Capital Asset Tracking Forum Fall 2017
Equipment Procurement and Management at UC Davis
Introducing Today’s Presenters…

- **Jim Hewlett**, Supply Chain Management
- **Danielle Powers**, A&FS: Costing Policy & Analysis

And, other subject matter experts are here as well!

- **Jim Seibert**, A&FS: Equipment Management
- **Lise Heberer**, A&FS: Equipment Management
- **Michelle Belden**, Aggie Surplus
- **Daisy Tom**, Procurement and Contracting Services
Today’s Agenda

• Capital Asset Procurement in AggieBuy and KFS
• Other Types of Capital Asset Acquisitions
• Equipment Reports
• Physical Inventories, Certifications
• Equipment Audits
• Q&A
Review of Capital Asset Definition

• Stand-Alone Tangible Item

• Non-Expendable

• Useful Life of One Year or Longer

• Initial Acquisition Value of $5K or higher
AggieBuy: Start Here for Cap Assets!

- **AggieBuy** is the preferred method of purchasing, for both supply and capital asset items.

- AggieBuy is currently for use by Davis campus, ANR, and School of Medicine Departments.

- AggieBuy is NOT currently available for Hospital Cost Center purchases; Hospital Departments should continue to purchase capital assets through the Purchasing Department at UCDMC.
AggieBuy: Start Here for Cap Assets!

- **Newest e-procurement option** at UC Davis, as of November 2016

- Many capital assets are available in AggieBuy, including computers/servers, laboratory and medical equipment

- All capital assets in AggieBuy incorporate the *university agreement pricing*, thus this is the best way to get the lowest overall cost

- **Best place to start** when you are searching for capital assets!
AggieBuy: Start Here for Cap Assets!

- Commodity Codes are **defaulted** for you; **no need to search** for the correct one to use!

![Standalone Server 6TB Dell T1700](image-url)
• **Capital Asset** section on Requisition is required
AggieBuy: Cap Asset Routing

- AggieBuy **Requisitions** citing Capital Assets do NOT require approval from Procurement and Contracting Services or Equipment Management.

- After Requisition is fully approved and a **Purchase Order** is created, the PO will route to Equipment Management for review.
AggieBuy: Special Notes

- AggieBuy can be used for purchases of items that are part of an equipment fabrication

- Trade-Ins are not currently accommodated in AggieBuy; purchases that include trade-ins should be processed in KFS

- Capital Asset(s) section on Requisition should ONLY be completed for capital assets, not for tracking items below capital asset threshold
Kuali Financial System

- Can be used for ALL capital asset purchases for Davis Campus Departments, School of Medicine, and ANR

- Hospital Departments continue to go through Purchasing Dept at UCDMC
Kuali Financial System

- Unlike in AggieBuy, all data in KFS must be **manually** entered

- **Capital Asset** section can only be completed when purchasing Capital Assets
KFS: Cap Asset Routing

• KFS Requisitions citing Capital Assets automatically route to Equipment Management and Procurement and Contracting Services before a Purchase Order is issued

• In general, Capital Asset purchases in AggieBuy are processed more quickly than they are in KFS since they do not require as many approvals prior to order placement with the supplier
Accounts to Use for Capital Asset Purchasing

• Built-in Business Rules in KFS and AggieBuy keep you from purchasing capital assets on funds that aren’t allowed for that type of purchase

• If purchasing with Contracts & Grants (C&G) funds, it’s important to be sure that your purchase is compliant with the terms and conditions of the funding agency
Other Types of Cap Asset Acquisitions

- Equipment Loans and Gifts from Outside Entities/Agencies are processed on Asset Global (Add) document in KFS
Tracking of Non-Capital Assets

- **Optional tracking** (addition) of items **below** the Capital Asset threshold (non-capital assets) is processed on the **Asset Global (Add)** document in KFS as well; this is true for items acquired in KFS AND in AggieBuy.
Capital Asset Fabrications

• **Asset Fabrication** document in KFS is used to document an asset that will be constructed by the department (robot, special equipment, etc.) and completed BEFORE fabrication begins.

• Fabrication must meet each equipment criteria listed on the **Fabrication Justification Form** (available on the Equipment Management website).

  • Form must be completed and approved PRIOR to the completion of the **Asset Fabrication** document in KFS.
Purchasing For Fabrications

- **AggieBuy AND KFS** can be used to purchase BOTH capital assets and supply items for a capital asset fabrication

- **Fabrication** option is available on the **Capital Asset(s)** screen in AggieBuy and KFS; associated object code of 9600 will automatically apply when the Fabrication option is selected
Purchasing For Fabrications

- **Procurement Card** can also be used for fabrication purchases, but *only* for *supply items* associated with the fabrication (under $5K)
  - On the auto-generated **Procurement Card** document in KFS, the Object code is to be changed to 9600 to properly reflect it as a *Fabrication*
Reduced Tax for Research Equipment

- CA Board of Equalization (BOE) offers an **optional reduced tax rate** for **capital assets** purchased for research in CA for 50% or more time.

- At this time, KFS is the recommended method of purchasing capital assets where the Reduced Tax may apply (add’l documentation req’d).
Decals Issued by Equipment Mgmt

- For ALL capital asset acquisitions, regardless of acquisition method, Equipment Management will issue asset decals with the UCOP Tag Number

- For non-capital asset tracking where an Asset Global (Add) document in KFS is completed, the asset decals will also be issued by Equipment Management

- Decals should always be placed in a visible location on equipment
Line Item Receiving for Capital Assets

• **Line Item Receiving** document in KFS is required for all Capital Asset purchases, *regardless of whether they are made in AggieBuy or KFS*

• **Line Item Receiving** document is used to track proper receipt of items and also starts the *equipment depreciation* process
Capital Asset Report in FIS Decision Support

- The **Equipment Inventory Listing (375)** is the report for completing physical inventory.

- Run it by **Custodial Code** and sort by **Building** and **Room** to expedite the physical inventory process!
Determining When Physical Inventory is Due

1. On the KFS **Main Menu**, in the **Capital Asset Management System** section, click on the **Asset Custodial Code** link.

2. Enter your department **Custodial Code** in the first field, OR enter part of your department name (with the * wildcard before and after your search text) in the **Custodial Description** field.

3. In the search results, any custodial codes with:
   - **Inventory Cycle Type Code of 01** are due in **odd numbered years** on **10/31**
   - **Inventory Cycle Type Code of 02** are due in **even numbered years** on **10/31**
Completing Physical Inventory

Physically view each asset at or above $5K on the 375 report. Verify the following and note any discrepancies:

- **UCOP Tag Number** (this is the number printed on the UC Davis asset decal, which should be on a visible location on the equipment)
- **Description**
- **Manufacturer**
- **Model Number**
- **Serial Number** (enter NSN for items without Serial #)
- **Location** (Verify BOTH building AND room)
- **Condition Code** (see list of code definitions at bottom of 375 report)
- **Principal Investigator** (optional)
What to Do with Unneeded Items (Non-Hospital)

- **Transfer to another department that can use it:** Asset Transfer or Asset Transfer Global document in KFS

- **Aggie Surplus:** Complete the Aggie Surplus Service Request form on their website; their goal is to return items into circulation; equipment sales can also generate $ for your department! Per policy, Aggie Surplus services should be used whenever possible.
What to Do with Unneeded Items (Hospital)

- Transfer to another department that can use it: Asset Transfer or Asset Transfer Global document

- UDCMC Surplus/Aggie Surplus: Complete an Asset Transfer or Asset Transfer Global document to Cost Center 9993

- Transfers should be ad hoc routed as FYI:
  - Medical Equipment transfers to Joelene Rodriguez user ID: JOELENE in UCDHS Clinical Engineering
Documenting Lost Items

- **Asset Retirement** document citing **Retirement Reason Code 3** (UCOP Disposal Code 22); add a note to your document indicating efforts that were undertaken to locate asset
  - Information entered on document is reviewed by auditors; most important consideration is original acquisition value

- **Property Loss Report** not required
Documenting Stolen Items

- **Complete Asset Retirement** document in KFS citing **Retirement Reason Code 7** (UCOP Disposal Code 25)

- **Police Report** should be filed with **local** jurisdiction where theft occurred; Case # should be included on document

- **Property Loss Report** (from Risk Management Services) required and should be electronically attached to **Asset Retirement** document
Capital Asset Record Maintenance

• Complete an **Asset** document in KFS to make updates to asset records (location, condition, etc.)

• Complete an **Asset Location (Global)** document in KFS to make mass update to asset location
Asset Custodial Code Maintenance

• Complete an **Asset Custodial Code** document in KFS to update attributes assigned to **Custodial Code**, including
  • Asset Representative
  • Department Head
  • Department Head Delegate
  • Asset Delegate (cannot make edits to Custodial Code)
Physical Inventory Certification Form Completion

- Form must be submitted to Equipment Management by established deadline; email submission is preferable

- Signatures on form must match what is indicated in the Asset Custodial Code record for those roles

- Same form is now used by ALL departments
Equipment Audits

- Audits are scheduled by Equipment Management to help ensure that appropriate departmental tracking and management of equipment is occurring.

- Audits will be announced in advance and coordinated with the departmental **Asset Representative**.

- Goal of audits is to identify best practices for departmental capital asset management; results shared with MSO/CAO and Dept Head.
Resources!

- AggieBuy: ab-help@ucdavis.edu
- Aggie Surplus:aggiesurplus@ucdavis.edu
- Equipment Management: eqhelp@ucdavis.edu
- KFS: fishelp@ucdavis.edu
- A&FS website: http://afs.ucdavis.edu (includes links to Equipment policies)
THANK YOU