

# Office of Property Management

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## Moveable Capital Equipment



## Policies and Procedures

# STAFF

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- Associate Comptroller

Michael Alessandro      x8079

- Property Manager

Ben DeGennaro      x8087

- Property Administrators

Peter Castellano      x8083

Min Duan      x8084



# Why We Need To Manage Property

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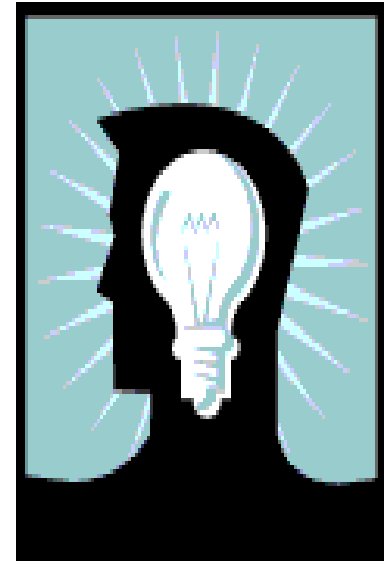
- To calculate reimbursement for equipment used for research
- To better manage University owned property & to avoid duplication of purchases
- To comply with federal regulations (OMB Circular A-110)



# Why We Need To Manage Property (continued)

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- To supply information to Risk Management to determine insurance needs
- To assist in accounting functions: Depreciation for Financial Statement



# Depreciation Expense

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- Equipment purchased from unrestricted account
- Equipment in a room functionalized as research
- Depreciation expense for this research equipment will be recovered through the Facilities & Administrative (F&A) Cost Rate



**F&A Rate**  
**62.5**

# Management of University Owned Property

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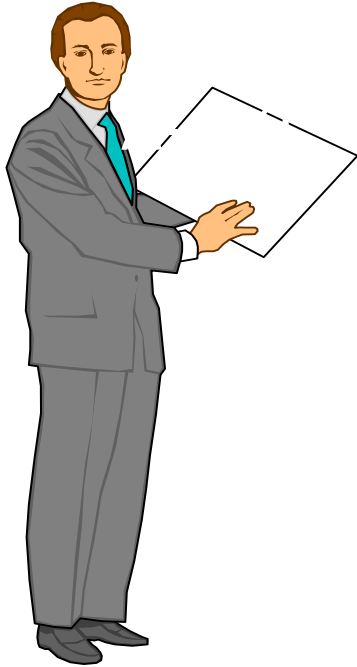
- How many servers do we have? And what is the age of these servers?
- How much equipment has BU purchased from a particular vendor?

The Office of Purchasing Services can use this information to obtain the best deals.

- Do we need to make this purchase?

# OMB Circular A-110

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- A physical inventory shall be taken at least once every two years
- Any differences between the physical inventory and the property system shall be investigated and corrected
- To verify the existence, current utilization and continued need for the equipment

# OMB Circular A-110

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- Reports must be submitted annually listing all federally owned equipment
- Depreciation must be supported by adequate property records
- Screening procedures must be in place to ensure that all equipment purchases are necessary

# Risk Management

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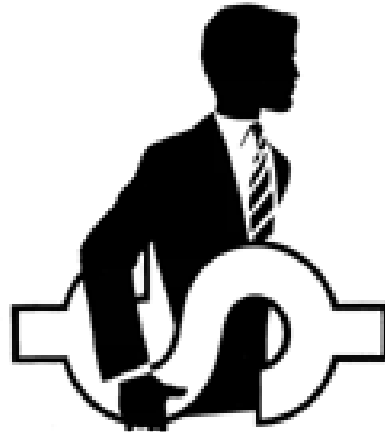
- Risk Management uses reports from the Property System to help determine how much insurance coverage they need
- Property System will provide information needed to file an insurance claim if the equipment is stolen or damaged



# Financial Statements

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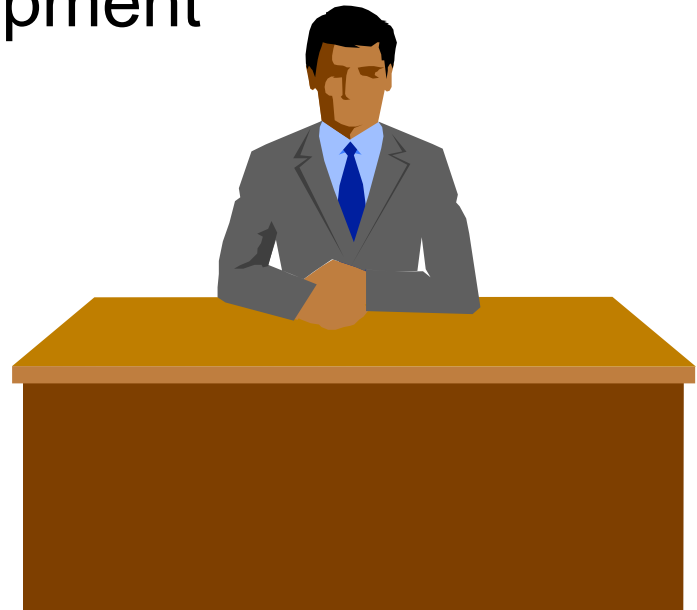
- Property System is used to produce reports for depreciation expense for the University's Financial Statements



# Role of The Property Management Office

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- Maintain an accurate equipment inventory database via departmental input
- Tag all moveable capital equipment owned by, or located at BU
- Conduct physical inventories (every 2 years)
- Complete government property reports



# Role of the Department in Property Management

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- Comply with University policies & procedures regarding equipment
- Assign a primary property coordinator, keeps accurate records of where & to whom equipment is delivered once received by the department
- Assist during physical inventories



# Role of the Department in Property Management (continued)

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## Notify PM when equipment:

- moves within the department
- transferred to another department
- is disposed of, transferred, sold, stolen, traded in, scrapped, donated, returned to vendor, fire, flood, etc**
- is no longer in use



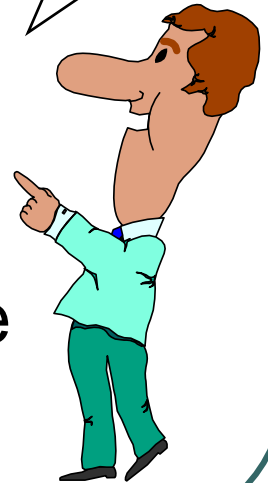
\* see Movable Capital Equipment Management Form of the Equip. Manual (page 19)

# Object Codes

- 0930 - Moveable Capital Equipment
  - Useful Life one year or greater
  - Cost 5,000 or greater
- 0953 - Non Capital / Minor Equipment
  - Cost 1,000 < 5,000
  - Useful Life less than one year
- 0955 - Fabricated Equipment
- 0910 - Supplies
- 0924 - Supplies purchased on a source code
  - cost \$999.99 or less
- 0954 – Fixed Equipment

Call the  
Property  
Mgt Dept  
with any  
questions

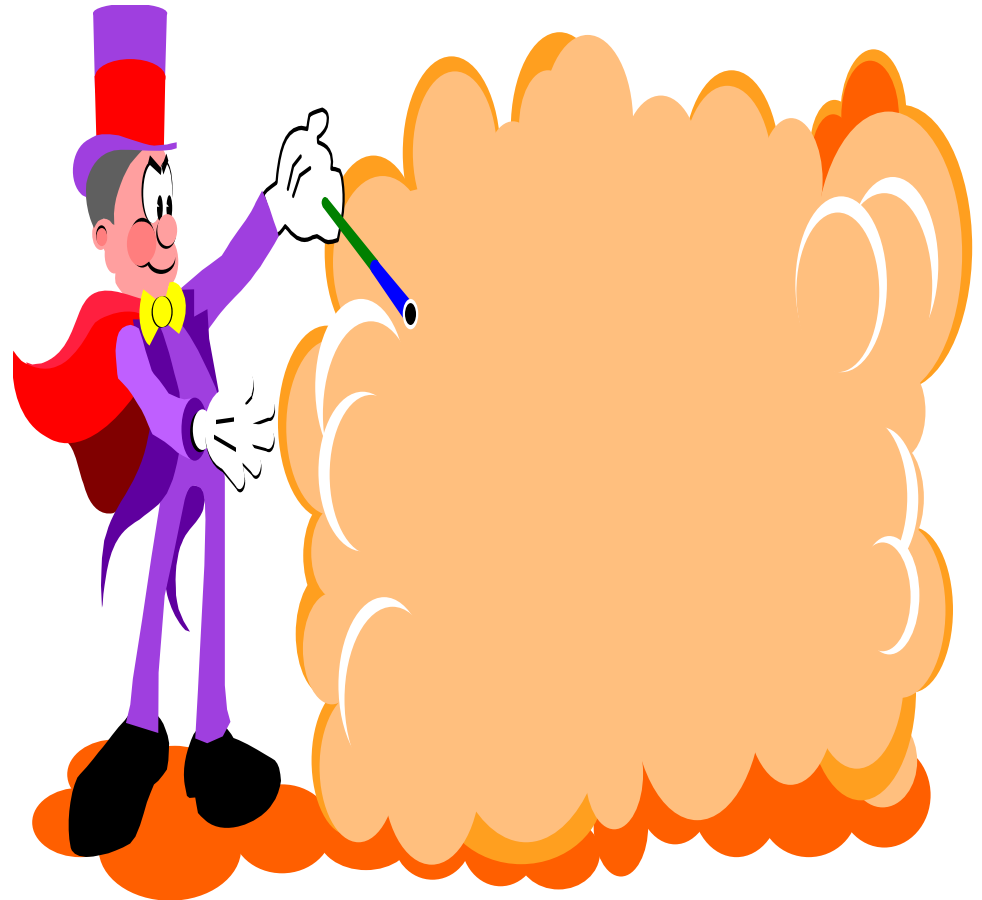
617-353-  
8083



# How Equipment is Acquired

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- Purchase order
- Invoiced
- Donated
- Fabricated
- Leased
- Loaned
- Transferred
- Journal Entry



# Purchase Order Acquisition

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- Requisition completed by department
- PO completed by Purchasing
- Property Management notified through A/P system when transactions invoiced
- Property Management Office will call to set up an appointment to come by & tag
- Feel free to call us if we don't call you

# Invoiced

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- Invoice-Related or Check Request Voucher
- Not proper procedure;  
Should have gone through purchasing
- Property Management notified through A/P system

# Donations/Gifts

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- All donations/gifts to the university should be reported to the Development Office

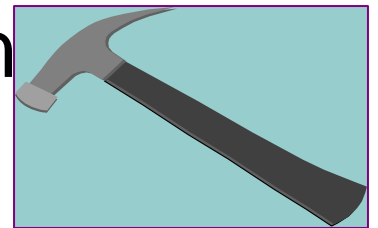


- Property Management notified through the Development Office and General Accounting of all items that meet capitalization criteria

# Fabricated Capital Equipment Object Code 0955

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- Items that meet the capitalization criteria and are assembled or manufactured by one University Dept for use by the University
- Shop charges-including materials&labor
- Purchased items to become a PERMANENT part of the fabrication



# Building the Fabrication

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- Tools, Supplies, or Equipment which are used, but do not become a permanent part of the fabrication should be charged to appropriate codes(0910, 0953, 0930)

# Fabrications

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- Any department constructing a fabrication must apply to the Office of Property Management to request a BU Asset ID number.
- A memo is sent out to department with BU Asset ID number for fabrication
- **Reference tag # on all POs, DPOs & Journal Entries**

# Required Info for Fabrications

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- Detailed description of fabrication being constructed
- Detailed list of the items which will comprise the completed fabrication and an estimated cost for each item

# Fabrication Information

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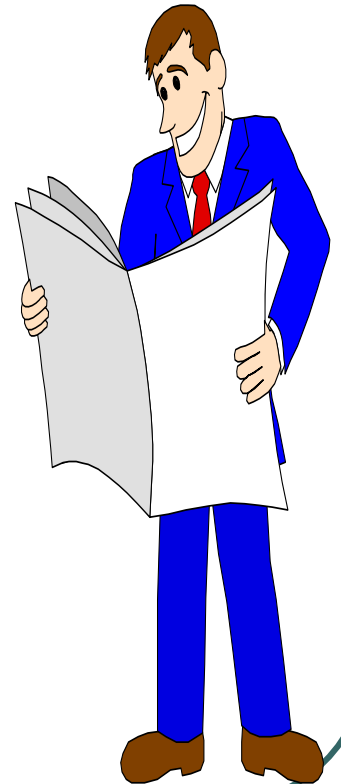
- Expected date of completion
- Expected location of completed item
- Name of individual to contact when fabrication is completed so that PM may tag the completed item



# Completion of Fabrications

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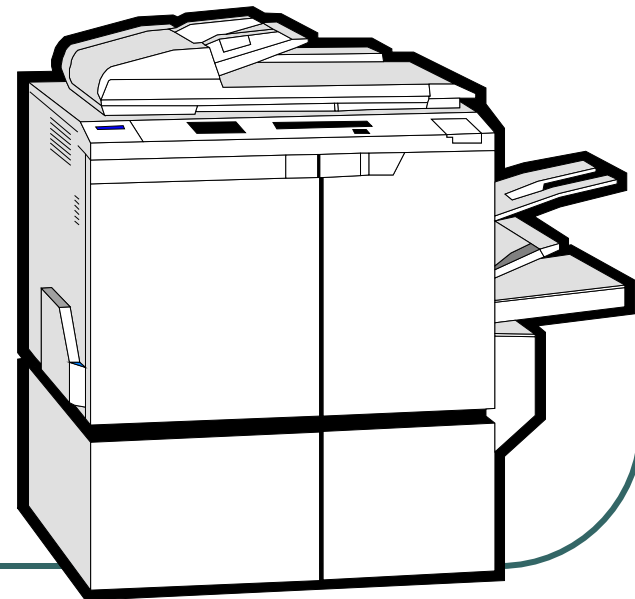
- Immediately Upon Completion of fabrication:
  - Notify Property Management
  - Property will place the fabrication in active status and depreciation will begin.
- Fabrication certifications are conducted to certify that every expense charged to the fabrication is valid



# Leased Equipment

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- BU insures items leased by the university, when value meets capitalization criteria
- Department must contact P.M. when leased equipment is received
- Leased equipment 0913/0916
- Lease buyout 0930
  - if > 5,000



## Loaned/Transferred

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- Equipment is often brought with a professor from another institution
- Departments must notify the Office of Property Management of all equipment on loan or transferred from another university or organization
- Contact the Property Office of Owner institution for detailed list of items

# Requisition Screening

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- **Federal Regulations require that government owned equipment be fully utilized before federal funds are used to purchase like equipment**
- The recipient institution is required to determine the availability of equipment that could substitute for a required purchase

## Req. Screening (cont.)

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- The Office of Property Management can easily provide a list of similar equipment at the University from our Property Database
- The purpose of screening is to keep duplicate spending of grant funds to a minimum and maximize the utility of the funds that have already been spent

# Information Maintained About Each Asset

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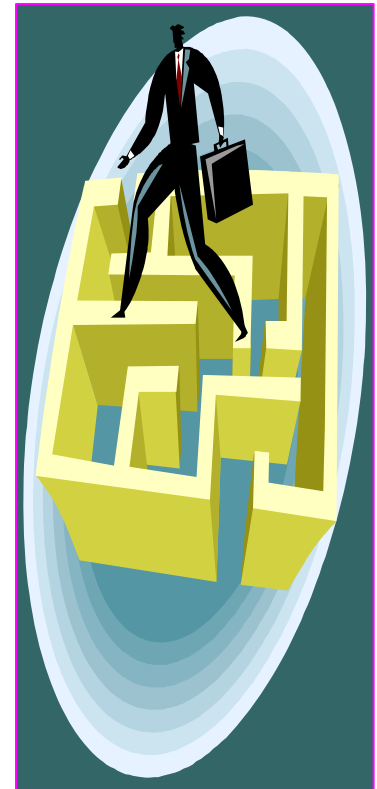
- Asset ID number
- Descriptive profile
- Manufacturer
- Model number
- Serial number
- Purchase price/invoice information
- Campus location



# Information Maintained About Each Asset (Continued)

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- Building & room
- Title (Federal & University)
- Unit department
- Responsible person
- Purchase order & requisition
- Date / Method of acquisition



# Areas of Confusion

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- Fixed equipment 0954
- Fabricated assets 0955
- Replacement parts 0910/0953
- Repairs 0915
- Supplies/Source 0924
- Upgrades must be \$5,000.00 or more to be 0930

## Areas of Confusion (Continued)

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- Warranties/Licenses 0915
- Software 0932
- Fine Arts 0929 Unallowable
- Very small, untaggable 0930
- Accessories 0910/0953  
can be used separately
- Attachments 0930  
required to operate equipment



# Examples

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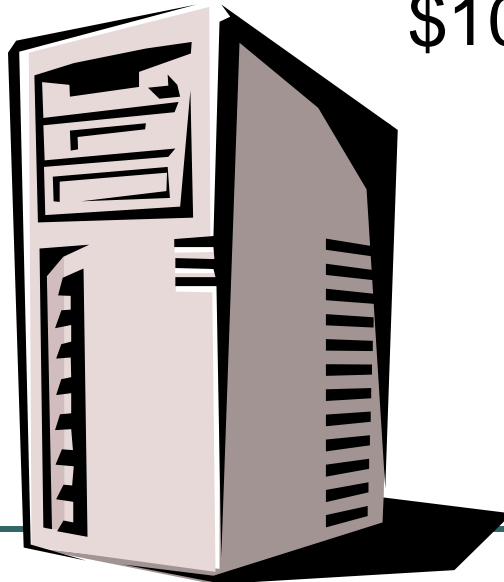
	<b>COST</b>	<b>OBJ CODE</b>
Server	\$ 8500	0930
20" Monitor	\$600	0930
4GB	\$350	0930
Tape Backup	\$300	0953



# More Examples

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	<b>COST</b>	<b>OBJ CODE</b>
● LaserJet Printer	\$1500	0953
● Toner	\$125	0910
● Maintenance Contract	\$1300	0915
● Software	\$1000	0932

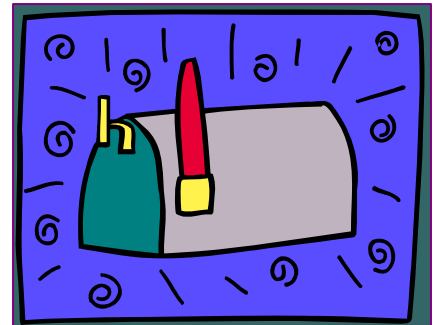


# Equipment Located Off Campus

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- All equipment that the University owns or is responsible for must be tagged with a BU asset ID tag
- Contact Property Management if any capital equipment is to be moved off campus
  - must have department approval and be tagged
- If equipment is delivered directly to an off campus location;
  - Tag-By-Mail Process

\*see Moveable Capital Equipment Manual (page 21)



# The Office Property Management

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Property Management's records indicate that your department is in possession of an asset not located on a Boston University campus. We need your assistance to assign an asset identification label to this asset. In order to maintain an accurate asset inventory please supply all of the information requested in the **numbered area** of the form below and return the completed form to:

**Office of Property Management**  
**25 Buick Street Boston, MA 02215**  
**Phone: 617-353-8083**

Upon receipt of your response an asset identification label will be sent to you by return mail. It is **your** responsibility to make certain that this label is applied to the correct asset. If you have any questions or concerns please feel free to call.

# Asset Information:

**LABEL NUMBER** \_\_\_\_\_ (Provided by return mail)

**Description** \_\_\_\_\_

**PO Number** \_\_\_\_\_ **Req Number** \_\_\_\_\_

**(1)Manufacturer** \_\_\_\_\_ **(2)Model Number** \_\_\_\_\_

**(3)Serial Number** \_\_\_\_\_

**(4)Name of individual responsible** \_\_\_\_\_

**(5)On Campus Address for Responsible Person** \_\_\_\_\_

**(6)Item is Located**

**At Responsible Person's Home**

**Other Campus, Name of Campus** \_\_\_\_\_

**Foreign Location, Name of Location** \_\_\_\_\_

The above information is subject to audit and will be reviewed for accuracy by external and internal review groups.

# Journal Entries

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- Property Management only reviews journal entries that contain 0930 or 0955 object code transactions
- Always keep 0930 items on separate lines in the entry
- A Journal Entry is *usually not* an original transaction





## Journal Entries (Continued)

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- Always provide a complete description with a valid explanation
  - **Reference requisition or tag numbers**
- Additional information or backup documents must be received in a timely fashion (within five days of the J/E post date) or it will be rejected



# Journal Entries (Continued)

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- Common Entries:
  - Fabrications
  - Recorded trade-in values
  - Record donations
  - Correct miscoding
  - Overseas purchases
    - Make sure to send any documentation regarding sale ASAP with exchange rates in ENGLISH



## Government Property

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- ***All of the same requirements as BU property and:***
- May require sponsor approval before purchase
- Sponsoring agencies may have their own tags
- Item cannot leave the university without Property Management Office notification

# Government Property (Continued)

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- **May not be cannibalized or modified without permission**
- **If item is no longer being used, the Office of Property Management must be notified**
- **Item cannot be sold/disposed without notifying the Office of Property Management**
- **Government Property remains Government Property until the Office of Property Management receives notification that the title is transferred to the University**
- **Assets titled to the Federal Government always remain at 100% of the initial total cost**



# STOP

- Security Tracking of Office Property
- Projectors that meet the Capitalization Level now have these tags attached to them
- Theft Prevention

Patented STOP Security Plate



Tattoo etched under Plate



Permanent Tattoo



# Projection Equipment Security

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- Departments must notify the Office of Property Management **BEFORE** these projectors are moved or disposed.
- All information about these projectors is in a national data base.
- Theft Prevention



# Surplus Equipment

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- **Policy:** Item must remain useful within the University if at all possible
- Donated to an organization / follow procedures
- Sold to scrap dealer or re-seller / procedures
- Thrown away / follow procedures
- Regardless, the Office of Property Management must be notified !!



# Disposal of Equipment

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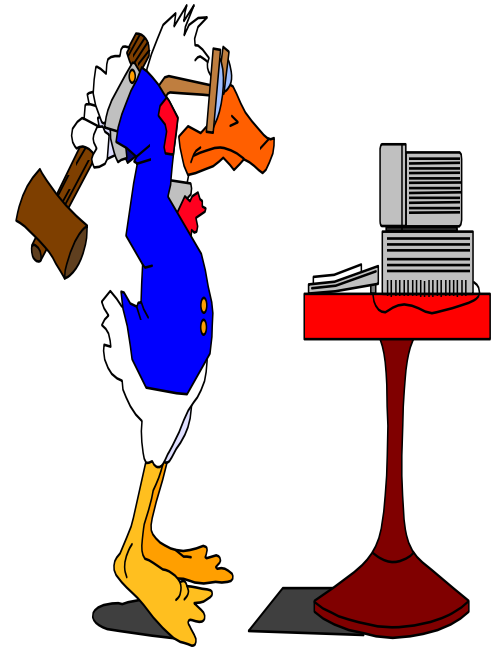
- Approval from Department Head is necessary
- Contact Property Management for ownership information
  - If BU - Decision lies within the department
  - If Federal Government – Call Property Management we will check provisions of award(s) for title before disposal
- Notify Property Management Office
- Never remove ID tag from item!!



# Disposal of Equipment (Continued)

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- Was the item:
  - Scrapped
  - Sold (to who? For how much?)
  - Gift (to who?)
  - Returned to vendor
  - Traded-in (for what? Any value received?)
  - Did you notify The Office of Property Management



# Disposal of Equipment (Continued)

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- Stolen items must be reported to:



- Property Management Office x8083
- Risk Management x3020
- Campus Police x2121

# Purchases and Sales of University Equipment

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- The Moveable Capital Equipment Manual contains guidelines for the sale or transfer of Boston University owned equipment



# Obtaining Access to the Property Management System

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- In GALAXY choose US50 function
  - data trustee must initiate request
  - permits are PMAB, PMAC and PMAJ
  - access is limited by unit dept
  - request goes through the electronic authorization approval process
  - see instructions for process (moveable capital equipment manual)

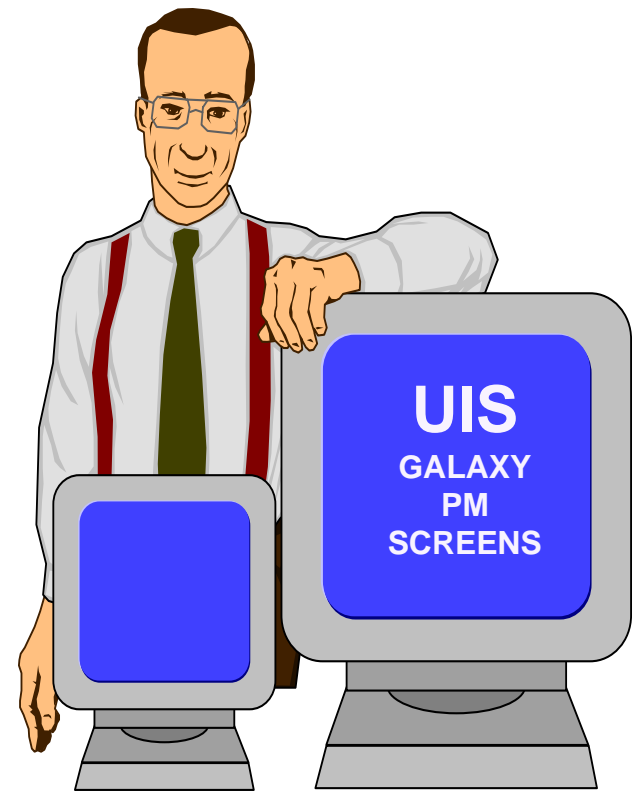


# GALAXY Display Screens

## Permit: PMAB

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- **PM05 BY ID**
- **PM06 BY PO**
- **PM07 BY CUSTODIAN**
- **PM08 BY UNIT DEPT**
- **PM09 BY BLDG-ROOM**
- **PM10 BY STATUS**
- **PM11 BY PROFILE**
- **PM12 BY MANUFACTURER**
- **PM13 ASSOCIATION**
- **PM20 OWNER-LOCATION**
- **PM21 MEMO MESSAGES**
- **PM23 DISPOSITION STATUS**



# GALAXY Display Screens

## Permits: PMAC & PMAJ

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### (PMAC) DISPLAY ASSET TRANSACTIONS

- PM16 DISPLAY TRANSACTIONS BY ASSET
- PM17 DISPLAY TRANSACTIONS BY PO
- PM18 DISPLAY TRANSACTIONS BY STATUS
- PM19 DISPLAY TRANSACTIONS BY REQ

### (PMAJ) PROPERTY EXTRACTS

- PM46 ASSET EXTRACT
- PM47 ASSET TRANSACTION EXTRACT

# Questions & Answers

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