

Capital Equipment Overview 2018

Procedures and Guidelines

Presented by:

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Accounting Services

Presentation Outline

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

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 (chart string), and cost

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 A-110 requires an inventory at least once every two years
- Accurate records are required for the Facilities & Administrative (F&A) proposal

A-110 Requirement

- *"A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment."*

Special Consideration for F&A Rates Proposal

- Equipment depreciation is a significant cost component contributing to the F&A rate
- Accurate equipment inventory = Better defense in F&A negotiation
- Better defense in F&A negotiation = Better federal funding for new equipment

Questions?

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

Accounting Services

- Updating the inventory records for new asset additions including:
 - Asset descriptions
 - Location (e.g. Building, Room Number)
 - Custodian
- Updating the inventory records for disposals by approving asset retirements through NUPortal

Accounting Services

- 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 set-up costs)
- Coordinating the annual Capital Equipment Re-Inventory project in Chicago and Evanston

Capital Equipment Units

- A capital equipment unit consists of a single department or related grouping of departments that has capital equipment

Unit Representatives

- 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 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
- Biannually, 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 Unit Representatives to schedule a tagging appointment. Included in the request will be a listing of all capital equipment assets that are currently untagged.
- A/S will walk through the department with assistance of a Unit Representative and notate any changes as well as tag equipment
- After meeting completion, A/S will update inventory records

FY18 Tagging Process – Volunteers

- A/S will select a few departments from our volunteers
- Departments selected will receive an email with specific instructions on tagging equipment
- A/S will send you tags via campus mail
- Tag only the assets on listing provided by A/S
- Notify A/S if a tag is already on the asset
- Notify A/S via email of tagged assets **with attached pictures**
- A/S will update Asset Management System

Capital Equipment Inventory Physical Verification

- Required at least bi-annually
- The main cycle of 2018 physical inventory begins now and continues through June 2018
- 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

- The Unit Representative from the department will be asked to inventory, submit changes (disposals, transfers) via NUPortal, and sign a 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.
- *How is this inventory report used?*
 - Unit Representatives:
 - Review department inventory
 - Notify changes to Accounting Services in addition to the NUPortal submissions
 - Training Guide:
ffra.northwestern.edu/documents/reporttemplates/AM002-AssetInventoryReport.pdf

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



NORTHWESTERN
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	

✓
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 D
 2
 ✓
 E
 I

I hereby certify that the above information is correct

Print Name: MIKE YOUAKIM

Signature: *[Handwritten 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

Asset Inventory Updates

- Unit Representatives will submit the necessary changes through NUPortal, sign sheet with the change notations, and scan to email Property Accountant at equipment@northwestern.edu
- Once Accounting Services receives the inventory sheet, Accounting Services will update the inventory dates and verify the information in the Asset Management System with the updated request

Inventory Progress Report

- If you submit partial progress and require a listing that includes only items not recently inventoried please email equipment@northwestern.edu

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, total at least \$5,000 in the aggregate, and are purchased on the same PO. 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

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](#)

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
- Submit capital equipment disposals, asset transfers – including change of custodian, custodian department, or physical location via the Asset Management Self Service portlet found at

NUPortal > Financial Section > Assets tab

More information can be found at:
ffra.northwestern.edu/training/fms750-asset-dispose-transfer.html

Asset Self Service

The screenshot displays the Northwestern University NUPortal interface. At the top, a navigation bar includes links for Business Intelligence, CAESAR, Collaboration, Canvas, Directory, Email, Events, myHR, Library, NetID, News, and T. Below this is the NUPortal logo and a search bar. A secondary navigation bar contains tabs for Financial, Accounting, Budgeting, Purchasing, Payments, and Assets, with the Assets tab highlighted in yellow. On the left, a sidebar menu lists various services, with 'Financial' highlighted in yellow. The main content area features three sections: 'Asset Request Search' with multiple search criteria (Request ID, Submit Date, Requested By, Request Type, Request Status, Asset Identification, Tag Number, Workflow Status) and search buttons; 'Asset Self Service' with radio buttons for 'Dispose/Retire an Asset' and 'Transfer an Asset', each with a brief description, and a 'Next' button; and 'Asset Related Links'.

Business Intelligence | CAESAR | Collaboration | Canvas | Directory | Email | Events | myHR | Library | NetID | News | T

NORTHWESTERN UNIVERSITY
NUPortal

Search Northwestern

Financial Accounting Budgeting Purchasing Payments **Assets**

Go to myNU Page

myNU
News and Events
Facilities
Financial
Human Resources
Research
Services
Athletics and Recreation
myHR Learn
NUPortal Help

Change Your NetID Password

Asset Request Search

Request ID: contains []
Submit Date: equal to []
Requested By: equal to []
Request Type: equal to []
Request Status: equal to []
Asset Identification: contains []
Tag Number: contains []
Workflow Status: equal to []

Search Clear Advanced Search

Asset Self Service

Select one of the following:

- Dispose/Retire an Asset**
Capital equipment that no longer exists or is no longer in use at the University
- Transfer an Asset**
Capital equipment that has changed location, Changed custodian or been transferred to another department

Next

Asset Related Links

App
Per
Ref
Sys
NUI
Coç
Info
Fac
FAM
NUI
NUI
Hel
Trai
Ger
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Trai
Trai

Disposal Resources

- 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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