

Equipment Inventory Management

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Is Equipment Management Important?

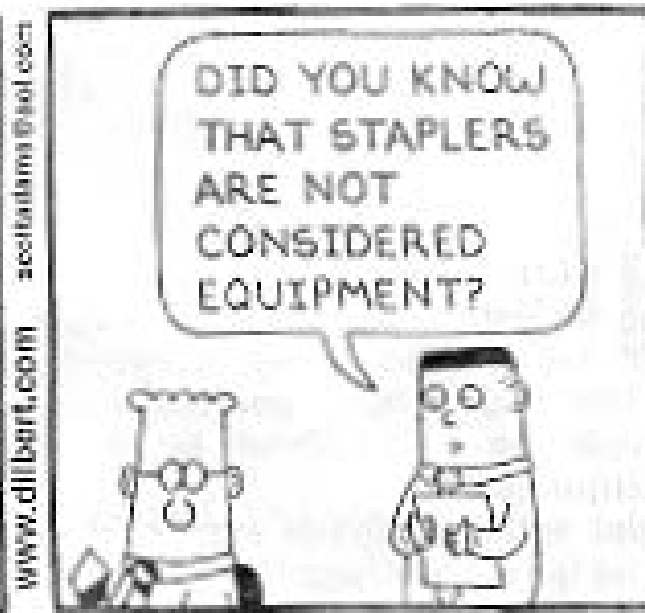


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Many Well Managed Universities
Do Not Have Sound Inventory
Management Systems

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

Purpose

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 Losses
- 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

