

**UConn**

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**FISCAL INSTITUTE FOR  
TRAINING (FIT)**

# INVENTORY CONTROL



# INVENTORY/CAPITALIZATION – WHO ARE WE?

- Responsible for:
  - Tagging and conducting an annual inventory of over 12,000 pieces of capital equipment
  - All UConn campuses plus various other locations
  - Maintaining asset records including the location of equipment
  - Overseeing Controllable Property records
- Capitalization and tracking of other asset types:
  - Land
  - Buildings
  - Nonstructural Improvements (Infrastructure/Land Improvements)
  - Construction in Progress
  - Intangible assets
- 5 Staff
- Budds Building Room 217

# INVENTORY CONTROL AGENDA

- Capital, Controllable, and other equipment
- Categorizing equipment
- Equipment tagging and tracking
- Equipment ownership
- Roles: Departmental Contact for Inventory (DCI), Custodians, CAM Processor
- Asset Panda
- Surplusing Equipment and Other Property
- Equipment loans
- Gifts of Equipment
- Equipment Transfers (to another institution)
- Common equipment issues
- Why important?
- Where to get help



# LEARNING OBJECTIVE #1

- Understand the difference between capital, controllable and non-controllable equipment, and who is responsible for tracking each type of equipment.
- Know how to properly code each type of equipment when purchasing it.

# CAPITAL EQUIPMENT

- Unit cost is \$5,000 or more
- Equipment is tagged by Inventory Control
- Department and Inventory Control share responsibility
  - Departments: Day to day responsibility
  - Inventory Control: Annual inventory, with departmental assistance
- Subject to various audits (Federal, State, Internal)
- KFDM Report: Capital Equipment
- *EXISTENCE AND PROPER LOCATION ARE KEY!*



# CATEGORIZING CAPITAL EQUIPMENT

Use the “Over \$5,000” capital equipment object codes

Examples of capital equipment

- Lab and scientific equipment
- Furniture
- Tools and machinery
- Office equipment
- IT equipment
- Motor vehicles, boats
- Musical instruments
- Audio-visual equipment
- Athletic / Fitness equipment



Non-tagged capital equipment

Included in the cost

What's not included

# CATEGORIZING CAPITAL EQUIPMENT

Use the “Over \$5,000” capital equipment object codes

Examples of capital equipment

Non-tagged capital equipment

- Artwork
- Software



Included in the cost

What's not included


# CATEGORIZING CAPITAL EQUIPMENT

Use the “Over \$5,000” capital equipment object codes

Examples of capital equipment	Non-tagged capital equipment	Included in the cost	<ul style="list-style-type: none"><li>• All costs required to get the equipment in working condition</li><li>• Shipping/freight</li><li>• Installation</li><li>• For software: installation costs / configuration</li><li>• Improvements (additional functionality, extended life)<ul style="list-style-type: none"><li>– New car engine is an improvement</li><li>– New car battery is not an improvement, but ordinary maintenance</li></ul></li></ul>	What's not included
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# CATEGORIZING CAPITAL EQUIPMENT

Use the “Over \$5,000” capital equipment object codes

Examples of capital equipment	Non-tagged capital equipment	Included in the cost	What's not included	<ul style="list-style-type: none"><li>• <b>NOT included!</b></li><li>• Training costs</li><li>• Ordinary maintenance/repairs</li><li>• Warranties</li></ul> 
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# CONTROLLABLE PROPERTY POLICY (POLICY.UCONN.EDU)

It is the responsibility of Custodians to confirm possession of their assigned Controllable Property annually.

It is the Custodian's responsibility to safeguard Controllable Property assets owned by their departments. For example, equipment should be locked in a secured location when unattended and should be stored in an environmentally suitable location.

When departments need to dispose of Controllable Property assets, University Surplus policies and procedures must be followed. The Controllable Property asset records should be updated to reflect the disposal.

If Controllable Property assets are lost or stolen, University Police must be notified immediately, and the Accountability Form (C1) must be completed.

# CONTROLLABLE PROPERTY

- Tangible personal property
- Unit cost is less than \$5,000
- Includes sensitive, portable, and theft-prone items
- Adaptable for personal use
- Tagging:
  - Tags are sent to department by Inventory Control
  - or
  - Items are pre-tagged by Dell
- Inventory Control creates the asset record in KFS
- Individual departments are responsible for tracking
- KFDM Report: **Controllable Property**



# CATEGORIZING CONTROLLABLE PROPERTY

Use object code 8306 Controllable Property

## Controllable Property Includes ALL COMPUTERS:

- Desktop computers
- Laptops
- Tablets
- Smart phones

## Other items between \$500 and \$4,999.99 such as:

- Cameras
- Projectors
- Televisions / monitors
- Scanners / printers

# CATEGORIZING CONTROLLABLE PROPERTY



## QUESTIONS TO ASK

- Is it prone to theft?
- Is it easily portable?
- Is it unsecured (not locked up, easily accessible)?
- Does it contain new technology or sensitive data?
- Is it easily adaptable for personal use?

- Departments should assess:
  - The business environment
  - The risk that certain items may be stolen
- The same equipment may be controllable for one department, and not for another:
  - A projector that is on a cart and moved from one room to another with several potential users: Controllable.
  - A projector that is installed in a ceiling in a locked room: Not Controllable.

# NON-CAPITAL / NON-CONTROLLABLE EQUIPMENT

- Unit cost is under \$5,000
- Use object code 8307 Non-Controllable Equip <\$5,000
- Not theft-prone, sensitive, etc.
- Examples:
  - Furniture
  - Lab equipment
  - Non-controllable computer peripherals
  - Other non-controllable equipment under \$500
- Non-supply
  - Has a life of more than 1 year
  - Will not be replaced or used up every year



# EQUIPMENT OBJECT CODES

Type of Equipment	Over \$5K	Over \$5K Federally Funded*	Over \$5K Federally Owned*	Over \$5K Other Owned*	Under \$5K
IT Equipment	8202	8205	8210	n/a	8306/8307**
General Equipment	8215	8220	8225	8293	8306/8307**
<i>Equipment Installation/Design Services</i>	8217	8222	n/a	n/a	n/a
Motor Vehicles	8230	8235	8240	n/a	8310
Computer Software License (Per license cost, 3 or more year life)	8245	8250	n/a	n/a	n/a
Internally Generated Software	8255	n/a	n/a	n/a	n/a
<i>Software Installation/Design Services</i>	8248	8253	n/a	n/a	n/a
Artwork and Collections	8260	n/a	n/a	n/a	8320
<i>Artwork Installation/Design Services</i>	8261	n/a	n/a	n/a	n/a

- \*To see if one of these object codes is appropriate, click on the account number to open the account record, and look at the Equipment Ownership Code on the UConn Contracts and Grants tab.
- \*\*Use 8306 to identify Controllable Property assets only; otherwise use 8307.

# ATTACHED EQUIPMENT OBJECT CODES

Use these object codes only if removing the equipment will cause permanent damage to the building or nonstructural asset (outside). Otherwise, use the regular equipment object codes.

Exception: Attached artwork is always coded as artwork (8260, 8261)

Type of Attached Equipment***	Over \$100K	Over \$100K Federally Funded*	Over \$100K Federally Owned*	Over \$100K Other Owned*	Under \$100K
Attached Capital Equipment Buildings	8270	8272	n/a	n/a	8325
<i>Attached Equipment Buildings: Installation/Design Services</i>	8271	8273	n/a	n/a	n/a
Attached Capital Equipment Nonstructural	8275	8277	n/a	n/a	8325
<i>Attached Equipment Nonstructural: Installation/Design Services</i>	8276	8278	n/a	n/a	n/a

# ACTIVITY

## Question 1:

When buying capital equipment, the what costs should be coded with capital equipment object codes, making them part of the equipment cost?

- A. Price of equipment, shipping, installation, and training to use the equipment
- B. Price of equipment, shipping, and installation
- C. Price of equipment, shipping, installation, warranty

# ACTIVITY

Question 2:

2 years after a piece of equipment is purchased for \$20,000, it needs to be repaired, and one of its parts is replaced for \$450. The part is identical to the one that broke. Should the repair cost be added to the equipment cost?

- A. YES
- B. NO

# ACTIVITY

## Question 3:

A \$6,000 component is being added to an existing piece of capital equipment that makes the equipment more useful. The existing equipment had an original cost of \$18,000. How should the component be coded, assuming it is purchased with non-federal funds?

- A. 8306 Controllable Property (under \$5K)
- B. 8215 General Equipment (over \$5K)
- C. 6638 Other Services
- D. 8307 Non-Controllable (under \$5K)



## LEARNING OBJECTIVE #2

- Understand the ownership of equipment purchased at UConn.
- Understand the difference between the asset ownership account and the payment account.
- Understand roles and responsibilities as they pertain to equipment.

# EQUIPMENT OWNERSHIP

## University Funded:

- ALL University-funded equipment is owned by UConn

- 2-ledger, 3-ledger, 4-ledger, 7-ledger funds

- Gifted equipment is owned by UConn

## Grant Funded - May be owned by:

- UConn (at the end of the grant)

- Granting agency (Federal Owned)

- Other Owned (rare)

## No matter what the funding, it is NOT Owned By:

- The Principal Investigator (PI)

- Any UConn employee

# EQUIPMENT – OWNER ACCOUNT VS. PAYMENT ACCOUNT

Asset Detail Information <span>▼ hide</span>	
Asset Number:	648405
Organization Owner Chart Of Accounts Code:	UC *-* University of Connecticut
Organization Owner Account Number:	2906170
Organization Owner Organization Code:	1059
Owner:	
Acquisition Type Code:	New
Asset Status Code:	A
Asset Condition:	Excellent
Asset Description:	Projector
Asset Type Code:	1066005
Vendor Name:	Adtech Systems LLC
Manufacturer:	Christie
Model Number:	140-03
Serial Number:	SW31750018
Tag Number:	K06010

On an asset record in KFS, the Organization Owner Account Number identifies the organization that owns the equipment

# EQUIPMENT – OWNER ACCOUNT VS. PAYMENT ACCOUNT, CONT.

<u>Asset Number</u>	<u>Seq. #</u>	<u>Posting Year</u>	<u>Period Code</u>	<u>Asset Status Code</u>	<u>Asset Description</u>	<u>Organization Code</u>	<u>Chart Code</u>	<u>Account</u>	<u>Sub Acct No</u>	<u>Object Code</u>	<u>Sub-Obj. Code</u>	<u>Sub-Fund Grp. Code</u>	<u>Purchase Order#</u>	<u>Doc Nbr</u>	<u>Doc. Type</u>	<u>Posting Date</u>	<u>Amount</u>	<u>Accum. Depr. Amt.</u>
648405	1	2019	01	A	Projector	1059	UC	4158220		8202		OPOTF	300136	7948640	PREQ	07/18/2018	5,790.43	772.06
648405	2	2019	01	A	Projector	1872	UC	2906390		8202		OPTUI	300136	7948640	PREQ	07/18/2018	2,805.82	374.11

The asset payment record identifies the KFS account that paid for the equipment

# ROLES AND RESPONSIBILITIES

## **Departmental Contact for Inventory (DCI)**

- Main contact(s) for equipment-related functions
- Designated by the Dean, Director, or Department Head

## **KFS Capital Asset Management (CAM) Processor**

- Have the ability to initiate CAM eDocs such as
  - Asset Transfer
  - Asset Global (Add)
- Access is hierarchical

## **Asset Custodian**

- Displayed on KFS record and KFDM reports as Asset Representative / netID
- Should be the person who knows the location of the equipment
- When approving Asset Global eDocs for controllable property, the name / netID should be updated to show actual Custodian



# LEARNING OBJECTIVE #3

- Have a basic knowledge of the Asset Panda application, and how it is used.

# ASSET PANDA

Used for	<ul style="list-style-type: none"><li>• Surplusing tagged equipment and other property</li><li>• Cycling of Controllable Property by University departments</li></ul>
Free application	<ul style="list-style-type: none"><li>• Android</li><li>• iOS (Apple)</li></ul>

- Download onto a phone or tablet
- Capture pictures of assets
- Activity in Asset Panda will update KFS records within 2 days
- Step-by-step instructions and access information are available on the Inventory Control website



# ASSET PANDA, CONT. – THE SURPLUS PROCESS

## *Policy:*

*University property can never be discarded without approval by Surplus Management.*

Surplus Management administers the University Surplus Program. Per Public Act 91-256, the University of Connecticut has the authority to dispose of surplus: unused and/or unserviceable equipment and supplies. Proper disposal of University property is required pursuant to Section 4a-77a of the General Statutes.

Asset Panda must be used to send *all* items to Surplus. This includes:

- Tagged equipment
- All other non-tagged property

Items may not be thrown away, donated, sold, etc.

See [fo.uconn.edu/surplus/](http://fo.uconn.edu/surplus/) for more information.

ASSET PANDA, CONT.

**Asset Panda Live Demo**  
and  
**Controllable Property System Demo**

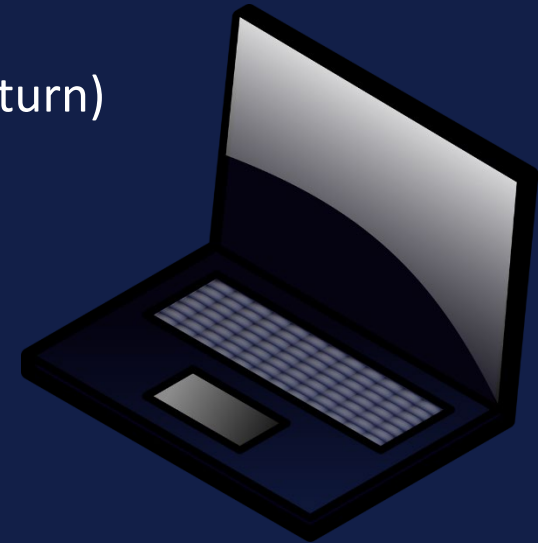


# LEARNING OBJECTIVE #4

- Have a basic understanding of certain KFS eDocs for equipment loans and gifts.

# EQUIPMENT LOANS

- Departments may authorize the use of University-owned equipment off State property for conducting University related business
- Equipment taken off State property must have documentation
- Form to be completed: KFS (Kuali Financial System Loan, Renew or Return)
- Can submit a loan for up to 2 years
- All tagged equipment is included in this requirement
- Take care of the equipment as if it is your own



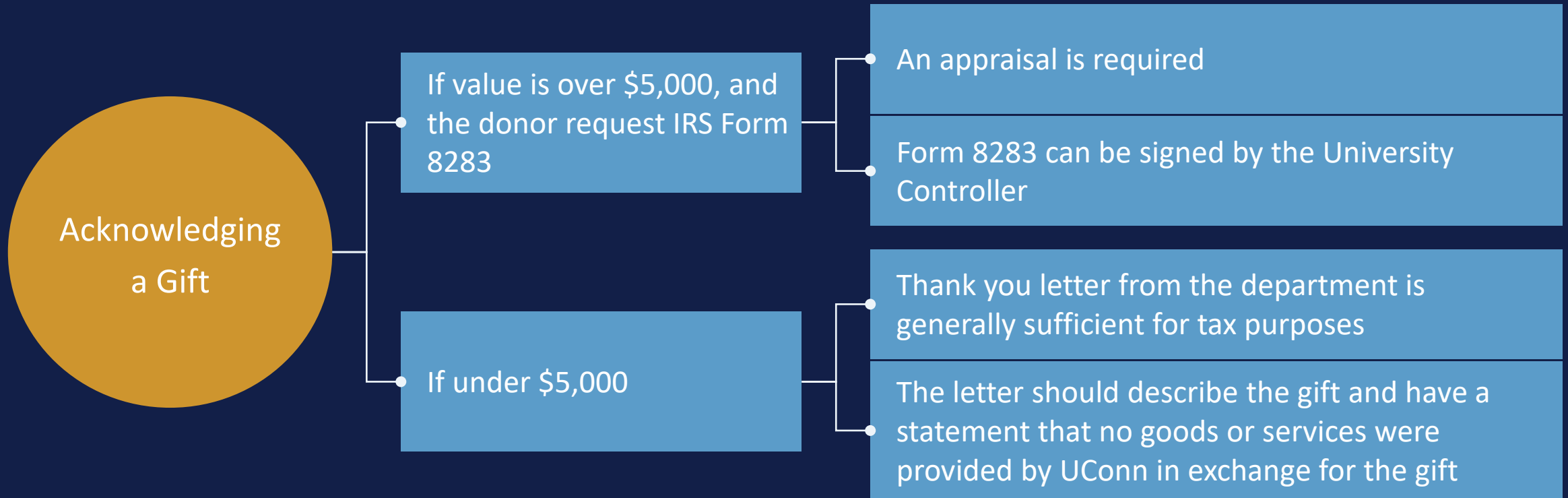
# EQUIPMENT GIFTS

## Authority to Accept Gifts of Property

- If under \$100,000: Dean of the college or school
- If over \$100,000: Provost or designee
- Deed of Gift should be completed for significant gifts (General Counsel)



# EQUIPMENT GIFTS, CONT.



# EQUIPMENT GIFTS, (CONTINUED)

What to consider before accepting the gift:



Its Use – Will the gift be used to promote an academic, research or business purpose of the University?



Health & Safety – Are there any health & safety issues relating to the property?



Intellectual Rights – Are there any intellectual rights that are being transferred?



Export Control – Is it subject to Export Control restrictions?



Planned Sales – Will UConn sell the gift upon receiving it?



Legal Documentation – Is the donor requiring legal documents to be signed?



Tagging – Is it taggable capital equipment?

Visit <https://tax.uconn.edu/general-information/> for Guidance on Gifts of Property or Equipment

# ACTIVITY

## Question 4:

A very generous donor who owns a successful company has just invented a new type of equipment. Since he is a UConn alum, he would like to donate one of them to UConn, and specifically to your department. He says it is worth \$80,000.

In the Teams Chat, enter some things that should be considered before accepting the gift.



# LEARNING OBJECTIVE #5

- Learn the steps involved in an Equipment Transfer (to another institution)

# EQUIPMENT TRANSFERS

*Sometimes a faculty member with plans to leave UConn will request to transfer equipment to their new institution. The equipment may have been purchased on a grant, or with UConn funds. If the grant is no longer open, this equipment must be purchased by the new institution.*

Step 1: Provide a list to Inventory Control of all equipment requesting to get transferred. Inventory Control will provide a list of equipment with current book values and/or transfer amounts.

Step 2: The faculty finalizes the list, and Inventory Control creates a final Equipment Transfer Report.

Step 3: Inventory Control initiates an Asset Retirement Global (ARG) eDoc that routes to the following for approval: Dean, Director of SPS, Director of Procurement, Provost, and Controller.

Step 4: After all approvals have been obtained, the department initiates a Customer Invoice in KFS for the transfer amount to be paid by the institution. Once the payment is received, the equipment may be released to the new institution.

# ACTIVITY

## Question 5:

A Professor who has been at UConn for 15 years has been offered a job at a new institution, and has accepted the position. At her tenure at UConn, she has brought in many grants. At her new job, she will be continuing some of the research she started at UConn, and has a list of 10 equipment items she would like to take with her. She will also be leaving some equipment items at UConn. As the DCI in your department, you should (check all that apply):

- A. Compile a list of all equipment where she is the custodian
- B. Find out where the equipment that will stay at UConn ends up (surplus, someone new?)
- C. Follow the Equipment Transfer procedures for equipment moving to the new institution
- D. Let her take the equipment without question. They were her grants after all!



# LEARNING OBJECTIVE #6

- Know how to recognize and manage certain circumstances which cause equipment inventory to go missing.

# COMMON EQUIPMENT INVENTORY ISSUES



Equipment location has changed  
–Department moves  
–Building or room renovations

If Department owner *has not* changed, use Asset Panda  
If Department owner *has* changed, use the form “Transferring Equipment Between Departments” on the Inventory Control website

Equipment is replaced by the vendor, or comes back from being repaired with the tag missing

Notify Inventory Control – a replacement tag will be issued

Equipment is traded in when purchasing new equipment

Note the tag number clearly on the requisition (In Item Description is best)

# COMMON EQUIPMENT INVENTORY ISSUES, CONT.



## SCENARIO



## WHAT TO DO

A vendor is used to dispose of the equipment

Send an email to Inventory Control. Indicate the reason why a vendor was used.

Employees leaving the department, or leaving UConn (Professors, PI's, Staff, Grad Students, etc.)

- If a PI is bringing equipment to a new institution, follow Equipment Transfer procedures
- Make sure all equipment assigned to the employee is accounted for and updated/reassigned

Equipment is lost, damaged or stolen

Complete the Accountability Form C-1. If stolen, contact UConn Police

Equipment no longer needed by department; not functional

Use Asset Panda to surplus the equipment. *Do not throw it away!*



# LEARNING OBJECTIVE #7

- Understand the importance of keeping asset records updated.
- Learn about KFDM reports that can help maintain your equipment records.
- Know how to get help.

# IMPORTANCE OF EQUIPMENT INVENTORY

- As State employees, we have an obligation to safeguard university assets
- Inventory records in KFS should accurately reflect existence and actual location

Subject to audits	Insurance
<ul style="list-style-type: none"><li>• Federal agencies – overhead on federal grants</li><li>• State of CT Auditors of Public Accounts – financial reporting implications</li><li>• UConn Internal Auditors – test controls, processes</li></ul>	<ul style="list-style-type: none"><li>• Proper coverage</li><li>• Recoveries in case of disaster</li></ul>





# KFDM EQUIPMENT REPORTS

Inventory Control website

(<https://accountingoffice.uconn.edu/inventory-control/>)

## Capital Equipment

- [Capital Equipment Report](#) 
- [Inventory Schedule](#) 
- [KFS Capital Asset Management \(CAM Module\)](#)

## Controllable Property

- [Controllable Property Report](#) 
- [Policy on Controllable Property](#) 
- [Safeguarding Controllable Property Assets](#) .pdf
- [Physical Inventory - Controllable Property](#) .pdf
- [Categorizing Controllable Property](#) .pdf
- [Purchasing Controllable Property](#) .pdf
- [Approving New Controllable Property](#) .pdf
- [Tracking Controllable Property using Asset Panda](#) .pdf

# INVENTORY CONTROL HELP

Inventory Control / Capitalization website:

<https://accountingoffice.uconn.edu/inventory-control/>:

Email: [InventoryControl@uconn.edu](mailto:InventoryControl@uconn.edu)

# QUESTIONS

