Capital Equipment
Physical Inventory Verification
FY22

Purpose, Process & Timeline

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Northwestern | FINANCIAL OPERATIONS
Presentation Outline

• Purpose of inventory verification
• Risk of non-compliance
• Overview of verification process
• Inventory timeline
• Key resources
Purpose of Inventory

• Comply with Federal requirement under 2 CFR Part 200 (Uniform Guidance) and University policy

• Prevent inventory discrepancies and reportable audit findings

• Support cost recovery and negotiated F&A rate

• Maintain effective internal controls over equipment inventory

Capital Equipment Inventory:  
northwestern.edu/controller/accounting-services/equipment-inventory/inventory.html

Uniform Guidance:  
Risks of Non-Compliance

Discrepancies with inventory reconciliations result in:

• Recurring audit deficiencies - All Federal sponsors are notified - FY20 Single Audit report

• Ongoing scrutiny and loss of funding from sponsors

• Payment of fees and penalties

• Negatively impact institutional reputation

• Negatively impact the University F&A rate
Process Overview

- Distribution of Capital Equipment presentation
- Delivery of reports to Unit Representatives
- Physical inventory reconciliation to records
- Email inventory results to Accounting Services
- Submit Asset Requests in NUFinancials (disposals/transfers)
- Verification of record updates in NUFinancials
Inventory Timeline

- Presentation / inventory start: 3/7/22
- Unit Reps receive asset report: 3/8/22
- Virtual Open Lab Session 1: Mid-April
  - Unit Reps return completed reports: 5/31/22
- Virtual Open Lab Session 2: Mid-May
  - Unit Reps submit Asset Requests: 6/30/22
- Virtual Open Lab Session 3: Mid-June
- Re-inventory results verification: 8/15/22
Inventory Timeline (continued)

Physical inventory timeliness and delinquency:

• Timely completion is required

• If due date will not be met, please notify us and your Department Administrator (or equivalent) ASAP

• **Once delinquent**, A/S must notify division or department leadership and ASRSP leadership
Asset Review and Update Procedures

• Physical inventory begins now – target completion is June 30, 2022

• Asset inventory reports will be sent to Unit Representatives by Accounting Services

• In addition to existence, please verify the following fields for each capital equipment:
  • Tag Number
  • Asset Description
  • Manufacturer
  • Model Number
  • Serial Number
  • Building Name and Room Number
  • Custodian/PI Name
  • Department
Example Inventory Verification

<table>
<thead>
<tr>
<th>Disposed?</th>
<th>Tag number correct? Y/N</th>
<th>Serial number correct? Y/N</th>
<th>New Location? (If yes, Building &amp; Room)</th>
<th>New Custodian (e.g., PI)?</th>
<th>If changes, Asset Request submitted in NUFin?</th>
<th>Addtl' notes for A/S</th>
</tr>
</thead>
<tbody>
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<table>
<thead>
<tr>
<th>Asset</th>
<th>Tag</th>
<th>Description</th>
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<tbody>
<tr>
<td>0000000002574</td>
<td>0074442</td>
<td>THERMAL CYCLER</td>
</tr>
<tr>
<td>0000000003185</td>
<td>0073190</td>
<td>HPLC</td>
</tr>
<tr>
<td>0000000004116</td>
<td>0071782</td>
<td>BLOOD PRESSURE SYSTEM</td>
</tr>
<tr>
<td>0000000004249</td>
<td>0073823</td>
<td>CHEMIDOC WITH READER</td>
</tr>
<tr>
<td>0000000004302</td>
<td>0072136</td>
<td>TISSUE EMBEDDER</td>
</tr>
<tr>
<td>0000000004427</td>
<td>0074097</td>
<td>AUTO MARCS PRO</td>
</tr>
<tr>
<td>0000000004512</td>
<td>0073822</td>
<td>REAL TIME PCR</td>
</tr>
<tr>
<td>0000000005466</td>
<td>0064810</td>
<td>AUTO PLATE READER</td>
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<tr>
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<td>0070979</td>
<td>BIOANALYZER</td>
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<td>CENTRIFUGE</td>
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<tr>
<td>0000000007197</td>
<td>0072235</td>
<td>INCUBATOR</td>
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</tbody>
</table>
Untagged Assets

• Verify tag number per record matches tag affixed to equipment - example tag:

• If untagged, please indicate this on inventory

• If tags are needed, please request them by reaching out to equipment@northwestern.edu

• Affix new capital equipment tag and note tag number on inventory

• Accounting Services will update record in NUFinancials with new tag number
Asset Inventory Updates

• Unit Representative to email completed AM013 report to equipment@northwestern.edu by May 31, 2022

• Unit Representative to submit all updates via NUFinancials by June 30, 2022

• We will reconcile updates identified to NUFinancials by August 15, 2022
Disposal & Transfer Requests

- Submit as soon as identified, no later than **June 30, 2022**
- Unit Reps to submit Asset Requests (disposals or transfers) via NU Financials:
  - NUFinancials > NavBar > NU Interfaces and Processes > Assets Self Service > Create/Search Asset Request > Add
- **Transfers**: location, custodian/PI, and/or department update
- **Disposals**: scrapped, sold, traded-in, donated, cannibalized, no longer owned by University, etc.
- Equipment must be **physically disposed**, tag removed before request submitted in NUFinancials
Key Resources

• Asset Request (disposal/transfer) instructions

• Capital Equipment Inventory website

• Equipment Policy Manual

• Asset Request walkthroughs:
  o Disposals
  o Transfers
Questions or Need Help?

Contact:

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Shared Mailbox:  
Equipment@northwestern.edu

Equipment website:

https://www.northwestern.edu/controller/accounting-services/equipment-inventory/index.html