

Fabricated Equipment Procedures

1. Principal Investigator (PI) contacts OSR to establish new fabricated equipment.
2. PI returns the following completed forms to OSR:
 - a. Fabricated Equipment Questionnaire:
<http://www.northwestern.edu/controller/accounting-services/equipment-inventory/docs/fabricated-equipment-questionnaire.xls>
 - b. Fabricated Equipment Form:
<http://www.northwestern.edu/controller/accounting-services/equipment-inventory/docs/fabricated-equipment-form.xls>
 - c. OSR-2 Form:
<http://www.northwestern.edu/orsp/forms.html>
3. The Property Accountant in Accounting Services will be alerted to new fabricated equipment projects by receiving the fabricated equipment questionnaire, fabricated equipment form and OSR- 2 form from OSR along with any additional documentation provided by PI.
4. The Property Accountant will review all documentation and provide an assessment of the equipment category (i.e. component, capital, fabricated, non-capital). If additional information is required, Property Accountant will contact OSR who will in turn obtain the information from the PI.
 - a. If Property Accountant concludes the proposal is not fabricated equipment, OSR will discuss the reasons outlined by Property Accountant directly with the PI.
 - b. The PI can provide additional information, which OSR will forward to Property Accountant. Property Accountant will review the documentation and determine if a category revision is warranted. Revisions may be due to the fact that some of the items planned to be purchased as part of the fabrication should actually be set up as stand-alone capital equipment; the project falls under the component system policy instead of the fabricated equipment policy; or, the nature of the item is not capital equipment at all (product of research – noncapitalizable).
 - c. OSR will discuss the reason(s) for a category revision/no change, which Property Accountant will outline, directly with the PI.
 - d. If Property Accountant is unable to categorize the fabricated proposal, then OSR will call a fabricated equipment committee meeting to discuss. OSR will communicate the committee decision to the PI.
5. If the equipment is determined to be fabricated equipment, Property Accountant will assign a fabricated project number to the project and notify the PI and OSR. OSR will then open the fabricated account code (77535) on the grant or contract chartstring. The PI will reference this tag number on all purchase orders.
6. If there are any modifications to the project, the Property Accountant should be alerted by receiving a revised OSR-2 form from OSR.
7. After the project number is assigned, the Property Accountant will set up a calendar reminder for the estimated project completion date provided on the project initiation documents. This reminder will be sent to the Research Administrator and/or PI, Grant and Contract Financial Administrator from ASRSP, and OSR. On this date, the Research Administrator and/or PI should provide the Property Accountant, ASRSP, and OSR with a status of the project. If a communication from the researcher or their staff is not received within three business days, the Property Accountant will send a follow up email with a copy to the Business Administrator of the PI's department.
8. Once it is determined that a fabricated project is complete, the Property Accountant and GCFA will run a query detailing descriptions and amounts expended on the fabricated equipment account. The Property Accountant will already have copies of the invoices supporting purchase order transactions, as these are pulled on a monthly basis. The Property Accountant and GCFA will determine who will pull the backup for the other transactions so that the Property Accountant can begin reviewing all expenses charged to the fabricated equipment account. Any expenses that do not meet fabricated equipment guide lines or are not in line with the initial project documents will not be capitalized as part of the finished product. The GCFA will discuss this with the PI as a correction journal will need to be entered to remove those charges from the fabricated equipment account to a more appropriate expense account.
9. After the project expense review is complete, the GCFA will create a journal to move the total amount of the fabrication from the fabricated equipment account (77535) to a capital equipment account.
10. The Property Accountant will then set up the equipment in the asset management system and arrange to tag the fabrication with a capital equipment sticker.