

EQUIPMENT INVENTORIAL OR NON-INVENTORIAL?

University Inventorial Equipment – Equipment for which the University holds title, which is non-expendable, tangible, personal property acquired for \$5,000 or more, and which has a normal life expectancy of more than one year. (BUS-29)

INVENTORIAL EQUIPMENT (VALUE)	NOT INVENTORIAL EQUIPMENT (VALUE)
Unit value ≥ \$5,000.	Unit value < \$5,000 Exception: Extramural award that specifies a lower inventorial equipment threshold (NONE to date).
	<u>Guns</u> Property number assigned, but paid on sub 3.
	<u>Group Capitalizations (i.e., “all the equipment in the lab”)</u> Only allowable at hospitals and medical centers for certain categories of equipment, not at campuses.
<u>Software</u> If not separately priced on the invoice, included as part of the value of the inventorial equipment.	<u>Software</u> If separately priced on the invoice and value < \$5,000, paid on sub 3-8085. If separately priced on the invoice and value ≥ \$5,000, not part of inventorial equipment value – paid on sub 4-9235.
<u>Warranties and Maintenance Agreements</u> If not separately priced on the invoice, included as part of the value of the inventorial equipment.	<u>Warranties and Maintenance Agreements</u> If separately priced on the invoice, not part of inventorial equipment value – paid on sub 3-7260.
<u>Installation</u> If billed by vendor.	<u>Installation</u> Billed by University (Facilities Management, etc.) – Items such as running water or electric lines, structural alterations, etc..

<u>Taxes (sale, excise, use, duty)</u>	
<u>Shipping Costs</u> If the value of equipment, <i>excluding the shipping costs</i> , ≥ \$5,000.	<u>Shipping Costs</u> If value of equipment < \$5,000 (i.e., shipping costs cannot count <i>toward</i> the \$5,000)
<u>Transit Insurance</u> If the value equipment, <i>excluding the transit insurance costs</i> , ≥ \$5,000.	<u>Transit Insurance</u> If the value of the inventorial equipment, excluding the transit insurance costs, < \$5,000.
<u>Furniture</u> Stand-alone items of high-value furniture, such as conference tables, desks, etc. whose unit value ≥ \$5,000.	<u>Furniture</u> Modular / Panel-Supported Furniture and Furniture Systems.
	<u>Infrastructure</u> For example: built-in air conditioners, telephone and telecommunications systems, alarm and monitoring systems.
<u>Add-Ons</u> Order total ≥ \$5,000.	<u>Add-Ons</u> Order total < \$5,000.

The rare exception. Multiple simultaneous orders from different vendors in order to configure one system – for example, an order to Dell for a \$3,000 CPU with a separate order to Viewsonic for \$3,000 for two 25-inch monitors. Orders **MUST** be placed at same time. The monitors cannot be ordered a month later with a request to assign a property number retroactively to the order computer order. Always consult with Equipment Management before making one of these purchases.

The preceding exception does not constitute a fabrication. Per BUS-29, “**A product resulting from simple assembly or connecting of various parts does not qualify as a fabrication.**”

FABRICATIONS

Fabrication – A fabrication is an item of non-expendable, tangible personal property that: (1) has been physically constructed by a University activity; (2) that has a total acquisition cost of \$5,000 or more; (3) that has a normal life expectancy of more than one year; and (4) that is expected to be used by the University upon completion.

There are two “types” of fabrications:

1. (most common) – Multiple purchases of many low value items (some high value items may receive individual property numbers) that are assembled into a highly specialized item of equipment that could not be purchased as is from any vendor. Parts may be custom-made in various machine shops. “Cutting edge research.”
2. (less common) – Single purchase of high value item, with several (at least) low value purchases which will be added to the primary item to allow for special functionality, the end product could not be purchased from any vendor. “Souped-up piece of equipment.”

FABRICATION (VALUE)	NOT FABRICATION (VALUE)
Final value ≥ \$5,000.	Final value < \$5,000. If a fabrication “stalls” short of the \$5,000 threshold, then all expenses need to be transferred back to sub 3, with possible overhead considerations.
All materials, supplies and services from outside vendors and authorized internal recharge activities.	Department labor (i.e., faculty and staff salaries), travel or other operating expenses.
Item fabricated for University use.	Item fabricated for delivery to an outside user (i.e., the Army, JPL, etc.). All expenses charged to sub 3.

Consult with Equipment Management if you have any doubts before beginning a fabrication.