

Capital Equipment Overview 2019

Procedures and Guidelines

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Accounting Services

Presentation Outline

- Definition of Capital Equipment and the Importance of Maintaining an Accurate Inventory
- New Capital Equipment Additions
- Roles and Responsibilities of Accounting Services
- Roles and Responsibilities of Capital Equipment Unit Representative
- Tagging Capital Equipment and Volunteers
- Capital Equipment Inventory Verification Procedures
- Disposal / Transfer Resources

What is Capital Equipment?

- Equipment costing \$5,000 or more and has a useful life of more than one year
- Equipment purchases meeting this criteria will be recorded in the inventory database (Asset Management System) and assigned a bar-coded University tag number
- Equipment is usually listed under the department ID that was used to fund the equipment purchase
- Inventory records include asset description, model, serial number, custodian, location, funding information (chartstring), and cost

New Equipment – Additions

- Capital equipment must be located for our department to tag the items
- Please include the following information in the header comments of purchase orders related to capital equipment:
 - Location (Building and Room Number)
 - PI's Name
 - Description of equipment
 - Component system or stand-alone items, if multiple items on PO

Example

Purchase Order Inquiry

Purchase Order

Business Unit NWUNV
PO ID PUR1222522

PO Status Compl
Budget Status Valid

▼ Header



PO Date 11/06/2017
Supplier Name VISION RES-001
Supplier ID 0000171130 [Supplier Details](#)
Buyer Walker, Colleen Sweeney
PO Reference

Backorder Status Not Backordered
Receipt Status Received
 Hold From Further Processing

Amount Summary

Merchandise	9,600.00
Freight/Tax/Misc.	0.00
Total	9,600.00 USD
Encumbrance Balance	0.00 USD

[Header Details](#)
[Change Order](#)
[All RTV](#)
[Matching](#)
[Activity Summary](#)
[Header Comments...](#)
[Document Status](#)
[▼ Actions](#)

Lines									
Line	Item ID	Item Description	Category	PO Qty	UOM	Merchandise Amount		Status	
1		"PHANTOM CAMERA, MIRO C110 WIT	 LAB_EQUIP_ASSET	1.0000	EA	9,600.00	USD	Closed	

Example, continued

PO Header Comments

[Help](#)

1. Name of person responsible for the equipment.
Neha Kamat

2. Location of equipment (building name and room number).
Tech E358

3. Description of system or item being purchased. (e.g. microscope, freezer, laser, etc.)
High speed camera

4. If there are multiple items on the order, do any of them join together to form one system or do they all work on a stand-alone basis?
N/A

[Return](#)

Why Maintain the Inventory Data Base of Capital Equipment?

- Properly reflect the amount of our equipment on financial statements
- Assist departments in tracking equipment and internal control
- Federal funding guideline 2 CFR Part 200 (Uniform Guidance) requires an inventory at least once every two years
- Accurate records are required for the Facilities & Administrative (F&A) proposal

Special Consideration for F&A Rates Proposal

- Equipment depreciation is a significant cost component contributing to the F&A rate
- Accurate equipment inventory:
 - Solid rate for the equipment component
 - Better preparation for the F&A rates preparation and negotiation
 - The Federal negotiator reviews the equipment of selected Departments on-site

Questions?

Contact Cost Studies:
northwestern.edu/coststudies/staff.html

Accounting Services

- Updating the inventory records for new asset additions including:
 - Asset descriptions
 - Location (Building, Room Number, etc.)
 - Custodian
- Updating the inventory records for disposals by approving asset retirements through NUFinancials
- Tagging each new piece of capital equipment, however acquired, that has an original cost or setup valuation of \$5,000 or more (including freight/transportation and setup costs)

Unit Representatives

- A capital equipment unit consists of a single department or related grouping of departments that has capital equipment
- Departments have assigned Unit Representatives who will be liaisons between Financial Operations and their unit for capital equipment purposes
- They will also support Financial Operations by publicizing, monitoring, and enforcing capital equipment policies and procedures at the unit level
- Unit Rep Form: <http://www.northwestern.edu/controller/accounting-services/equipment-inventory/docs/representative-registration-form.pdf>

Unit Representative Responsibilities

- Assist Financial Operations with tagging their unit's new capital equipment in a manner that works best for their unit
- Unit Representatives are responsible for facilitating the physical observation of capital equipment inventory by a Financial Operations representative when required
- Biennially, it is the responsibility of the Unit Representative to:
 - Determine and execute a method of capital equipment inventory verification that works best for their unit
 - Provide required updates to Financial Operations
 - Certify they have done so with their signature

More information on Unit Representatives can be found at:
northwestern.edu/controller/accounting-services/equipment-inventory/unit-representatives.html

Capital Equipment Tagging

- An Accounting Services (A/S) Representative will contact the Unit Representative to inform them of the untagged assets in their department.
- Options to tag the equipment include:
 - Scheduling a walk-through with the Unit Rep
 - The Unit Rep suggesting people for A/S to contact
 - The Unit Rep volunteering for our self-tagging initiative

FY19 Tagging Process – Volunteers

- Accounting Services is always looking to expand its self-tagging initiative.
- Initiative Details:
 - A/S will provide you with a listing of untagged assets in your department.
 - We will then send you tags via campus mail
 - You will update A/S via email when the assets are tagged.
Pictures of the tags on the assets will also be required.
 - A/S will update Asset Management System

Capital Equipment Inventory Physical Verification

- Required at least biennially
- The main cycle of 2019 physical inventory begins now and continues through June 2019
- In addition to existence, Unit Representatives will verify the following attributes for each piece of capital equipment on the inventory list:
 - Tag Number
 - Asset Description
 - Manufacturer
 - Model Number
 - Serial Number
 - Building Name and Room Number
 - Custodian/PI Name
 - Department

Inventory Verification Procedure Overview

- Unit Representatives will be provided an AM002 report in order to ensure clear reporting. However, Unit Reps can run this same report for themselves at any time using Cognos.
- The Unit Representative from the department will be asked to inventory, submit changes (disposals, transfers) via NUFinancials, and return a complete listing that contains the required updates for inventoried equipment
- Accounting Services will update the inventory records in the Asset Management System
- Accounting Services will perform an audit of the inventory verification results on a sample of departments near the end of the inventory cycle

Asset Inventory Report – AM002

- *What is the Asset Inventory Report – AM002?*
 - Cognos report that Unit Representatives can access
 - Provides a listing of Capital Equipment Inventory with information such as: asset identification number, description, model number, serial number, etc.
- *Why is this inventory report used?*
 - Unit Representatives to review department inventory and notify changes to Accounting Services supplement to the NUFinancial submissions
 - Training Guide:
<https://kb.northwestern.edu/page.php?id=82020>

Cognos Reporting

- Access to the Cognos Asset Inventory Report – AM002
 - Asset ID Number
 - Tag Number
 - Asset Description
 - Manufacturer
 - Model Number
 - Serial Number
 - Federal Contribution
 - Invoice Date
 - Purchase Order Number
 - Chart String
 - Custodian Name/Department
 - Original Cost
 - Re-inventory Date
 - Location

Legend

✓	Asset Exists and Listed Information is Accurate
Sequential Number System	Asset Exists but Listed Information is Inaccurate <ul style="list-style-type: none"> • Report changes at the bottom or on the back of the sheet
D	Disposed <ul style="list-style-type: none"> • Most common disposal. Use this method for assets that are scrapped, stolen, destroyed, cannibalized, recycled, no longer functional, listed as free on the surplus property website, or do not fit into any other disposal method.
T	Traded-In <ul style="list-style-type: none"> • Assets that were traded in for different assets, returned to the vendor or manufacturer, or otherwise exchanged
S	Sold <ul style="list-style-type: none"> • Assets that were sold and for which proceeds were received
E	External Transfer or Donated <ul style="list-style-type: none"> • Assets that were given to an external (non-NU) entity without proceeds
I	Internal Transfer <ul style="list-style-type: none"> • Equipment that has been transferred to a new department. • Use a numbering system to report transfer information at the bottom or on the back of the sheet
No Notation	No Update, Not Yet Verified



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UNIVERSITY

Asset Inventory Report

Re-inventory Dates: All

Asset Tags: All
 Department: All
 Campus: CH
 Building: 0001 - EV, 0001 - EVANSTON CAMPUS, 0002 - CHICAGO CAMPUS, 0511 - CH - HEATING PLANT, 1806 - BOATHOUSE, 1807 - BLOMQUIST, 1808 - ANDERSON HALL, 1809 - BYRON COGN/SCOLET C, 1810 - RYAN FIELD, 1815A - RYAN TICKET BUILDING,

Asset ID	Tag #	Campus	Building Name	Building	Floor	Room	Asset Description	Manufacturer	Model	Serial	Invoice Date	Purchase Order	Fund Code	Dept. ID	Project ID	Custodian	Custodian Department	Custodian Department Name	Original Cost	Federal Contribution	Re-inventory
000000009627	00072751	CH	ABBOTT HALL	8602	06	00607	SWITCH	CISCO	3750 POE	CAT10432L56	01/16/2007		171	1731000	10002060	MAJEWSKI, VIC	1731000		\$5,037.05	\$0.00	11/14/2008
000000009738	N0030566	CH	ABBOTT HALL	8602	06	00607	ROUTER CARD - SPARE	CISCO	CATLY56500	48 PORT	05/16/2007		160	1731000		MAJEWSKI, VIC	1731000		\$15,026.00	\$0.00	11/14/2008
000000010967	00074800	CH	ABBOTT HALL	8602	06	00607	WRSPECTRO PRO TESTER	AGILENT	N2645A	SG48190048	11/05/2008		160	1731000		NEEDLMAN, JAY	1731000		\$6,350.00	\$0.00	06/26/2009
000000013978	00075491	CH	ABBOTT HALL	8602	06	00607	CATALYST	IBM	C3750	P001334X03F	10/15/2009		160	1731000		MAJEWSKI, VIC	1731000		\$5,097.00	\$0.00	12/10/2009
000000013979	00075488	CH	ABBOTT HALL	8602	06	00607	CATALYST	IBM	C3750	P001334X02A1	10/15/2009		160	1731000		MAJEWSKI, VIC	1731000		\$5,097.00	\$0.00	12/10/2009
000000013980	00075489	CH	ABBOTT HALL	8602	06	00607	CATALYST	IBM	C3750	P001340Y096	10/15/2009		160	1731000		MAJEWSKI, VIC	1731000		\$5,097.00	\$0.00	12/10/2009
000000009890	00068574	CH	ABBOTT HALL	8602	06	00610	ROUTER	JUNIPER	M10	60562	08/19/2002		171	1731000	10002061	WARD, TIM	1731000		\$39,200.00	\$0.00	11/14/2008
000000020000		CH	ABBOTT HALL	8602	20	02000	UPS SYSTEM	EATON	9PK 5KVA	G204E39024KIT	01/09/2015	PUR0793972	171	1731000	10002060	DOYERSON, DOUG	1731000		\$7,173.20	\$0.00	

✓
1
S
D
2
✓
E
I

I hereby certify that the above information is correct

Print Name: MIKE YOUAKIM

Signature: [Signature]

Date: 2/22/2016

AM002

- 42 -

Run Date: 2/22/16
Run Time: 1:13:00 PM

NOTES

1. - SERIAL# 46784D
2. - CUSTODIAN - EINSTEIN, ALBERT
- I₁ - DEPT# 5210000
LOCATION: TECH FG42
CUSTODIAN: SMITH, JAMES

Untagged Assets

- The FY19 Evanston Reinventory Project also serves as an opportunity to tag all currently untagged assets.
- All untagged assets on your reinventory sheet will need to have a contact assigned to them.
- A/S will mail the tags to the contact provided, similar to self-tagging initiative.
- You can assign yourself as contact for tagging the assets.
- After exhausting all methods of locating untagged equipment, contact A/S to determine a resolution.

Asset Inventory Report

Run Date: 2/7/19

Run Time: 4:33:44 PM

Re-inventory Dates: All

Northwestern

Appendix Page

Asset Tags:	All
Department:	5400000 - Center For Genetic Medicine, 5401800 - N/Seq Core, 5100000 - Cell and Molecular Biology, 5102000 - Microbio-Immunology, 5103000 - Microbio-Immunology Dept Spt, 5103500 - Micro-Immuno Rsrch Operations, 5106000 - Pharmacology, 5107000 - Department of Biochemistry, 5108000 - Physiology, 5109000 - Basic Science Administration
Campus:	All
Building:	All
Floor:	All
Room:	All

Northwestern
INFORMATION TECHNOLOGY

AM002

Asset # 18950 { James Smith
Northwestern University
ward 25-070
303 E Chicago Ave
Chicago, IL 60611


Asset # 19870 { Anne Jane
Northwestern University
Lurie 20250
303 E Superior
Chicago, IL 60611

Asset # 16619

Asset # 60015 { Can't find
will dispose

Asset Disposals / Updates – Workflow Process

- Equipment that has been sold, stolen, traded-in, scrapped, donated, returned to vendor, destroyed, transferred out to an external entity, cannibalized, recycled, no longer functional, or posted on the surplus property.
- Asset Disposals in NUFinancials should only be submitted after the equipment is physically removed from the University.
- Submit capital equipment disposals and transfers including change of custodian, custodial department, or physical location via the Asset Management Self Service portlet found at:

NUFinancials > NavBar  > NU Interfaces and Processes > Assets Self Service > Create/Search Asset Request > Add

More information can be found at:
[ffra.northwestern.edu/training/fms750-asset-dispose-transfer.html](https://fra.northwestern.edu/training/fms750-asset-dispose-transfer.html)

Asset Inventory Updates

- Unit Representatives will submit their updates in NUFinancials, sign their completed AM002 report and email it to equipment@northwestern.edu
- Once Accounting Services receives the inventory sheet, we'll update the inventory dates and verify the information in the Asset Management System has been updated.
- Please refrain from sending partial reports to us. Hold onto any partials and submit the entire report when you complete it.


Common Challenges for the Inventory

- Equipment has been relocated and not reported to Accounting Services
- Assets have been disposed and were not reported to Accounting Services
- Assets are not found and departments are not certain the equipment was disposed
- Labs are locked or experiments are taking place

FAQ

- *How should I handle the computer servers that are in my asset listing and are located at 2020 Ridge or NUIT Chicago?*
 - Ignore these servers. We are currently working with 2020 and NUIT Chicago to properly locate and tag the equipment.
- *What is a component system?*
 - Comprised of individual equipment or items that, when connected together, operate as a system. Items less than \$5,000 and are part of the component system should be capitalized if they cannot operate on a stand-alone basis.
- *What is the difference between fabricated equipment and component system?*
 - Component systems generally do not require extensive construction or assemblage

Disposal/Transfer Resources

- To initiate please follow the pathway below: **NUFinancials** > NavBar  > Navigator > NU Interfaces and Processes > Assets Self Service > Create/Search Asset Request > Add
- More information on Capital Equipment disposals can be found at:
northwestern.edu/controller/accounting-services/equipment-inventory/disposals.html
- Job Aid for asset management self-service portal can be found at:
ffra.northwestern.edu/training/fms750-asset-dispose-transfer.html

Questions?

Visit the equipment website at:
northwestern.edu/equipment-inventory

Contact

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