



CAPITAL ASSET MANAGEMENT



OBJECTIVES

- To determine whether equipment is capital or non-capital
- Helpful information to include on requisition
- Use of proper G/L accounts
- eBARS New Inventory Worksheet
- Disposal
- Annual Inventory



PURPOSE

The purpose of capital asset management is to ensure capital equipment information in the inventory database is current and accurate to contribute to the controls and safeguards of the University's assets.

DEFINITIONS

- Capitalization Threshold
 - Capital equipment is any moveable equipment purchased, including accessories, installation, shipping and handling, where the purchase price is \$5,000 or more.
 - Non-capital equipment is any moveable equipment purchased at less than \$5,000.
- General Ledger (G/L) Accounts
 - A structure used to record values to represent assets, liabilities, fund balances, revenues and expenses.
 - Capital equipment G/L accounts begin with 550xxx.
 - Common expense G/L accounts used by departments for non-capital equipment begin with 53xxxx and 54xxxx.
- eBARS
 - Electronic Barcoded Assets Resource System.
 - The University's integrated facilities, vehicle, and equipment inventory system.



DEFINITIONS (CONTINUED)

- Moveable Equipment
 - Moveable property retains its identity as a separate and identifiable item.
 - The term moveable equipment includes lab, scientific, and dental equipment, furniture, furnishings, fixtures, machinery and instruments.
- Trade-In
 - When UK gives a vendor a piece of old equipment in exchange for a discount (trade-in value) on a new piece of equipment.
- Inventory Worksheet
 - Printed copy of the information from eBars on a specific piece of equipment.
- Goods Receipt
 - Confirms ownership of goods received by the University, posts charge to the cost center and the G/L account.

ASSET FLOWCHART

Purchase Requisition



Purchase Order/Goods
Receipt



eBARS



Inventory Worksheet

CAPITAL VS NON-CAPITAL EQUIPMENT

What is Capital Moveable Equipment?

Capital moveable equipment is any single item or system:

- Costing \$5,000 or more
- Having a useful life of two years or longer

The cost of capital equipment includes:

- Equipment
- Accessories
- Shipping and Handling
- Installation
- Software (when purchased with the system)
- Trade-in amounts

Capital equipment does not include:

- Warranties
- Expendable Supplies (office, lab, etc.)
- Software (when purchased separately)
- Maintenance Agreements

CAPITAL VS NON-CAPITAL EQUIPMENT

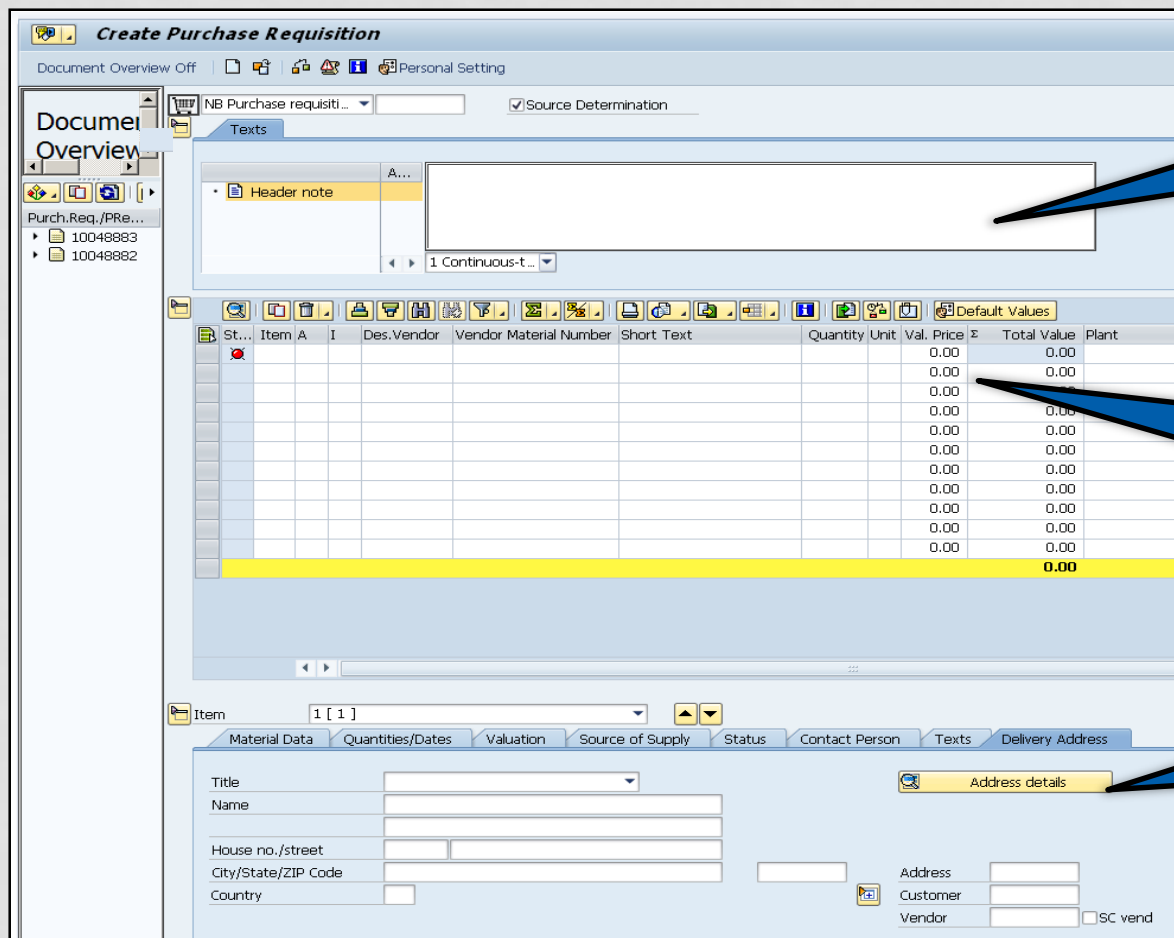
What is Non-Capital Moveable Equipment?

Non-Capital equipment is any single item or system costing less than \$5,000 including:

- Equipment
- Accessories
- Shipping and Handling
- Installation
- Software (when purchased with the system)
- Trade-in amounts

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Requisition Major Sections



The screenshot displays the 'Create Purchase Requisition' window. The interface is divided into three main sections highlighted by callouts:

- Header (Top):** This section includes a 'Document Overview' sidebar on the left with a tree view showing 'Purch.Req./Pre...' and sub-items '10048883' and '10048882'. The main header area contains a dropdown menu for 'NB Purchase requisiti...', a 'Source Determination' checkbox, and a 'Texts' tab. Below the tabs is a 'Header note' field and a '1 Continuous-t...' dropdown.
- Item Overview (Middle):** This section is a table with columns: 'St...', 'Item A', 'I', 'Des. Vendor', 'Vendor Material Number', 'Short Text', 'Quantity', 'Unit', 'Val. Price', 'Total Value', and 'Plant'. The table contains multiple rows of data, with the last row highlighted in yellow and showing a total value of '0.00'.
- Item Details (Bottom):** This section is a form for item details. It includes a dropdown for 'Item' with '1 [1]' selected. Below this are tabs for 'Material Data', 'Quantities/Dates', 'Valuation', 'Source of Supply', 'Status', 'Contact Person', 'Texts', and 'Delivery Address'. The 'Material Data' tab is active, showing fields for 'Title', 'Name', 'House no./street', 'City/State/ZIP Code', and 'Country'. To the right, there is an 'Address details' button and fields for 'Address', 'Customer', and 'Vendor'.

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Requisition Layout - Header

Information provided on the purchase requisition that is relevant to equipment purchases for Purchasing, Inventory (Capital Assets Accounting), Accounts Payable, Vendors, and Shippers

The screenshot shows a software interface for a purchase requisition. At the top, there is a dropdown menu labeled 'NB Purchase requisiti...' and a checkbox labeled 'Source Determination' which is checked. Below this is a tab labeled 'Texts'. Under the 'Texts' tab, there is a list of items with 'Header note' selected. To the right of the list is a large text area containing the text 'This is an accessory to property number A769587.' A blue callout bubble points from the text in the callout to the text in the text area. At the bottom of the text area, there is a dropdown menu labeled '1 Continuous-t...'.



HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Uses for Header Text

Examples of important information to include in the Header Text

- Trade-in:
 - Property number of the equipment traded in
 - Trade-in value received for the item
- Accessory to existing equipment:
 - Provide the property number of that equipment
- If the location of this item is going to be different than the delivery address:
 - Building name
 - Room number

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Header- Examples (Continued)

- If known, include the model number and serial number
 - Helps to identify the correct piece of equipment

The screenshot displays a software window for a requisition. At the top, there is a dropdown menu labeled 'NB Purchase requisiti...' and a checkbox labeled 'Source Determination' which is checked. Below this is a tab labeled 'Texts'. Under the 'Texts' tab, there is a list of items with a yellow highlight on 'Header note'. To the right of this list is a large text area containing the text: 'Trade-in to property number A778958, serial number 12345ABCD. Trade-in discount \$4,500.' At the bottom of the window, there is a dropdown menu labeled '1 Continuous-t...'.

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Line Item Description

This description will be the item description in eBars

Item	Acct	Assgt Cat.	I	Des. Vendor	Vendor Material Number	Short Text	Quantity	Unit	Val. Price	Total Value	Plant	Delivery Da...
1	K			126512	Microfuge 22R	Refrigerated Microcentrifuge	1	ea	5900.00	0.00	UK00	12/1/2012
									0.00	0.00		
									0.00	0.00		
									0.00	0.00		
									0.00	0.00		
									0.00	0.00		
									0.00	0.00		

Please DO NOT use the Catalog Numbers as a description!!

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Details - Delivery Address

Note: Only one delivery address is allowed per requisition.

Item: 1 [1] Refrigerated Microcentrifuge

Material Data | Quantities/Dates | Valuation | Account Assignment | Source of Supply | Status | Contact Person | Texts | **Delivery Address**

Title: [Dropdown]
Name: University of Kentucky
Internal Medicine - Cardiology
House no./street: 900 South Limestone St Room 326
City/State/ZIP Code: Lexington 40536
Country: US United States

Address details (Yellow box)
Address: [Field]
Customer: [Field]
Vendor: [Field] ☐ SC vend

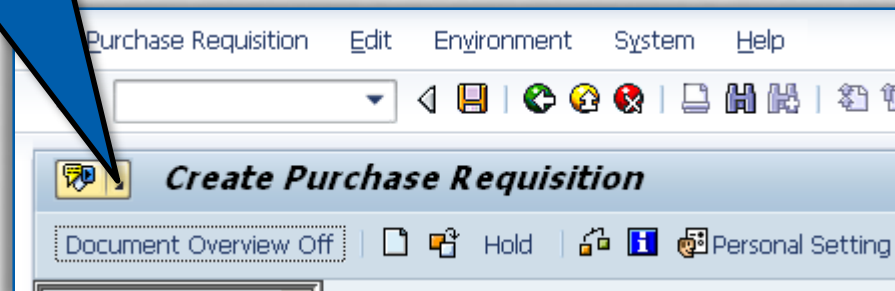
If the location of this item is going to be different than the delivery address , provide the building name and room number of where this item will be located in the header box.

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Create Attachment

The vendor quote should be electronically attached to the requisition.

Click black triangle
on right side of
Services for Object
icon



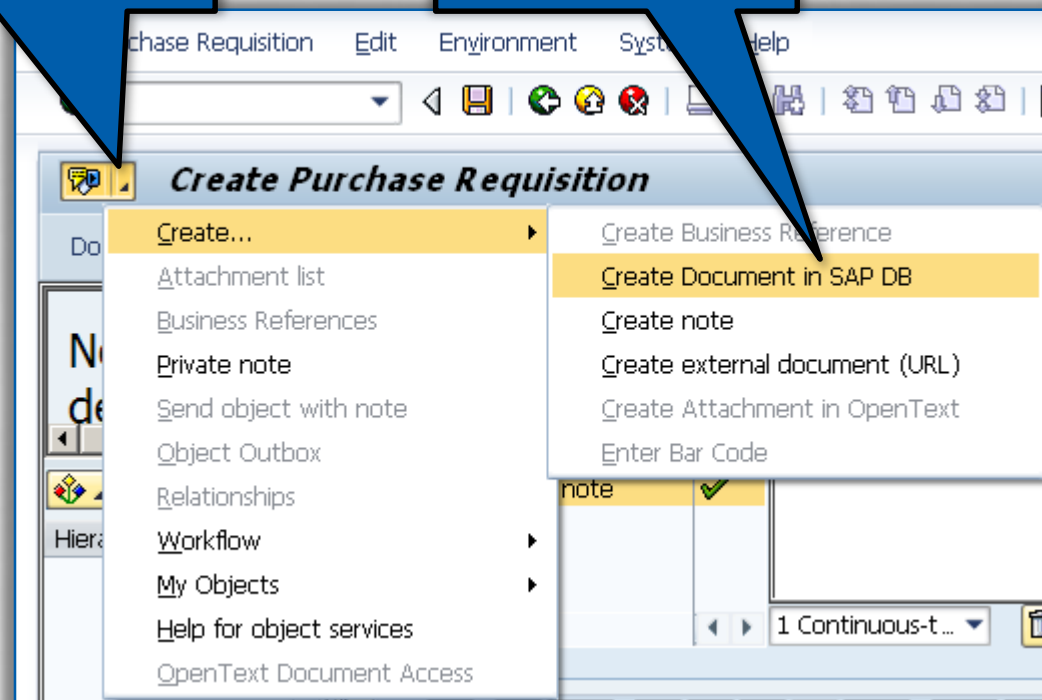
Attachments provide important information supplied by the vendor or departments not found elsewhere in the requisition.

HELPFUL INFORMATION TO INCLUDE ON REQUISITION

Create Attachment

Click the black triangle on the right side of Services for Object icon

Select Create Document in SAP DB

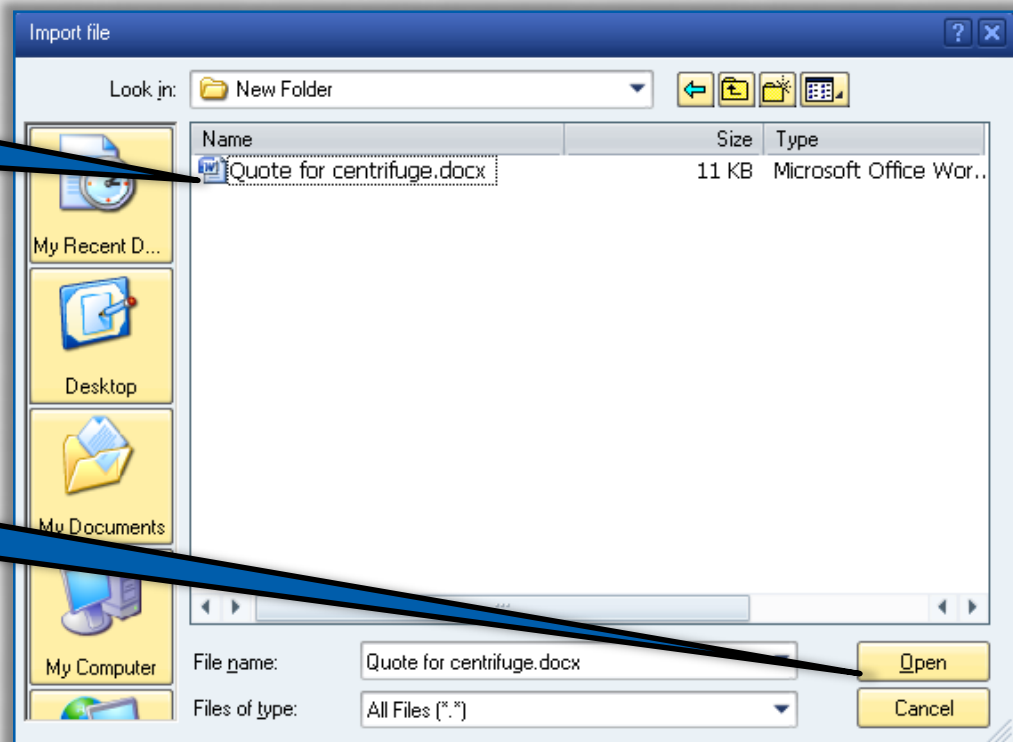


HELPFUL INFORMATION TO INCLUDE ON REQUISITION

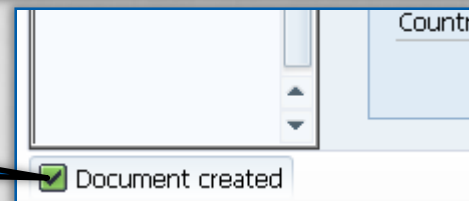
Create Attachment

Locate and highlight file within your drive(s)

Click Open to attach



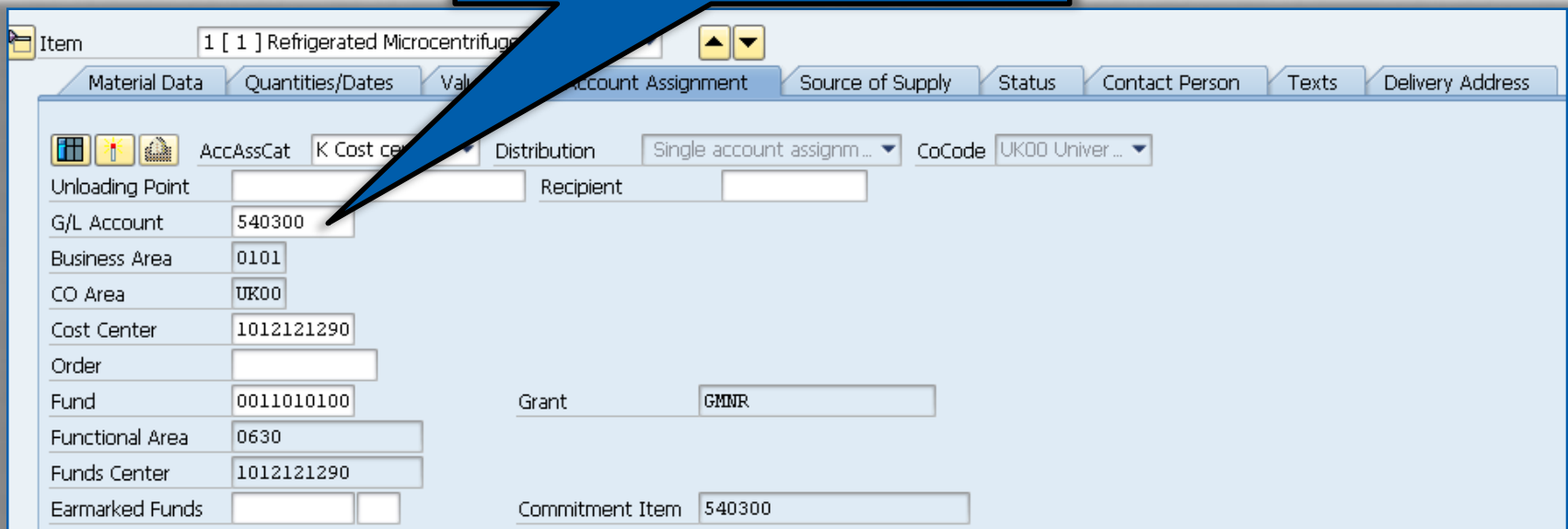
Attachment successful message shows at bottom left of screen. Attachment will execute when document is saved.



USING THE PROPER G/L ACCOUNTS

Details - G/L Account

The GL Account is an accounting number that represents the goods or services purchased



The screenshot shows the SAP 'Item Details - G/L Account' form. A blue callout box points to the 'G/L Account' field, which contains the value '540300'. The form includes various tabs at the top: 'Material Data', 'Quantities/Dates', 'Value', 'Account Assignment', 'Source of Supply', 'Status', 'Contact Person', 'Texts', and 'Delivery Address'. The 'Account Assignment' tab is active. Below the tabs, there are several input fields and dropdown menus. The 'G/L Account' field is highlighted by a blue callout box. Other fields include 'Unloading Point', 'Business Area' (0101), 'CO Area' (UK00), 'Cost Center' (1012121290), 'Order', 'Fund' (0011010100), 'Functional Area' (0630), 'Funds Center' (1012121290), 'Earmarked Funds', 'Distribution' (Single account assignm...), 'CoCode' (UK00 Univer...), 'Grant' (GMNR), and 'Commitment Item' (540300).

Field	Value
Item	1 [1] Refrigerated Microcentrifuge
Unloading Point	
G/L Account	540300
Business Area	0101
CO Area	UK00
Cost Center	1012121290
Order	
Fund	0011010100
Functional Area	0630
Funds Center	1012121290
Earmarked Funds	
Distribution	Single account assignm...
CoCode	UK00 Univer...
Grant	GMNR
Commitment Item	540300

USING THE PROPER G/L ACCOUNTS

Capital Equipment G/L Accounts (\$5K or more)

SAP	Description	Explanation
550010	Computing Hardware	Processing equipment and the associated physical equipment directly involved in the performance of communications and data processing.
550030	Lab & Scientific Equipment	Microscopes, centrifuges, balances, electron microscopes; excludes laboratory casework.
550040	Hospital & Medical Equipment	Purchase of all equipment for hospital and/or medical purposes excluding equipment otherwise specified.
550050	X-Ray Equipment	Purchase of X-ray equipment including all scanning equipment used in hospitals or clinics.
550060	Fine Art-Inexhaustible	Purchase of art objects for the University Art Museum or other authorized locations. Capitalize all fine art regardless of cost.

USING THE PROPER G/L ACCOUNTS

Capital Equipment G/L Accounts (continued)

SAP	Description	Explanation
550070	Vehicles	Purchase of vehicles excluding tractors.
550080	Other Equipment & Furnishing	Purchase of equipment and furnishing not included in any other category.
550090	Fabricated Equipment	Used for equipment fabricated or constructed on job orders such as work tables, benches, cabinets and other such items of movable equipment and furnishing
550100	Athletics Equipment	Purchase of athletic equipment for varsity and intra-varsity sports.
551140	Lease/Purchase/Equipment	Equipment acquired under lease/purchase contracts or agreements.

USING THE PROPER G/L ACCOUNTS

Non-Capital G/L Accounts (Less than \$5K)

SAP	Description
533031	Service and maintenance contracts- equipment
533032	Service and maintenance contracts- scientific equipment
533042	Service and maintenance contracts- office equipment
535200	Service and maintenance contracts- computers
535205	Tech software and supplies
540311	Chemical & lab supplies
540334	Office supplies
540357	Furniture and other moveable equipment costing less than \$5000
540358	Computers and minor technology equipment costing less than \$5000
540360	Non-capital items required to be traced under Sponsored Project Agreements

If non-capital equipment is purchased on a capital equipment G/L, Capital Assets Accounting will move it to one of the following G/L accounts.

EBARS NEW INVENTORY WORKSHEET

Property Number is assigned by Capital Assets Accounting

UK Plant Assets New Inventory Worksheet Print Date 11/12/2015
371 Service Building, Lexington, KY 40506-0005 Phone: 7-8638 Fax: 7-6236

ATTENTION! FAILURE TO COMPLETE THE REQUESTED INFORMATION AND APPLY A PROPERTY TAG MAY CAUSE THE EQUIPMENT TO BE UNINSURED.
Complete the worksheet as follows: Fill in or correct all required fields. Required fields are Prop #, Desc., Cost Object, Using Dept #, Bldg., InsCode and Room #. Serial # and Model # are optional; however, fill in these fields when the information is available. If an item has been added to an already active property number, please explain in writing below, provide the property number of the other piece of equipment, and make changes necessary to clarify the description. Forward questions to 7-8638. Complete this information and return within 10 days of the above transmittal date.

A787316 MASTERCYCLER PRO GRADIENT THERMAL CYCLER Building 0298 Room ID MN0477 Cost \$6,409.26

Using Dept 7H083 Model No. _____ Serial No. _____ PO Item No 1 FI Doc Ref 5001039476

Cost Object 3200000235 Date Acquired 10 2015 Insurance Code C

Purchasing Data

Dept	PO Number	FI Doc Ref	Cost Object	Date	Cost
7H083	4500066350	5001039476	3200000235	10/7/2015	\$6,409.26

Items tagged and/or verified by: Print Name: _____ Date: _____ Phone: _____

Departments can revise or add any information (model #, serial #, building & room, description, etc.) and send to Capital Assets Accounting

- Property tags are sent with the new inventory worksheet and should be applied to the equipment upon receipt.
- Property tags for non-capital equipment may be requested at the department's discretion.

EBARS NEW INVENTORY WORKSHEET

Standard PO 4500066350 Created by Deborah A Konichek



Standard PO 4500066350 Created by Deborah A Konichek

Document Overview On | Print Preview | Messages | Personal Setting

NB Standard PO 4500066350 Vendor 126512 VWR International LLC Doc. date 09/29/2015

Header

Item Overview

P.O. Number

Item 1 [1] Mastercycler Pro Gradient



Quantities/Weights | Delivery Schedule | Delivery | Invoice | Conditions | Account Assignment | Purchase Order History | Texts | Delivery Address | Confirmations | Condition Co...

Title

Name University of Kentucky

MN477 Ken Fields

House no./street 800 Rose Street

City/State/ZIP Code Lexington KY

Country US United States

Building and Room

Address details

Reset address

Repeat address on

Vendor ☐ SC vend

EBARS NEW INVENTORY WORKSHEET

Display Material Document 5501051725 - Steven W Strunk



Display Material Document 5501051725 - Steven W Strunk

Show Overview | Hold | Check | Post | Help

List of Documents in Accounting

25 2015

Documents in Accounting

Doc. Num...	Object type text
5001039476	Accounting document
102280211	Spec. purpose ledger
30198054	Controlling Document
501909	Funds Management doc
550105	Grants Mgm. Doc.

Separate Original document

859 323-2478

FI Documents

MIGO_GR

Qty in UnE	EUn SLoc	WBS El
1	EA	32000002

To Get Document Number:
Click on FI Documents and
then Accounting
Document

Accounting Document
Number

Partner Account Assignment

Item Category Standard
☒ DCI for Mat. Doc. Item
☒ Del. Compl. Ind. PO Item

SAP

ME23N r3prda01 INS

EBARS NEW INVENTORY WORKSHEET

Document Overview - Display

Document Overview - Display

Doc.Type : WE (Goods receipt) Normal document

Doc. Number 5001039476 Company Code UK00 Fiscal Year 2016

Doc. Date 10/07/2015 Posting Date 10/07/2015 Period 04

Calculate Tax ☐

Doc. Currency USD

It	Account	G/L acct short text	Amount	Cost Center	WBS element	Fund	Text	BusA	Account short
1	550030	Lab&Scientific Equip	6,409.26		3200000235	0226000000		0201	Lab&Scientifi
2	210110	GR/IR Clearing	6,409.26-			0226000000		0201	GR/IR Clearin
*			0.00						

SAP

FB03 r3prda01 INS

Accounting Document
Number

Cost Object Number

EBARS NEW INVENTORY WORKSHEET

Standard PO 4500066350 Created by Deborah A Konichek



Standard PO 4500066350 Created by Deborah A Konichek

Document Overview On Print Preview Messages Personal Setting

NB Standard PO 4500066350 Vendor 126512 VWR International LLC Doc. date 09/29/2015

Header

Item Overview

Item 1 [1] Mastercycler Pro Gradient

Description

Cost

Quantities/Weights Delivery Schedule Delivery Invoice Conditions Account Assignment Purchase Order History Texts Delivery Address Confirmations Condition Co...



Sh...	MvT	Material Doc...	Item	Posting Date	Quantity	OU	Qty in OP	Amount in LC	Reference
GR	101	5501051725	1	10/07/2015	1	EA	1	6,409.26	6,409.26
Tr./Ev. Goods receipt					1	EA	1	6,409.26	6,409.26
IR-L		5106786311	1	10/07/2015	1	EA	1	6,409.26	8042725569
Tr./Ev. Invoice receipt					1	EA	1	6,409.26	6,409.26

EBARS NEW INVENTORY WORKSHEET

PO Number 4500066350

UK Plant Assets New Inventory Worksheet

Print Date 11/12/2015

371 Service Building, Lexington, KY 40506-0005 Phone: 7-8638 Fax: 7-6236

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A787316 MASTERCYCLER PRO GRADIENT THERMAL CYCLER Building 0298 Room ID MN0477 Cost \$6,409.26

Using Dept 7H083 Model No. Serial No. PO Item No 1 FI Doc Ref 5001039476

Cost Object 3200000235 Date Acquired 10 2015 Insurance Code C

Purchasing Data

Dept	PO Number	FI Doc Ref	Cost Object	Date	Cost
7H083	4500066350	5001039476	3200000235	10/7/2015	\$6,409.26

- Departments should add or revise information on the worksheet as necessary and send the worksheet back to Capital Assets Accounting for processing.
- Common revisions are to the Building and Room ID fields, the Model No. and Serial No. fields, as well as the description.



DISPOSAL

All equipment items must be disposed of in accordance with University policy and Commonwealth of Kentucky regulations. It is the department's responsibility to follow-up and make sure that all items that are reported as disposed are removed from their department's inventory.

For detailed information on the University's policies and procedures regarding disposal, please visit our website:

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-12-4.pdf>

DISPOSAL

Disposal Categories

Surplus:

- Items that are no longer needed or used by a department may be sent to Surplus. A [Surplus Property Pickup Form](#) must be filled out and emailed to Surplus@uky.edu and the item(s) will be picked up by Trucking and taken to Surplus.
- It is the department's responsibility to ensure that these items are recorded properly as Surplus. Keep a copy of the stamped Surplus Property Pickup Form from Trucking for your records.
- These items are advertised on the [Surplus website](#) for a period of two weeks to give other units within the University an opportunity to claim these items.
- Items that are not claimed by another University department are then sold or recycled.

DISPOSAL

Disposal Categories

Trade-In:

- Items that are no longer needed by a department may be traded-in for a discount on the purchase of new equipment.
- **ALL** trade-ins must be approved by Capital Assets Accounting. Please email Bill Coleman (wecole2@uky.edu) to begin the process.
- The property number and trade-in value of the item being traded-in must be listed on the PO for the new equipment.
- Failure to follow procedure will result in the improper recording of the new asset's value and the old asset remaining on inventory.

Theft:

- Items that are stolen are removed from active inventory.
- Stolen items must be reported as such to the UK police department and a Capital Equipment Theft Report form, along with the police report, must be submitted to Capital Assets Accounting.



DISPOSAL

Disposal Categories

Transfer:

- Items that are no longer needed by a department may be transferred to another University department.
- A Capital Equipment Transfer Request form must be filled out and signed by both departments before being submitted to Capital Assets Accounting.

Destroyed for Parts:

- Items that are destroyed and used as parts in another piece of equipment may be designated as destroyed for parts.
- This disposition status is usually only used for computer/electric equipment.
- A memo from the department head that includes the property number of the equipment items destroyed and how they were used must be submitted to Capital Assets Accounting.



ANNUAL INVENTORY

In accordance with University policy and Commonwealth of Kentucky regulations, all capital equipment must be physically counted annually. Each department is responsible for completing its inventory using eBars, the University's web-based equipment inventory system.

Users must request access to this system on the eBars website:

<https://myuk.uky.edu/zAPPS/ebars>



ANNUAL INVENTORY

Annual Inventory Process

- The annual inventory runs from the beginning of November to the end of January.
- All capital equipment items must be scanned.
- The department owning the item is responsible for scanning the item.
- Any item that is not scanned is an exception and the appropriate documentation must be submitted to Capital Assets Accounting to account for this item.

For more detailed information on the annual inventory process please view the Inventory Training manual on the eBars website:

[https://myuk.uky.edu/zAPPS/ebars/UserInfo/2017-18%20Equipment%20Inventory%20Instructions%20\(New%20Website\).pdf](https://myuk.uky.edu/zAPPS/ebars/UserInfo/2017-18%20Equipment%20Inventory%20Instructions%20(New%20Website).pdf)

RECAP

- Capitalization threshold
- Helpful information to include on requisition (header notes, emails, quotes, other attachments)
- G/L Accounts - Using the correct G/L Accounts (Capital & Non-capital)
- Information is taken from SAP and input into eBars to create the inventory worksheet
- Disposal and disposition categories
- Annual Inventory

CAPITAL ASSETS ACCOUNTING CONTACT INFORMATION

For questions regarding equipment inventory, please contact:

William (Bill) E. Coleman: wecole2@email.uky.edu

or

Steve Strunk: sstrun0@email.uky.edu

For additional information and resources please visit our website
<http://www.uky.edu/ufs/capital-assets-accounting>

For more information on the University's capitalization policy
please refer to Business Procedure Manual [E-12-1](#)