

Washington University
Capital Equipment/Assets – Policies & Procedures
February, 2003

I. Purpose

The purpose of this manual is to establish general policy for the management and control of capital equipment owned and titled by Washington University.

II. Additional References

- A. Specific instructions for recording asset information into the Fixed Asset System (FAS) can be found at Information Systems' web site <http://aishelp.wustl.edu> – see Documentation, Asset.
- B. Specific policies and procedures related to government owned assets can be found on the Sponsored Project Accounting web site <http://spa.wustl.edu> – see Administrative Policies.
- C. Information on insurance coverage for capital equipment can be found at <http://insurance.wustl.edu>.
- D. Policy and procedure documentation as it relates to procurement at Washington University is located at <http://purchasing.wustl.edu>.
- E. Environmental Health and Safety policy and procedure documentation related to Washington University (specifically for equipment disposal) is located at <http://ehs.wustl.edu>.

III. Responsibility

- A. Washington University is responsible for all the equipment to which it holds title. Custodial responsibility for other equipment rests with Washington University to the extent that it has explicitly agreed to accept responsibility thereof.
- B. The Plant Accounting Department is specifically responsible for the following:
 - 1. Maintenance of the perpetual asset inventory files.
 - 2. Proper coding of assets for depreciation purposes.
 - 3. Coordinate, supervise and oversight of annual physical inventories.
 - 4. Asset accounts reconciliation.
 - 5. Approval of capital equipment purchase orders, journals and receipt vouchers.
 - 6. Providing information and aid in the ongoing operations of the University's systems related to equipment acquisitions and dispositions.
- C. The Custodial or User Department is responsible for the care, maintenance, control and records of all equipment in their possession. The Custodial Department must maintain current asset records in the Fixed Asset System (FAS) as related to the following:
 - 1. Location of Equipment – The location of each asset must be noted in the Fixed Asset System. Current records are required so that any item of equipment can be located for inspection or inventory purposes within a reasonable time. The custodial department is responsible to make timely updates to the Fixed Asset System with any changes related to custody and location of equipment.

2. Asset Record Accuracy – The custodial department is responsible for the accurate input and maintenance of the following data elements in the Fixed Asset System through receiving documents and Fixed Asset System (FAS) updates:
 - a. Description of the item
 - b. Manufacturer’s name
 - c. Serial number
 - d. Model number.
 - e. Title determination.
 - f. Condition
 - g. Location
 - h. Principal Investigator’s name
3. Physical Security – The head of the custodial department and the Principal Investigator (when a contract is involved) must make adequate provisions for the physical security of all equipment in their custody. Areas containing equipment must be kept locked after business hours or at other times when not in use. Special precautions must be taken in cases of high value and/or portable equipment.
4. Storage and Movement – When equipment is temporarily idle, but required for authorized future use, it must be stored in accordance with sound business practices with adequate protection from corrosion, contamination, and damage to sensitive parts. Departments must document what equipment is in storage so that equipment can be readily located upon request. Notation of the storage location must be made on the equipment records. The equipment must be adequately protected while being moved. This entails proper packing, covering, skidding, and safety precautions.
5. Care and Maintenance – The custodial department is responsible for providing the care necessary to maintain the equipment in the condition received or better, normal wear excepted, in order that the most useful life is secured. The maintenance program should be preventive in nature, providing lubrication, cleaning, calibration, and inspection on a regular schedule.
6. Title Determination – Title or ownership of all University capital equipment is vested with Washington University, unless otherwise specified (i.e. contractual agreements with Federal Government). The custodial department must provide the Plant Department with information regarding the title of purchased and transferred equipment. This information is communicated in the remarks section of the University’s purchase order at the time of purchase of any capital equipment on sponsored funds. The remarks should clearly state who retains ownership of said property. If, at any time, the ownership of a government owned or provided piece of equipment is transferred to the University, the custodial department must provide, in writing, notice that title has been transferred.

IV. Definitions

- A. Asset - An item which has a unit cost of \$5000 or more and a useful life of two or more years. This can be a single item, several items or fabricated equipment.
- B. Component – An item purchased at the time of the original asset and is an integral part in order for the primary asset to function. Component asset information can be captured in the document creating the asset. Components may be ordered separately if multiple vendors are involved and are to be handled as an **ADD-ON**. NOTE: the original purchase order **must** be approved before an add-on can be linked to an asset.

- C. Add-on – A component purchased after the initial asset but is an integral part in order for the asset to function. The add-on can be an additional item, freight and/or installation. A new purchase order is entered when an add-on is purchased. The add-on is not assigned a new asset number; rather the dollars are added to the original asset. **An add-on must be purchased in the same fiscal year as the original asset.** *Items purchased in a different fiscal year are enhancements.*
- D. Enhancement – An enhancement is an item which enhances the primary asset (or parent asset) and is needed to make the primary (parent) asset function for a particular purpose. An enhancement is used when the purchase is after the initial purchase order and in a **different fiscal year.** The enhancement asset is assigned a new asset number but is linked as a child asset to the original asset number.
- E. Parent Asset – The original asset for which you have purchased additional items as a replacement or enhancement. When you purchase a **Replacement or Enhancement**, the asset that you link **TO** becomes the parent asset.
- F. Child Asset – The additional items purchased as a **Replacement or Enhancement** to the original asset. The asset you **Link** to the parent asset becomes the child asset. The child asset is assigned a separate asset number from the parent asset. The child assets assigned to a parent asset can be viewed in the Parent/Child screen of the Fixed Asset System.
- G. Replacement – An item that is purchased to replace a worn out or broken part of the original item that was purchased. A replacement part is entered on budget 34-19.
- H. Custodial Department – The department having physical control of equipment. The department possessing the equipment.
- I. Government Funded Equipment – Equipment acquired with Government funds, in accordance with the terms and conditions of a Government grant, contract or cooperative agreement. The title or ownership of such property may be vested in the University (title code “U” in the Fixed Asset System) or the Federal Government (title code “F” in the Fixed Asset System). All government owned equipment must be appropriately marked as such in the Fixed Asset system. **The custodial department is responsible for communicating to the Plant Accounting Department the proper titling of equipment (i.e. whether University retains title or the Federal Government retains title).** Title information is specified in “Special Terms & Conditions” of the grant or contract agreement. Please see the Government Funded Property – Policies & Procedures manual which can be found on the Sponsored Projects Accounting web site at <http://spa.wustl.edu/admin.html> for additional information.
- J. Government Furnished Equipment – Government-owned assets furnished to the University for utilization on a specific program or project (title code “Z” in the Fixed Asset System). Please see the Government Funded Property – Policies & Procedures manual which can be found on the Sponsored Projects Accounting web site at <http://spa.wustl.edu/admin.html> for additional information.
- K. Installment Purchased Equipment – When equipment is purchased by the use of an Installment Purchase Agreement, the amount of the equipment purchased excluding interest is charged to the appropriate equipment budget. **NOTE:** when the Installment Purchase Agreement exceeds one fiscal year a new asset number is assigned in the Fixed Asset System for each additional fiscal year and is linked as a child asset to the asset number created for the first fiscal year’s installment purchase amount. For example, a \$100,000 piece of equipment is being paid for in 36 equal monthly payments beginning July 15 of a new fiscal year (FY x1). An asset is created upon the issuance of the first

payment. Each subsequent monthly payment for that fiscal year is added to the value for that original asset number. When the first payment is issued in the second fiscal year (FY x2) a new asset is created as a child to the FY x1 asset and each monthly payment is added to this “child” asset’s value. This continues each fiscal year until all payments have been made. By the end of the installment purchase there will be at least three asset numbers for the asset in this example. All three assets must remain in the Fixed Asset System until the asset is junked, sold or otherwise disposed in order for depreciation to be correctly calculated.

- L. Leased Equipment – When equipment is leased with an option to buy, and also includes a clearly stated right to cancel, the lease charge should be made on an expense budget (35). If the option to buy is subsequently exercised, at that time the **remainder** of the payments would be charged to the appropriate equipment budget (63).
- M. Fabricated Equipment – Equipment that is constructed by combining or assembling modular components and/or materials into one identifiable unit is referred to as fabricated equipment. When completed, each component loses its individual identity and the end product becomes an identifiable single unit. Typically, such equipment is made or designed in-house for a specific purpose. In order to be capitalized, the finished product must have a unit cost of \$5,000 or more and a life expectancy of two years. If the fabrication of the asset crosses fiscal years each subsequent fiscal years fabrication costs will be assigned to a “child” or “children” asset(s).

V. Acquisition

- A. Purchase Order – New equipment is acquired by purchase order through the Accounts Payable system. Capital equipment must be purchased on an Asset Purchase Order using an equipment budget (63). Specific information related to entry of Asset Purchase orders is detailed in Chapter 2 of the Asset System Manual which is available at <http://aishelp.wustl.edu/>, see Documentation.
 - 1. Asset Number Assignment – The asset number is assigned by the system when the purchase order is fully approved. Once the asset number is assigned, it is recommended not to change the purchase order as this will sever the purchase order link to the Fixed Asset System and void the assigned asset number. When the link is severed the Plant Accounting department must manually create the asset and assign a different asset number.

The correct asset number can be found for a purchase order by the following method:

- a. Wait until the purchase order has been paid.
 - b. Go to the Asset Look Up function.
 - c. Type the PO# in the Originating Doc Num. Field (PO XXXXXX)
 - d. Press return
- 2. Asset/Component Purchases – When a purchase order contains both assets and components the asset must precede the related components. The asset line item is signified with an “A” and each related component is signified with a “C”. Separate purchase orders are required when purchasing components from a different vendor than the vendor from whom the original asset was purchased. Components are to be treated as an Add-On if purchased separately from the original asset but in the same fiscal year. Components are treated as Enhancements if purchased in a different fiscal year than the original asset.

3. Asset Information Screen – Each asset purchased must be detailed on the Asset Information Screen of the asset purchase order. The following fields must be completed by the custodial department prior to submitting the purchase order for approval:
 - a. Asset Number – assigned by the system **unless** the department is entering an **add-on**. In the case of an add-on the custodial department will enter the asset number of the original asset in the Asset Number field.
 - b. New or Add-on
 - c. Custodial Department
 - d. Description
 - e. Building Number
 - f. Floor Number
 - g. Room Number
 - h. Manufacturer Name
 - i. Model Number
 - j. Principal Investigator
 - k. Enhancement – When applicable enter the original asset number that will be enhanced by this new purchase.

4. Equipment Title – The custodial department must include in the remarks or body of the purchase order notification when the government will retain ownership of the equipment being purchased. “GOVERNMENT RETAINS TITLE ” is the preferred wording. Once payment is released the Plant Accounting department will properly code the asset with a title code of “F” and send the custodial department a label to be attached to the asset designating the asset as Government Owned. Absence of notification indicates equipment will be University titled. For additional information see the Government Funded Property – Policies & Procedures manual located on the Sponsored Projects Accounting web site <http://spa.wustl.edu/admin.html>.

5. Equipment Screening Certificate – Property costing \$25,000 or more and purchased on Government funds requires completion of an Equipment Screening Certificate. The Custodial Department must complete the Equipment Screening Certificate and forward it to Sponsored Projects Accounting when the on-line Asset Purchase Order is initiated. The Equipment Screening Certificate sections include the following:

General Information - Department, Principal Investigator, Equipment Description, Approximate Value, Model Number.

Section I - Certification for Equipment Costing up to \$34,999.00: Custodial Department screening of department’s inventory for exact or similar item availability and Department Chairman approval.

Section II - Certification for Equipment Costing \$35,000 or More: Plant Accounting Department screening of University asset inventory for exact or similar item availability. Approval by Plant Accounting Department administrator.

Section III - Principal Investigator Certification: Completed when equipment identified as available by Plant Accounting Department is not sufficient or similar to the requested equipment.

6. Receiving – Receiving of property at Washington University is documented through on-line receiving procedures. The Procurement Manual provides instructions for reporting items received and authorizing payment. The Custodial Department is

required to enter the serial number, location (bldg., floor, room) and model number when entering a receiving document for a capital equipment purchase.

- B. Transfers In - A principle investigator transferring from another institution to the University may bring equipment with him/her. Equipment that is Government owned, or Government furnished, or University owned having a fair market value of \$5000 or greater must be entered into the University's asset system. Instructions for entering these items into the asset system can be found in chapter 10 of the Asset System Manual. The Plant Accounting department can assist with entering items as needed.

The PI must provide a list of these assets to the Plant Accounting department. The equipment list provided to the Plant Accounting department can be a copy of a verified equipment listing from the P.I.'s previous institution or the "Equipment Transfer-In Form" which is located on the Sponsored Projects Accounting web site <http://spa.wustl.edu>, documentation. Any list submitted to Plant Accounting must be verified for accuracy by the P.I.'s new custodial department and must contain the following data for each item:

1. Description
2. Model number
3. Serial number
4. Original purchase amount
5. Original acquisition date
6. Current WU location (bldg. #/ floor/room)
7. Current fair market value
8. Tag number (for government furnished or owned equipment only)
9. Government grant or contract number that originally funded the purchase (for government furnished or owned equipment only).
10. Custodial department number
11. Principle Investigator's name
12. Contact person's name responsible for the department's assets

- C. Gifts – Equipment gifted to the University, meeting capital guidelines will be entered into the Fixed Asset System. The date the gift is accepted is considered the date of acquisition. The Plant Accounting Department will record no gift until Development Services and Gift Accounting records the gift.

VI. Identification of Equipment – Equipment owned exclusively by the University is not required to be tagged. The custodial department may create individual identification tags for equipment it has in its custody whenever it deems necessary. Government funded equipment may require distinct identification tags as detailed in the government contract. Details regarding tagging of government funded equipment follow:

- A. Government-funded - Equipment acquired with Federal funds and owned by the University do not require distinct tagging.
- B. Government-owned – Equipment to which the Government retains title must be properly tagged and identified as such. The Custodial Department must note in the "Remarks" section of the Asset Purchase Order (PO) "GOVERNMENT RETAINS TITLE" when purchasing a piece of equipment. The Plant Accounting Department will code the asset in the Asset System as "F".
- C. Government-furnished – Equipment the Government has furnished for use by the University but to which the Government retains title must be properly tagged and identified as such. The

Custodial Department, through the Asset Create function, enters government-furnished equipment information into the Asset System. “GOVERNMENT RETAINS TITLE” is entered on the Asset Create screen. The Plant Accounting Department codes the asset ‘Z’ in the Asset System.

- D. Tagging - For both Government-owned and Government-furnished equipment, the Plant Accounting Department will create an asset tag and forward it to the Custodial Department upon notification of the receipt and payment of the asset.

The 1” x 2” white adhesive tag is placed on the asset, in a visible location, by the Custodial Department, or upon request, by the Plant Accounting Department. If there is more than one component, the tag should be placed on the principle piece of the item (e.g., if the item is a high-tech PC, the tag should be placed on the CPU – NOT the monitor, not the keyboard and not the mouse).

The asset tag resembles the following:

WASHINGTON UNIVERSITY GOVT. OWNED

ASSET #:	MFR:
SERIAL #:	ACQ DATE:
MOD #:	MODEL #:
DSC:	
DEPT:	
PO#	

- VII. Physical Inventories – Property in the custody of the University departments is inventoried on a regular basis.
- A. Biennial – Full Moveable Equipment Inventory – A university-wide inventory of all movable equipment based on Asset System Inventory Reports is conducted in odd numbered fiscal years. Plant Accounting provides to each custodial department a full list of assets currently held by that department. These reports are provided to each department in the month of December with a required return date of mid January. The Custodial Department must verify the existence, current utilization, continued need for, description, model #, serial #, and location of the equipment. Updates to the asset system, based upon the results of the inventory, should be made by the Custodial Department or by the Plant Accounting Department (upon request of the Custodial Department).
- B. Biennial – Spot Inventory of Moveable Equipment – The Plant Accounting Department conducts random spot audits of Custodial Departments’ moveable equipment and all government-furnished or government-owned equipment in even numbered fiscal years. The Plant Accounting department generates a random listing of assets currently held by the custodial departments and, where applicable, a full listing of government-furnished or government-owned equipment. The inventory reports are sent to each custodial department at the beginning of January with a required return date of mid January. The custodial department must verify the existence, current utilization, continued need for, description, model #, serial #, and location of the equipment. Upon receipt of the verified inventory report, Plant Accounting contacts each department to schedule a physical audit of the equipment by a member of the Plant Accounting Department or their representative. After the physical audit is complete and all information provided is deemed correct, Plant Accounting updates the Asset System with any necessary changes.

- C. Biannual – Review of Asset Disposals – The Plant Accounting Department provides to each Custodial Department a list of assets disposed from the Fixed Asset System during the last six months. The Custodial Department is responsible for reviewing the report of assets deleted from Asset System. This review should be performed by an individual not responsible for maintaining asset records in the Asset System. The department should verify that disposals were appropriate.
 - D. Biannual – Review of Assets in Invalid Spaces –The Plant Accounting Department provides to each Custodial Department a report from the Fixed Asset System that indicates assets are assigned to non-existent buildings, floors and/or rooms in the University’s Space System. The Custodial Department must review the report and reassign these assets to proper spaces in the Asset System. When necessary, the Custodial Department should contact the Space Department to have corrections made to the Space System.
- VIII. Disposal - Equipment disposal refers to both physically removing property from a department and removing an item from a department’s active inventory by entering an Asset Disposition document in the Fixed Asset System. The Asset Disposition document relieves the department of accountability for future reporting and tracking.
- A. Special Handling - Before physically disposing equipment, the custodial department is responsible for determining if the equipment requires special handling.
 - 1. Government-Funded Equipment - Property acquired in whole or part with Federal funds may require special disposition procedures in accordance with OMB Circular A-110. Specific policy and procedures related to Government-funded and government-owned equipment is detailed in the Washington University Government Funded Property – Policies & Procedures located on the Sponsored Projects Accounting web site <http://spa.wustl.edu/admin.html>.
 - 2. Hazardous and Radioactive Equipment - Many everyday items and pieces of equipment used in offices and laboratories are regulated as special or hazardous waste and may not be disposed of in the “normal” trash. These items contain hazardous components which are restricted from disposal in non-hazardous landfills. Environmental Health and Safety (EH&S) will recycle or physically dispose of these items according to state and federal requirements. Specific policy and procedures related to hazardous equipment disposal is located on the EH&S web site <http://ehs.wustl.edu>, (Hazardous and Radioactive Materials Disposal). EH&S staff can assist with determining whether or not your waste is regulated.
 - B. Disposal Documentation – Once an asset has been properly disposed the custodial department is responsible for documenting the disposal correctly in the Fixed Asset System by entering an Asset Disposition Document.
 - 1. Sale - Equipment sold for cash must be reported on a receipt voucher in the same manner as all other cash receipts. Only items that are sold for the exact amount of the purchase cost are to be coded as budgets 62 (fixed equipment), 63 (moveable equipment) or 64 (vehicles), for all others, the department’s income account should be credited. Once the receipt voucher has been entered in FIS the custodial department must enter an Asset Disposition document in the Fixed Asset System (FAS). The reason must be marked as SOLD and the sale proceeds along with the name of the buyer must be entered in the correct fields. The receipt voucher number should be entered in the remarks section of the disposition document.

2. Trade-in – Equipment traded-in for the purchase of a new item must be disposed from the Fixed Asset System at the time the equipment leaves the custodial department’s control (i.e.: picked up by vendor, shipped to vendor). The Asset Disposition Document reason must be marked as TRADE-IN and the value received for the trade-in must be noted in the correct field. The purchase order for the new item must be noted in the remarks section of the Asset Disposition document.
3. Stolen/Lost – Always report thefts to the University Police (935-5555) or Protective Services at the Medical School (362-4357) as soon as the item is discovered missing. A police report will be needed to file an insurance claim. Next, contact the Insurance Department (935-5561) to report the loss and to receive instructions on replacing the item. The asset must then be disposed from the Fixed Asset System through an Asset Disposition Document and correctly noted as STOLEN or LOST.
4. Junked/Destroyed – Equipment that has been destroyed or damaged beyond repair or is no longer useful and is being cannibalized for parts must be removed from the asset records by the custodial department through an Asset Disposition Document.
5. Transfer from WU – A Principal Investigator (PI) transferring to another institution may wish to take equipment associated with a sponsored project to the new institution. To initiate this process, the Custodial Department and/or the PI should complete a Sponsored Equipment Transfer Form and attach a list of the items to be transferred. The equipment list should contain the following data elements for each item: asset number, description of asset, serial number, vendor, current value (cost), acquisition date and funding sources. The form must be reviewed and signed by the Principal Investigator and Department Head.

The Department Head will forward the signed Sponsored Equipment Transfer Form, equipment list, and a cover letter to the appropriate Dean requesting his approval for transfer of the equipment. After obtaining the Dean’s approval, these forms, and any other grant transfer documents (e.g., NIH Relinquishing Statement, Final Invention Statement) should be forwarded to Grants and Contracts (School of Medicine) or the Research Office (Hilltop) for institutional review and signature, as appropriate.

The Custodial Department is also required to update the asset system for these equipment items.

If the request contains equipment partially funded by the University (via departmental and/or cost sharing funds), the PI should obtain the current fair market value for each item and calculate the amount that the University is entitled to be reimbursed by the receiving institution. The PI, the Department Head and the appropriate individual(s) at the receiving institution should negotiate and document the payment terms and conditions for the equipment transfer. The reimbursement amount should be noted in the appropriate section of the Sponsored Equipment Transfer Form. Upon receipt of payment for these items, the department should deposit the funds into the account/fund that originally funded the items. The Asset System should also be updated to reflect the proceeds related to the disposal of each asset. If the Department Head elects not to pursue reimbursement of these items from the receiving institution, he/she should complete the appropriate section of the Sponsored Equipment Transfer form.

The receiving institution and/or PI are responsible for the removal and safe delivery of the items to their new location, and any costs associated with this process. The “responsible official” at the receiving institution will be required to verify delivery of the items by completing, signing and returning a copy of the Sponsored Equipment Transfer Form to Sponsored Projects Accounting Department

IX. University Contacts

- A. Fixed Asset System – For questions regarding the Fixed Asset System contact the Asset Accountant at 935-5618
- B. Government Sponsored Equipment – For questions regarding Federally Funded or Provided equipment contact Sponsored Projects Accounting at 935-5757 or 935-5793.
- C. Insurance – For questions regarding insurance of equipment contact the Insurance Department at 935-5561 or 935-5547.

Equipment FAQ

1. What is the formula for depreciating assets?

The straight-line depreciation method is used. An anticipated life of the asset is assigned at the time the asset is paid and fully created in the Fixed Asset System. Depreciation is calculated annually at the fiscal year end for those assets that were fully created in the Fixed Asset System by the end of the previous calendar year (January – December).

2. What is the procedure for disposing assets?

Equipment disposal refers to physically removing property from the department. It also includes removing the item from the department's active inventory by entering an Asset Disposition document in the Fixed Asset System. The Asset Disposition document relieves the department of accountability for future reporting and tracking. As soon as equipment is physically disposed, the custodial department should enter the Asset Disposition document in the Fixed Asset System. This document should not be delayed until the inventory process is performed.

There are specific guidelines regarding disposal of Federally funded and provided assets which are covered in detail in the Washington University Government Funded Property – Policies & Procedures (<http://spa.wustl.edu>, Administrative Policies). Specific guidelines regarding disposal of Hazardous Equipment are available on line on the WU Environmental Health and Safety web site <http://ehs.wustl.edu>. It is the custodial department's responsibility to follow these guidelines when disposing equipment. Disposal of any equipment not falling under the guidelines mentioned above should be authorized and completed in a manner approved by your department manager.

3. Why are new asset numbers given to component purchases for existing assets?

Due to limitations in our Fixed Asset System, enhancements to existing assets, purchased in a subsequent fiscal year to the original asset, must be assigned a new asset number. This new asset number is linked as a "child" to the original (parent) asset number. Should multiple enhancements/expenditures be purchased in the same fiscal year, after the original year, then only one "child" asset number should be created. This process depends upon detailed communication by the department and Plant Accounting via description, remarks and trail docs placed on the PO.

4. When are the annual inventories?

Full physical inventories are conducted biennially in every odd fiscal year. Inventory reports are mailed to custodial departments in early December, with a return date of mid January.

Spot inventories are conducted biennially in every even fiscal year. Inventory reports are mailed to custodial departments in early January, with a return date of mid January. Spot audit verifications are then scheduled and completed by Plant Accounting in February and March.

5. When are approvals done?

Plant Accounting's FIS document approval stream (PO, JR, RV) is reviewed at least 3 times daily with the final review at 4 p.m. Documents entered into the Fixed Asset System (updates, disposals) are auto approved by Plant Accounting after full approvals have been entered by the necessary (custodial, funding) departments.

6. How does the PI's name get assigned to an asset?

The PI's name that appears in the Fixed Asset System is provided by the custodial department on the PO Asset Information Screen.

7. What information is required on an asset PO?

There are several required fields as outlined on the PO Asset Information Screen such as location, description, manufacturer Name, Model and PI. If purchasing an enhancement the original asset number must be entered in the correct field. It is also beneficial to provide the original PO number of the original asset if it is known.

8. How do I find the asset # assigned to a PO?

In the Fixed Asset System go to Asset Lookup and enter the purchase order number in the Original Doc field. Any assets created for the purchase order will be displayed.

9. The system will not allow item numbers as the description. How can I incorporate them into the description?

The first five characters of a description must start with alpha characters. The Asset Information Screen will import from the purchase order the description you enter for the asset. If it is a multiple line description, the second line will import as the asset description. The person entering the purchase order and asset information should verify that the information provided is an accurate description for the item being ordered. The description on the Asset Information Screen can be changed for more/less detail when necessary.

Please note that the description used should clearly describe the equipment. A catalog number will not aid in the inventory process but an accurate detailed description will. For example, the description F-1100-1 may provide the vendor with the information they need to process your order but the person verifying the inventory does not have all part numbers memorized and will not know what that description means. The correct description should be Microforge w/ Stereo Microscope. The individual attempting to verify the inventory now knows they are looking for a Microforge with a microscope.

If the catalog number is beneficial in the description, place it at the end of the description: Microforge w/Stereo Microscope F-1100-1.

10. How do we get tags for Federally owned equipment?

Contact Plant Accounting for tags. It is the custodial department's responsibility to notify Plant Accounting at time of purchase that equipment is to be Federally owned.

11. Why do we track an item on the inventory listing even if it is fully depreciated?

Although a piece of equipment is fully depreciated, it does not mean it has no value; historical costs were only allocated over the projected life of the asset. Unless the equipment is destroyed or extremely outdated it will always have some value. Additionally, items must be insured and our insurance replaces items at replacement cost, not the actual book value.

12. Do I have to physically verify everything on my inventory listing?

Yes. Every item on the asset inventory listing for your custodial department must be physically verified. Each Departmental Manager may assign the responsibility of physically verifying equipment to one or more persons within the department.

13. What information should I verify for each piece of equipment?

It is necessary to visually verify that ALL information provided on the inventory sheet is correct. If any of the information is incorrect or INCOMPLETE note the correct and complete information on the inventory sheet. For example, model numbers and serial numbers on the inventory sheet should match the numbers on the actual piece of equipment. If model and serial numbers are listed as, unknown or NA you will need to note the complete information on the inventory sheet during the verification process. If the equipment has been moved to a new location, you will need to note the new building, floor and room numbers.

14. What do I do if I cannot find a piece of equipment listed on the inventory report?

You will need to investigate what may have happened to the piece of equipment. You will need to ask yourself the following questions:

- Did our department loan the equipment to another department? If yes, do you anticipate the return of the equipment to your department? Contact the other department to verify they still have the equipment and note on the inventory report that the equipment is on loan to department xxxx and is currently located in bldg ____, floor __, room _____. If the other department will be assuming responsibility note that the custodial department should be changed to department ____ and note the correct location: bldg ____, floor ____ and room ____?
- Did our department give the equipment to another department or company? If yes, the asset should be noted as Transferred and disposed from the asset system.
- Is it possible that the equipment has been moved into storage? If so, where? You will need to note the new location of the equipment.
- Is it likely the equipment was thrown away due to disrepair or incompatibility with a new system/equipment? If yes, the asset should be noted as junked or destroyed and disposed from the asset system.
- Is it possible the equipment was stolen and should be reported on an insurance claim? If yes, contact the Insurance Department with the details and note the asset as stolen and dispose from the asset system.

Based upon the answers to these questions, you must decide if the equipment in question is still located at Washington University or has been discarded. As the department's asset representative, it is your responsibility to use due diligence to determine the actual situation of the equipment.

15. We are getting ready to purchase a lot of new equipment for our office. How do I know which pieces will need to be capitalized?

Any piece of equipment with a cost of \$5,000 or more and an expected life of two years or more must be purchased on an asset purchase order with the budget of 63 (moveable), 62 (fixed) or 64 (vehicles).

16. How can I get a list of all capital assets assigned to my area?

This information can be obtained by calling Plant Accounting at 935-5618 or 935-9870.

17. “This equipment was bought with my grant money. What do you mean that the equipment is not mine?”

Contracts and grants are awarded to the University on behalf of the person applying for the award. Equipment that is purchased on a contract or grant is owned by the University or the Sponsor and is in no way the property of the principal investigator (PI). Carefully read the terms of the contract if you have questions on ownership of the equipment.

18. How can I remove this item from my inventory?

Items are not removed from the inventory listing until the equipment is physically disposed or transferred from the University’s control, or the item is lost, stolen or destroyed. The custodial department should enter an Asset Disposition document in the Fixed Asset system as soon as the item is physically disposed.