CAPITAL EQUIPMENT UPDATE
Stewardship of Capital Equipment

**Physical**
- Physical Custody
- Location & Access
- In Use / Needed
- Asset Tag

**Financial**
- Acquisition Cost
- Account Code
- Funding Source
- Net Book Value (NBV)

**Key Takeaways:**
- Ensure on-going controls are in place - *the Biennial Equipment Inventory should only serve as validation*
- Ensure the Asset Management list always reflects departmental equipment
  - All equipment on the list belongs to the department, and
  - All equipment that belongs to the department is on the list
  - All equipment information is accurate and up-to-date
Capital Equipment – Key Reminders

- Capital Equipment Gap Analysis Elements – Key Areas of Focus
  - Acquisition & Recording
  - Tagging
  - Tracking Active Equipment
  - Monitoring & Stewardship
  - Biennial Inventory
  - Disposal

- Capital Equipment Report in Business Objects
  - Contains a summary page & pre-defined sorts, including: Oldest Capital Equipment, Custodian (Blanks Listed First), Capital Equipment Cost, Location, and VP Area / Dept Grp / DeptID
  - AM01 AsMang Capital Equipment by DeptID, Dept Grp, or VP Area

- Units Have the Ability to Update Non-Financial Asset Information within the Asset Management System
  - Obtain the OARS Role: AM DEPARTMENT ASSET SPECIALIST

- Gap Analysis & Written Procedure Templates are available on the Internal Controls Website & within M-Reports
Capital Equipment &
The Internal Controls Certification Plan

• **FY2018**
  • Draft Gap Analysis available
  • Unit discussions – Overview of capital equipment controls

• **FY2019**
  • Gap Analysis added to Internal Controls Certification
  • “YES” - Gap analysis completed and plans in place for addressing control gaps within the next 12 months

• **FY2020**
  • Gap Analysis included in Internal Controls Certification
  • “YES” - Unit has completed the annual gap analysis and proper controls are in place
Key Contacts

• **Property Control [Tagging / Monitoring / Inventory]**
  - Agustin Guzman – guzman@umich.edu – (734)647-5414
  - Stacey Glemser – staceygm@umich.edu – (734)764-9783
  - Karin Feher – jensenka@umich.edu – (734)764-6254

• **Financial Operations [Proper Account Usage]**
  - Vicky Dziubinski – vickyd@umich.edu – (734)647-3778
  - Kandie Little – khines@umich.edu – (734)763-2393
  - Jarrod Van Kirk – jvankirk@umich.edu – (734)647-3791

• **Property Disposition [All Disposals]**
  - Hillary Schreiber – schreibh@umich.edu – (734)764-2470

Willing to come out and meet with Unit reps to discuss the Capital Equipment process
Finance

Unallowable Charges on Fabrication Account but Allowable on F&G

- Salaries, fringe benefits, telephone, copying, gas cylinder, rentals, supplies
- Fabrication expenses should include the non-labor costs of materials and unfavorable charges on Fabrication Account 614060 or 614330

Building the equipment must be in excess of $5,000.

Completed Equipment must have an expected useful life of 1 year or more and the estimated non-labor costs of $1. The completed equipment must be constructible.

Equipment Fabrication is the process of constructing a completed equipment department of the university.

1. Notify Sponsored Programs
2. Fabricated equipment is used when the Non-Sponsored (for Financial Operations) or Sponsored (for Sponsored Fabrications) equipment owned (for Sponsor) is coded to Account 614330 (or Account 614060) for University owned equipment.

3. Notify Sponsored Programs

Key Unit Responsibilities

Fabricated Equipment
Coordinating
Please contact your Sponsored Programs Coordinator
For questions regarding Sponsored Programs.

The department tracks and maintains the
property control system.

When the completed fabrication equipment is purchased, the
Fabrication and Maintenance (F&M) Department
assesses the capital equipment, and notifies the appropriate
Financial Operations Personnel if the equipment must
be charged to the appropriate financial account.

The Fabrication Department is responsible for
coordinating and tracking the capital equipment
acquisition. If the equipment is purchased,
the Financial Operations Department must
reconcile the financial accounts for the purchase.

The Fabrication Department is responsible for
the capital equipment the University owns,
installing the appropriate accounting code
and tracking the costs of the equipment.

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installing and recording the appropriate accounting
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