Equipment Inventory Management

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Is Equipment Management Important?
ASOK, THIS WILL BE THE MOST IMPORTANT ASSIGNMENT IN YOUR ENTIRE CAREER.

YOU MUST AFFIX THE ASSET TAGS IN THIS FOLDER TO OUR OFFICE EQUIPMENT.

HE MUST BE HAVING PROBLEMS AT HOME.
My assignment is to put asset tags on all equipment.

Did you know that staplers are not considered equipment?

No one likes to make conversation with the asset tag man.
Many Well Managed Universities Do Not Have Sound Inventory Management Systems

WHY?
Cash - Accounts Receivable/Payable
Data/Management – Necessities
Are Accurate Plant Assets?
Rapid Growth - Especially Research
Not Matched with Needed Staff
Many Other Pressing Needs
Size/Value of Plant - No Immediate/Direct Bearing on Financing Institution

Funds Already Invested Easily Ignored
Who Is User of Inventory Info

And What Benefit to Institution
Accountability of Fixed Assets
Purpose

- Financial Information
- Fix Responsibility
- Avoid Duplication
- Aids Planning
- Depreciation Calculation
- Document Losses
- Insurance Coverage
Purpose of Inventory Systems

Accumulate Financial Information

- Plant/Equipment Major Portion of Total Assets
- Account for Acquisitions, Additions, Deletions
- Financial History
- Obviates Annual Physical Inventory
Purpose

Fix Responsibility

• Safeguards
• Localized in Departments
• Discover Missing Assets
• General Classroom Equipment Assigned to Physical Plant
Maximize Utilization/Avoid Duplication

• Equipment is Institutional Not Departmental
• Transfer Unused/Underused Equipment to Departments With Need
• Accurate Inventory Helps to Avoid Duplicate Purchases
Purpose

Aids in Planning

• Inventory Provides Historic Data
• Planning Based on Analysis of Purchases
• Link Inventory to Maintenance/Upkeep

Cost

• Aids in Developing Maintenance Contracts
• Provides Data to Support Replacements
• Data for Salvage or Trade In
Purpose

Depreciation Calculations
• Meet Financial Reporting Requirements
• Calculations for Indirect Cost
• Basis for “Funding” Replacement Reserves
Purpose

Documentation of Losses

• Fires/Thefts/Tornadoes/Hurricanes/Earthquakes - Determination of Insurance Coverage

• Periodic Adjustments to Reflect Values/Price Changes
Purpose of Equipment Inventory Management

• Accumulate Financial Information
• Fix Responsibility
• Maximize Utilization/Avoid Duplicate Purchases
• Aid Planning
• Calculate Depreciation
• Document Loses
• Set Insurance Coverage
Ideas or Programs to Encourage Better Data and Management
Research Equipment Assistance Program (REAP) Iowa State University
REAP

Problems to Solve

• Timely Availability of Equipment
• Decreasing Funds for Acquisitions
• Accounting Inventory Systems not Designed to Manage Equipment
REAP

* Objective *

• Improve Researcher Productivity by Improved Utilization of High Value Equipment

• Equipment Availability Will Improve Morale and Save Time

• Maximize Research
REAP

Objective Is NOT To:

• Create High Percentage Utilization (Greater Use Will Result)

• Create Better Accounting Records
REAP

Assistance System Should:

• Identify/Locate Usable Equipment
• Provide Information About Availability of Equipment to Share
• Identify Unused Equipment to Transfer or Store
• Provide Data to Evaluate Obsolete/High Maintenance Items
• Identify Potential Spare Parts
REAP Concept

- Information Gathering
- Inquiry Processing
- User Education
- REAP Office - Communication Center
REAP

• Data Collection
  – Limited Distribution of Available Equipment
  – Request Responsible Person/Location
  – Prompt Follow-up
  – Contact At Equipment Location
  – Explain Program Goals
  – Unused Equipment Often Transferred
  – Problems Referred
REAP

• Inquiry Processing

* Basic Goal Response To Inquiry *
Records Searched
REAP Contact Responsible Person
Suitability/Availability Determined
If Agreeable - Responsible Person Contact
REAP

• Output
  – Department Information
  – Alpha Listing of Equipment
    • To Department
    • To All Departments/Researchers
  – No Location Revealed
  – No Responsible Person Listed
REAP

• User Education
  – No Formal Programs
  – Informal As Contacts Made
  – Voluntary Image
COORDINATED INSTRUMENTATION FACILITY
Tulane University

• Centrally Administered University Wide Research Instrument Sharing And Maintenance Program
CIF Concept

- Focus Resources In One Place Rather Than Piecemeal In Departments/School/Programs
- Interdepartment Coordination/Cooperation
- Sharing State-of-the-art Instrumentation/Applications Support/Training/Maintenance
- Staff Support Services
CIF Concept

• Converts Idle Instrument Time Information Into Productive Time
• Frees Dep’ts of Maintenance/Repairs
• Frees Dep’ts Space
• Export Support
• Provides Access To ALL Researchers
Screening Procedures
Principal Investigator

• Determines Need
• Determines Availability in Department
• Forward Request to Purchasing-Property Manager
Screening Procedures
Purchasing-Property Manager

• Reviews Inventory Records
• Notifies P.I. if Equipment Available
• Coordinates Equipment Transfer
• Notifies P.I. if Equipment Not Available
• Assists in Purchase of New Equipment
Library Holdings

• Books/Periodicals/Microfilms
• Valuation Methods
• Safeguard/Security Systems
  – Structural considerations
  – Manual Systems
  – Electronic Databases
• Insurance
Equipment Inventory System
Management Responsibility

• Coordinate Receipt of Equipment
• Accumulate and Maintain Data for Financial and Insurance Records
• Assist in Determining and Implementing Procedures
• Assure That Regular Physical Inventories Are Taken
• Control Excess Surplus Property
• Assist in Safeguarding Against Theft
System Development

- Determine Needs
- Recruit Staff
- Review Other Institutional Systems
- Review Alternative Software
- Determine Data Elements/Reports
- Adopt Adequate Time Schedule
- Prepare Written Operating Procedures
- Train Staff and Users
Equipment Inventory Data Components

- Description of Property/Classification
- Identification Number
- Manufacture Serial Number
- Acquisition Date and Cost
- Source of Funding
- Who Holds Title
- Percentage of Federal Participation
- Location-Bldg/Room/Accountable Department
- Use/Condition
General Requirements

- System Flexibility
- Reconciliation To Financials
- Minimal Staff Requirements
- Cost
Asset Classification

• Real Property
  – Land/Buildings
  – Other Improvements
  – Infrastructure

• Personal Property
  – Equipment/Library Books
  – Museums/Art Collections/Livestock

• Construction in Progress
• Infrastructure
  – Streets/Roads
  – Sidewalks
  – Traffic Lights
  – Street Signage/Lights
  – Bridges/Tunnels
  – Distribution Systems
    • Water/Sewer/Electrical/Steam/Chilled Water/
    • Gas/Cableing

• Land Improvements
  – Landscaping
  – Tennis Courts
  – Bleachers
  – Athletic Fields
  – Golf Courses
  – Pools
  – Fountains
  – Parking Lots
Valuation

- Original Cost
- Appraisals
- Fair Market Value
Capitalization Policy

• Acquisition Value in Excess of Specific Minimum
• Expected Useful Life in Excess of Minimum Period
• Identity which is not Materially Altered through Use
• Institutional/State Policies
• Federal Policies (OMB A-21/A-110)
• Exceptions
• Review
Depreciation Accounting

• Identify/Record
  – Historical Cost (or FMV)
  – Age/Date Acquired
  – Types of Assets

• Select Guideline/Life Methodology
  – Composite Grouping
  – Class Life
  – Specific Asset Identification
Asset Life

• Period of Existence
  – Physical Life
    Period of Time That a Thing May Be Capable of Use
  – Economic Life
    Period of Time a Thing May Be Profitably Used
Reporting Depreciation

- Expense For Period
- Balances of Major Asset Classes
- Accumulated Depreciation
- Describe Computational Methods
Operational Matters

• **Identification and Tagging**
  – Bar Codes/Metal Tags/Decals/Engraving
  – Inventoriable/Non-Inventoriable Property

• **Surplus Property**
  – Disposition of Excess Property
  – Lost/Stolen/Destroyed

• **Inventories and Reports**
  – Physical Inventory (Annual/Biennial)
  – Sampling