

FABRICATED EQUIPMENT

Key Unit Responsibilities

1

Ensure fabrication components are coded to Account 614060 (for University owned equipment) or Account 614330 (for Sponsor owned equipment)

2

Notify Sponsored Programs (for Sponsored Fabrications) or Financial Operations (for Non-Sponsored Fabrications) when the fabricated equipment is completed and in use

3

Facilitate tagging and notify appropriate personnel within the department of the completed equipment, as necessary

Equipment Fabrication is the process of constructing a piece of capital equipment.

- The completed equipment must have an expected useful life of 1 year or more and the estimated non-labor costs of building the equipment must be in excess of \$5,000.

Allowable Charges on Fabrication Account 614060 or 614330

- Fabrication expenses should include the non-labor costs of materials and supplies necessary to fabricate the equipment

Unallowable Charges on Fabrication Account but Allowable on Fab P/G

- Salaries, fringes, postage, telephone, copying, gas cylinder rentals, warranties, shipping (unless part of an invoice), custodial charges, and consumable items such as chemicals/reagents/gases

Sponsored Fabrications

If equipment fabrication is budgeted in the agreement, Department requests SP Customer Service to open a new Sub (FAB) P/G, named after the equipment to be fabricated.

The Department purchases fabrication components on the Fab P/G, using Account code 614060 (for University owned equipment) or 614330 (for sponsor owned equipment).

If unable to assign the appropriate fabrication Account code at acquisition, the Department must JE all applicable costs to the appropriate Account after acquisition.

The Department notifies Sponsored Programs Customer Service when fabrication is complete and equipment is in use.

*The Department, or SP, writes the appropriate closing JE to move all fabrication components from the Fabrication account on the Sub P/G to the Capital Equipment Account on the Parent P/G.

Financial Operations reviews the JE to close the fabrication and notifies Property Control of the newly completed equipment.

Property Control goes to the department to assess and physically tag the fabricated asset

Once the asset is tagged, Sponsored Programs processes the JE and Financial Operations adds the completed fabricated equipment to the Asset Management System.

The department tracks and maintains the fabricated equipment in the same manner as all other capital equipment.

For questions regarding Sponsored Fabrications, please contact your Sponsored Programs Coordinator

Non-Sponsored Fabrications

The Department purchases fabrication components using account code 614060 (for University owned equipment).
[Financial Operations recommends that a separate P/G be established to track all costs of the Fabrication.]

If unable to assign the appropriate fabrication account code at acquisition, the Department must JE all applicable costs to the appropriate account after acquisition.

*The Department writes the appropriate closing JE to move all fabrication components from the Fabrication account (614060) to the Capital Equipment account (614000).

Financial Operations reviews the JE to close the fabrication and notifies Property Control of the newly completed equipment.

Property Control goes to the department to assess and physically tag the fabricated asset

Once the asset is tagged, Financial Operations adds the completed fabricated equipment to the Asset Management System.

The department tracks and maintains the fabricated equipment in the same manner as all other capital equipment.

For questions regarding Non-Sponsored Fabrications, please contact accountingoperations@umich.edu

*To Write JE to Close Fabrication:

- Move the costs out of Account code 614060 (Equipment Fabrication) or 614330 (Sponsor Owned - Fabrication) on to Account code 614000 (Equipment > \$5,000) or 614300 (Sponsor Owned Equipment)
- [For Sponsored Only] Also, in the same JE, move the whole amount from Account code 614000 (or 614300) on the Sub P/G to Account code 614000 (or 614300) on the Parent P/G
- Save all supporting documentation
- In the long description include: Fab P/G#, Parent P/G#, End Date, Name of Fabricated Equipment, Location of Equipment, Department Contact & Asset Custodian (Name & Phone Number)