sales, leasing, service, maintenance and support shall include at a minimum all direct costs; allocation of indirect costs is recommended. In addition, lease pricing must recover depreciation based on the reasonable expected life of purchased equipment, less any expected proceeds from sale of the used equipment.

Procurement practices must comply with all applicable laws. All equipment purchased to be held for resale must be recorded in an inventory of goods held for resale. Such equipment shall not be recorded in the college or university fixed asset inventory records.

Leases shall be supported by a written, signed lease agreement with the lessee. Lease agreements must be approved by the Office of General Counsel or the Attorney General's Office.

Computer sales, leasing and support activities must follow the procedures for auxiliary enterprise activities, including accounting and reporting requirements in *System Procedure 7.3.2, Auxiliary Operations*. It is recommended that budgeting and planning for lease activities include a reserve to cover estimated equipment losses and sales activities.

Part 3. Compliance. Colleges and universities are responsible for ensuring the programmatic and fiscal soundness of their computer sales and leasing programs.

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