

Equipment Inventory

Equipment Inventory

I. Purpose

To establish policy, responsibilities and procedures for the inventory of capital equipment to enable the University of Kentucky to collect the following information:

- Values and types of property owned for financial reporting
- Building content values for insurance purposes
- Location of property
- Depreciation expense
- Data used in calculation of the facilities and administrative costs rate for sponsored projects

II. Responsibilities

Also see [E-1-3 Fiscal Roles and Responsibilities](#) and [E-1-4 Internal Control](#).

A. Department

Maintain control of all items of furniture, equipment, vehicles and other moveable property assigned to the areas, regardless of cost. Specific responsibilities include:

1. Use the proper expenditure general ledger account when requisitioning equipment. ([Section IV.A](#) and [Section IV.B](#))
2. Properly edit non-capital expenditures purchased on a procurement card to the proper expenditure general ledger account. ([Section IV.B](#)).
3. Apply property tags in accordance with directions from University Financial Services. ([Section IV.D](#))
4. Control and record the location of property. ([Section IV.E.2](#) and [Section IV.E.6](#))
5. Report transfers of property between University departments. ([Section IV.E.3](#))
6. Report surplus or obsolete property according to [E-12-4 Property Disposition](#)
7. Report stolen property immediately to campus police. ([Section IV.E.4](#))
8. Report items as missing or lost property if they cannot be found after conducting a thorough search. ([Section IV.E.5](#))
9. Complete the annual physical inventory of property in the possession of, or under the supervision of, the department by the assigned deadline. ([Section IV.G](#))
10. Maintain reasonable precautions in protecting all property under departmental control or supervision regardless of value.
11. Report the acquisition of equipment through gifts by notifying the Development Office and Capital Assets Accounting of the gift and its value.
12. The Housing system maintains an inventory of furniture groups for each dorm room. Dorm rooms are inventoried prior to and at the conclusion of each school session. Students are responsible for losses due to damage, missing items, etc.
13. Hospital Accounting coordinates all capital activity for Hospital departments. All hospital inquiries should be directed to:

Capital Equipment Accountant
Hospital Accounting
2347 Sterlington Road, Suite 300
Lexington, Ky. 40517

Equipment Inventory

(859) 323-8906

- 14. Each unit may have additional procedures; please check with the appropriate contact person for your unit prior to submission of paperwork.
- 15. Ensure compliance with capitalization and inventory requirements detailed in sponsored project agreements

B. Capital Assets Accounting

- 1. Record the acquisition of capital equipment in the Equipment Inventory System and UK Financial Records.
- 2. Verify general ledger (GL) accounts are accurate on documents recording equipment purchases and correct if necessary.
- 3. Inform University departments and organizational units of procedures necessary to complete processing for capital equipment items purchased.
- 4. Correct records when properly notified of changes by departments and organizational units.
- 5. Provide necessary property tags, forms, etc., for use in the inventory system.
- 6. Approve all requisitions for the purchase of equipment involving a trade-in.
- 7. Audit randomly selected physical inventories each year.
- 8. Conduct a university-wide inventory of equipment items annually.

III. Policy

The University will capitalize and record in the electronic Barcoded Assets Resource System (eBARS) all equipment meeting the thresholds defined in [Business Procedure E-12-1 Capitalization Policy](#).

IV. Procedures

A. Purchase of moveable equipment meeting the criteria of a capital asset as outlined in [E-12-1 Capitalization Policy](#).

- 1. Purchase with funds allocated for capital outlay
- 2. Use one of the following capital outlay general ledger (GL) accounts:

550010	Computing Hardware
550030	Lab and Scientific Equipment
550040	Hospital/Medical Equipment
550050	X-Ray Equipment
550060	Fine Art
550070	Vehicles
550080	Other Equipment/Furnish
550090	Fabricated Equipment
550100	Athletics Equipment
550130	Furniture/Fixtures/Office Equipment
550150	Instruments and Apparatus
550160	Capitalized Software
551140	Lease/Purchase Equipment

B. Use one of the following current expense GL accounts when the cost of moveable equipment does not exceed the capitalization amounts (minor equipment):

Equipment Inventory

540358	Computers and minor technology equipment costing less than \$5,000
540357	Furniture and other moveable equipment costing less than \$5,000
540360	Non-capital items required to be tracked under Sponsored Project Agreements

C. For fabricated equipment, refer to [E-3-3 Fabricated Equipment](#).

D. Tagging of equipment

1. Value of equipment

- a. Tag all equipment with a cost or value equal to or greater than the capitalization amounts ([Section III](#)) with a University of Kentucky property tag, except as noted below.
- b. Items having a value meeting the capitalization threshold that are determined to be untaggable by the department are given a property number but will not have inventory tags attached. They will be flagged in the eBARS system as untagged equipment. These items may be of a size or composition or have other conditions of usage (such as sterilization) which would prohibit attachment or cause removal of the tag.

Note: Any item required to be tracked under a Sponsored Project Agreement should be tagged with a UK property tag.

2. Types, sources and uses of tags

- a. A-tag: Accounting and Financial Reporting Services, University Financial Services, assigns inventory tags for items meeting the capitalization policy amounts described above, regardless of funding source, and sends them to departments attached to a worksheet. (Capital equipment purchased with federal funds is tagged with an A tag, but flagged in eBARS to indicate the use of Federal funds.)
- b. J-tag: Standard computer equipment purchased on UK's ebuy Dell web site will arrive from the factory with a J tag already attached.
- c. N-tag: Requested by departments for items not meeting the capitalization criteria but the department wishes, or is required to track the item.
 - 1) Items purchased at a cost below the capitalization threshold which are required to be tracked according to a sponsored project agreement should use an N-tag.
 - 2) It is highly recommended that high risk items, as determined by the department, purchased with University funds also be tracked using an "N" tag.

These items are tracked as noncapital equipment through eBARS as follows:

- a) At the request of the department, Capital Assets will issue non-capital tags for departmental use. The department will be charged for these tags at cost. The department will enter the equipment data directly into eBARS as non-capital equipment. The department can then scan these items for departmental

Equipment Inventory

inventories. Each unit is responsible for developing an internal policy on tagging noncapital equipment items.

- b) Directions for entering non-capital equipment into eBARS are at <http://www.uky.edu/EVPFA/Controller/files/plant/noncapital.pdf>
 - d. T-tag: Departments may request a group of "T" inventory tags to keep on hand for temporarily tracking their capital equipment. Replace these when the permanent tag arrives.
 - e. Tags are "peel and stick" and are applied after first cleaning the area with alcohol.
 - f. When a tag has been lost or destroyed, the department must contact Capital Assets Accounting and request a replacement tag.
- E. Forms used for Equipment Inventory
- 1. Use the following forms when reporting equipment acquisitions, recording changes in the status of equipment, and verifying inventory records.
 - a. Plant Assets Inventory worksheet – ([Section IV.E.2](#))
 - b. Capital Equipment Transfer Request – ([Section IV.E.3](#))
 - c. Capital Equipment Theft Report – ([Section IV.E.4](#))
 - d. Lost Equipment Report – ([Section IV.E.5](#))
 - e. Off-Campus Equipment Report – ([Section IV.E.6](#))
 - f. Annual Capital Equipment Inventory Certification Sheet – ([Section IV.E.7](#))
 - 2. Plant Assets Inventory Worksheet ([See Appendix A](#))
 - a. Capital Assets Accounting prepares the form and forwards it to the department.
 - b. The department tags the equipment with the assigned equipment inventory tag.
 - c. The department completes or corrects data on the worksheet and returns it to Capital Assets Accounting.
 - d. If the piece of equipment was added to another piece of equipment, such as adding memory to an existing computer, the department must indicate that it has been ADDED TO Property #XXXXXXX. Capital Assets Accounting will then add the cost of the addition to the cost of the original piece of equipment
 - 3. [Capital Equipment Transfer Request](#)
The department having control of and responsibility for equipment prepares this form to report the transfer of item(s) of equipment to another department. Each unit may have additional procedures; check with your appropriate contact person prior to submission of paperwork. Hospital Accounting will complete this form for all Hospital Departments upon proper notification. Instructions are included on the form.
 - 4. [Capital Equipment Theft Report](#)
The department having control of and responsibility for equipment uses this form to report the theft of item(s) of equipment. Attach a copy of the UK Police Report. Instructions are included on the form.
 - 5. [Lost Equipment Report](#)
This report must be completed when an equipment item is lost or missing. This does not include stolen equipment. Usually lost or missing equipment is discovered at the time of inventory. Complete the following information:
 - a. Dept. # - The number of the department responsible for the equipment.

Equipment Inventory

- b. Department Name - The name of the department responsible for the equipment.
 - c. Date - The date the department sends the report Capital Assets Accounting.
 - d. Property # - The property number shown on your most recent Annual Request for Verification of Capital Equipment Inventory.
 - e. Description - A description of the missing/lost equipment.
 - f. Cost - Cost of equipment as shown on Annual Request for Verification of Equipment Inventory.
 - g. Date Acquired - Date of acquisition as shown on the Annual Request for Verification of Equipment Inventory.
 - h. Signatures – The Provost, Executive Vice President of Finance and Administration, Executive Vice President of Health Affairs, or Vice President of Research must sign the report in order for it to be processed.
6. [Off-Campus Equipment Report](#)
Complete the Off-Campus Equipment Report for equipment items moved to a location off University premises for an extended period of time. An example is a notebook computer used in the field for University research purposes. University equipment is not to be utilized for personal use or financial gain.
- a. Department Number and Name - Enter the department responsible for the equipment.
 - b. Property Number - Enter the number shown on the property tag on the piece of equipment. If there is no property tag, call Capital Assets Accounting for assistance.
 - c. Date - Enter the date the equipment was removed from campus.
 - d. Description - Enter the description of the piece of equipment to be taken off campus as shown on your Annual Request for Verification of Capital Equipment Inventory.
 - e. Serial Number - Enter the serial number of item being taken off campus.
 - f. Temporary Location - The complete address of the location where the equipment will be used off-campus.
 - g. Justification - The reason for taking the equipment off campus.
 - h. Signature of Employee Making Request - The individual removing the equipment from campus must provide a signature and their printed name.
 - i. Approving Official - the appropriate Dean, Director, or Department Head must authorize the request to remove the equipment from campus.
 - j. Date Equipment Returned - Indicate the date the equipment was returned to campus.
 - k. Receiving Official - The signature of the Dean, Director, or Department Head who has received the equipment upon its return to campus.
7. [Annual Equipment Inventory Certification Sheet](#)
Complete the Annual Equipment Inventory Certification Sheet for your department ONLY if there were inventory exceptions. If the department was not able to locate and scan all equipment on its inventory, the appropriate forms documenting those exceptions must be submitted along with the Annual Equipment Inventory Certification Sheet. If there were no exceptions

Equipment Inventory

or changes, this form is not required.

- F. Equipment purchased on federal grants
1. The University must use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency.
 2. When no longer needed for the original project or program, the University must use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.
 3. During the time that equipment is used on the project or program for which it was acquired, the University must make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use will be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference will be given to projects or programs sponsored by other Federal awarding agencies.
 4. For equipment purchased with federal funds, the equipment cannot be used to provide services to outside organizations for a fee that is less than fees charges for equivalent services provided by private companies, unless specifically authorized by federal statute for as long as the federal government retains an interest in the equipment. Treat any revenues received as program income while the grant is active.
- G. Physical Inventory of Equipment
- 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 have a login id and password obtained from the eBARS website at: <http://app.mc.uky.edu/ebars/UserLogon.aspx>. Instructions for using eBARS to complete the annual inventory are located at: <http://www.uky.edu/EVPFA/Controller/files/plant/EquipmentInventoryInstructions.pdf>.

Equipment Inventory

Appendix A

a. PO Number P0182183		UK Plant Assets New Inventory Worksheet			b. Print Date 5/7/2010					
371 Service Building, Lexington, KY 40506-0005 Phone: 7-8638 Fax: 7-6236										
<p>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.</p>										
c.	A664411	d. PC APPLE IMAC 17" 1.83 1GB	e. Building	0494	f. Room ID	0216	Cost	g. \$1,289.00		
h.	Using Dept	80207	i. Model No.		j. Serial No.	QP62503QV4	k. PO Item No	1	FI Doc Ref	7700490272
l.	Cost Object	1215371770	m. Date Acquired	06	2006	n. Insurance Code	C			
Purchasing Data										
	Dept	PO Number	FI Doc Ref	q.	Cost Object	Date	Cost			
o.	80207	P0182183	7700490272	1215371770		6/1/2006	\$1,289.00			

- a) PURCHASE ORDER (PO) NUMBER - Completed by Capital Assets Accounting from Purchase Order, Stores Order, DAV or JV used to purchase equipment.
- b) PRINT DATE - Completed by Capital Assets Accounting on date they mail the worksheet to the department.
- c) PROPERTY NUMBER – Assigned by Capital Assets Accounting. The department must correct if the equipment is “added to” or “installed in” another piece of capital equipment.
- d) DESCRIPTION OF ITEM - Completed by Capital Assets Accounting from purchase document. Department must correct if the description is not clear.
- e) BUILDING - Completed by Capital Assets Accounting from the purchase document. Department must correct if the item is in another location. For area and building numbers, see <http://www.uky.edu/EVPFA/Controller/files/plant/campusALL.pdf>.
- f) ROOM ID - Completed by Capital Assets Accounting from the purchase document. Department must correct if the item is in another location.
- g) COST - Completed by Capital Assets Accounting from purchase document
- h) USING DEPARTMENT NUMBER - Completed by the department if the USING DEPARTMENT is different from the PURCHASING DEPARTMENT
- i) MANUFACTURER MODEL NUMBER - The department must enter the model number when available.
- j) IDENTIFICATION OR SERIAL NUMBER - The department must enter the serial number when tagging the equipment if available.
- k) PO ITEM NUMBER - Completed by Capital Assets Accounting for reference purposes
- l) COST OBJECT - To be completed by the department if the USING DEPARTMENT is different from the PURCHASING DEPARTMENT.
- m) DATE ACQUIRED - Completed by Capital Assets Accounting from purchase document.
- n) INSURANCE CODE – All capital equipment will default to “C”, contents remain in the building. The department must change if the equipment will be used off campus (M) or if the equipment “floats” to various locations.
- o) PURCHASING DEPARTMENT NO. - Completed by Capital Assets Accounting using the department number from the purchase document
- p) FI DOC REF - Completed by Capital Assets Accounting from purchase document
- q) PURCHASING COST OBJECT - Completed by Capital Assets Accounting using the COST OBJECT from the purchase document