Date: November 10, 2005

To: University Deans, Directors and Chairs

From: Katrina Yoakum, Asst. Comptroller for Financial Reporting and Management Unit

RE: Moveable Equipment Process Changes

In an attempt to improve our asset management process, the University has made some significant changes to its asset tracking procedures. The following is a brief summary of the policy and procedure changes that have been implemented or will be taking effect this year.

**Bar-code Equipment Tags:**

As many of you already know, last spring the University made the decision to replace its historical paper tags with bar-code tags. Beginning with the research equipment, the Property Accounting team began the slow process of re-tagging all moveable equipment that meets the current capitalization threshold of $5,000. We have made great strides in completing this tedious task, and we appreciate all of the help that your staff has provided to our Property Accounting team in locating the University’s many moveable assets.

**Monthly Procedures (Equipment Tagging & Monthly Reports):**

In conjunction with the change in equipment tags, the University has also decided that responsibility for tagging moveable equipment will be transferred from the units to the Comptroller’s Office. There are several reasons for this decision. First, we would like to eliminate some of the additional pressures placed on departmental staff. We realize that tagging equipment is often not a high priority in comparison to other required administrative duties. Second, tagging equipment and recording accurate location codes has become a high priority for the Comptroller’s Office, senior management, and the KU Center for Research. We need to improve the accuracy and timeliness of our moveable equipment data as it has a significant impact on the University’s facilities and administrative overhead reimbursement rate calculations. Inaccurate information within our asset system has the potential for reducing our overhead reimbursement rate (a.k.a. F&A rate); thus, it is critical that we maintain an accurate asset database at all times.

The primary impact of this change is that equipment coordinators will no longer be receiving monthly reports relating to asset additions from Janet Mears. Instead, the Comptroller’s Office Property Accounting team will collect the information requested on the monthly asset addition report when they come out to tag the moveable equipment and will leave a copy of the completed report with equipment coordinators for department records. Please note that equipment coordinators will still receive monthly reports related to other property accounting transactions (e.g., transfers, disposals).

**REMINDER:**

Any departments still holding on to monthly reports, annual inventory surveys or other property accounting reports need to turn in their reports ASAP. If your department is unsure of whether or not it has any outstanding reports, please contact Janet Mears.
**Location Assignments:**

Over the years the University has assigned several pieces of equipment to hallway or corridor location codes. It has recently been brought to our attention that in order to maximize our overhead reimbursement rate, we need to assign all moveable equipment, specifically research-related equipment, to a physical room. Therefore, going forward it is the University’s policy to assign moveable equipment located in a hallway or corridor to the closest physical room location code. Please note that if equipment is located in a hallway or corridor, we will record that information in a separate comment section within our asset system so that we can easily locate it again in the future.

Items that move frequently between classrooms and/or labs will be assigned to a central location as agreed upon by equipment coordinators and the Property Accounting team.

Departments are still encouraged to update moveable equipment locations within PeopleSoft throughout the year. Updating equipment locations within PeopleSoft at the time the equipment is moved makes everyone’s life easier in the long-term.

**Off-Site Departments (Edwards Campus, KLETC & Public Management Center):**

Off-site departments are included in these policy changes, and the Property Accounting team will be making arrangements to update moveable equipment tags and location codes at all off-site locations in the near future.

**Central Inventory:**

In addition to the Comptroller’s Office Property Accounting team tagging all new equipment added to the PeopleSoft database, our office will also be conducting the University’s annual equipment inventory required by the State. The impact for equipment coordinators is that they will no longer have to complete our historical paper survey. Instead, equipment coordinators will be expected to assist our Property Accounting team in locating department equipment during our annual site visits. For FY2006, we will not be conducting a separate inventory as the retagging of all moveable equipment with new bar-code labels meets the State’s annual inventory requirements.

Please note that there is one exception to this policy change. All departments that have requested that their $2,000 to $4,999.99 equipment be maintained in PeopleSoft will still be required to complete a paper inventory survey. This annual inventory survey will only include items under $5,000, and will be sent to departments on or about February 1, 2006.
Resource Contacts:

Finally, as our Property Accounting team continues to grow, we thought that it would be helpful to provide everyone with an update on available resource contacts.

If you have questions or concerns regarding asset purchases, cost adjustments, disposals or other general asset questions, please continue to contact Janet Mears, Property Accountant, at ext. 4-5975 (jmears@ku.edu).

If you have questions or concerns regarding equipment tags or location changes, please contact Mariana Traetta, Financial Analyst, at ext. 4-3156 (marianat@ku.edu).

Katrina Yoakum, Assistant Comptroller for Financial Reporting and Management, (ext. 4-3261 or kyoakum@ku.edu), is also available if you have any questions or concerns regarding University capital assets.

As always, we appreciate your assistance as we continue to try to improve our policies and procedures. If you have any recommendations or questions, please contact any member of the Property Accounting team.

Thanks!

Cc: Janet Mears
    Mariana Traetta
    University Equipment Coordinators