Recording and Tagging Capital Equipment Purchases Procedure

Procedure #: 110.1
Rev.: 0
Effective Date: January 1, 2017

Related Policy: Capital Equipment Policy

Functional Owner: Property Control, Business Services

Contact: Property Control Manager: (608) 890-3131
Property Control Mailbox: Property@bussvc.wisc.edu

Contents

I.   Procedure Statement

UW-Madison departments must code capital purchases to 46XX accounts in the UW System Chart of Accounts. All capital purchases are routinely reviewed by Property Control upon payment as the trigger to identify new capital equipment items that have been acquired by campus. To later aid in physically identifying capital equipment, Property Control will assign a unique asset barcode tag to be affixed to each item. Asset barcode tags are color-coded based on whether the University owns the asset (blue – "Property of University of Wisconsin") or a sponsor owns the asset (red – Property of Federal Government"). Assets that belong in whole or in part to a sponsor must be tagged with the red Federal ownership tag.

Property Control will mail asset barcode tags along with a Capital Equipment Confirmation Form to the Department Property Administrator (DPA) with instructions for completing the recording of new capital equipment items in the University's asset management system. Fabricated capital equipment assets (refer to Procedure 110.4 Fabricated Capital Equipment) are tagged once the item is placed into initial service. Qualified capital equipment upgrades are generally not issued an additional asset barcode tag (refer to Procedure 110.5 Upgrades to Existing Capital Equipment).   If Property Control has not mailed an asset barcode tag for a newly acquired item within a reasonable amount of time, the DPA should contact Property Control with the purchase order number or other referenced information.   Property Control will verify if payment has been made or that the correct account code was assigned to the purchase.

II.   Who is affected by this Procedure

This procedure applies to all UW-Madison departments. It should be understood by department managers, DPAs, Principal Investigators (PI's), lab managers, department chairs, directors, deans, and all employees responsible for capital equipment.

III.   Procedure

The following steps represent the overall process of inventorying new asset purchases:

1. Department financial staff must code capital purchases to the 46XX accounts in the UW System Chart of Accounts. No additional reporting of purchases is necessary.

2. Property Control reviews capital purchases at the end of each month in WISDM and establishes partial inventory records for each item purchased, obtaining information from:
    a. Purchase Orders: Purchasing System, Image Now
    b. P-Card: *Purchasing Card Capital Equipment Documentation Form*
    c. Direct payments/payments to individual: Image Now
    d. MDS Orders: Shop@UW Shopper Lookup Website
    e. Inter-departmental billings: Journal Entry Tool comments
    f. Cost transfers: Cost Transfer Tool Research and Sponsored Programs Cost Transfer Policy.

3. If an item does not meet the capital purchase definition, Property Control will not establish an inventory record. Instead, Property Control will contact department financial staff to gather additional information. If confirmed as a non-qualified capital equipment purchase, Property Control will complete a journal entry to reassign the purchase to an appropriate account. If confirmed as a capital equipment purchase, the capital equipment processes will continue.

4. Property Control will issue a unique asset barcode tag and generate a Capital Equipment Confirmation Form for each item. Property Control will mail asset barcode tags and Capital Equipment Confirmation Forms to DPAs, in batches, weekly.

5. DPA affixes asset barcode tag. For best adherence, DPAs should affix asset barcode tags onto a clean, dry surface when temperatures are above freezing. Asset barcode tags should be placed onto the equipment in a location that will be readily visible on an on-going basis.   This will also make scanning the asset barcode tag during subsequent physical inventories much easier. If an asset barcode tag cannot be affixed to the item, then it should be affixed in an alternate location/method within the department that the DPA maintains. Qualifiers for assets that asset barcode tags cannot be affixed to include:
    a. Item is too delicate to tag (e.g. laser optics)
    b. Tag would de-face or de-value the asset (e.g. antique piano)
    c. Tag would make the asset un-usable (e.g. centrifuge rotor would be unbalanced by tag)
    d. Asset is not accessible (e.g. satellite dish on tower, roof-mounted asset without stair access)
    e. Asset shape or size prohibits tagging (e.g. asset smaller than the tag)
    f. Asset does not have compatible surface/environmental conditions (e.g. environment too hot/cold/wet)
    g. Asset is subsequently impractical to scan (e.g. asset will be in space, buried underground)

6. DPAs are responsible for affixing asset barcode tags or explaining on the Capital Equipment Confirmation Form if tag cannot be affixed, changing/confirming the accuracy of the information pre-listed on the form (e.g. building and room location, equipment's responsible employee) and recording balance of the asset information unavailable to Property Control (e.g. serial #). DPA should return the Capital Equipment Confirmation Form to Property Control via mail or email within two (2) weeks. DPAs are responsible for completing these tasks, but may engage the assistance of others (including the responsible employee).

7. Upon return of the Capital Equipment Confirmation Form, Property Control will update the equipment record in the asset management system. If Property Control does not get confirmation that the asset barcode tag has been affixed after two (2) weeks, a follow up email will be sent to the DPA.

8. If the DPA has not received an asset barcode tag from Property Control for a newly acquired item within a reasonable time period, the DPA should contact Property Control with the purchase order number or other referenced information.   Property Control will verify if payment has been made or that the correct account code was assigned to the purchase.

IV.   Contact Roles and Responsibilities

	Dept Fin Staff	Responsible Employee	DPA	Property Control
Inventorying Asset Purchases				
1) Code all capital purchases to 46XX accounts.	X			
2) Review 46XX account activity and establish inventory records for each item.				X
3) If necessary, investigate with Dept. Financial Staff and complete journal entry to reassign non-capital purchases to appropriate account.				X
4) Create Capital Equipment Confirmation Form and send it, along with appropriate asset barcode tag (red or blue), to the DPA for each new asset entered into the system.				X
5) Affix asset barcode tag to capital equipment item. If tag cannot be affixed to the item, affix tag to the alternate method/location that the DPA manages.		(if DPA engages help)	X	
6) Complete capital equipment information fields and change/confirm pre-printed asset information on the Capital Equipment Confirmation Form. Return Form to Property Control within two (2) weeks.		(if DPA engages help)	X	
7) Complete/update the asset record in the asset management system.				X
8) Contact Property Control if an asset tag was expected but has not been received.			X	

V.   Definitions

- [Capital Equipment Definitions](#)

VI.   Related References

- [UW System Chart of Accounts](#)
- [Procedure 110.4 Fabricated Capital Equipment](#)
- [Procedure 110.5 Upgrades to Existing Capital Equipment](#)
- [Research and Sponsored Programs Cost Transfer Policy](#)

VII.   Revisions

Procedure Number	110.1
Date Approved	January 1, 2017
Revision Dates	