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MOVEABLE EQUIPMENT

PHYSICAL INVENTORY VERIFICATION

MANUAL

CONTENTS

BANNER FIXED ASSET
PHYSICAL INVENTORY VERIFICATION

I. INTRODUCTION

A. The Significance of Physical Inventory

The University of Illinois has a combined moveable equipment inventory of over 85,000 items with a historical cost over $1 billion dollars (2006). As a vital asset of the University, this inventory is controlled through Banner Fixed Asset, which functions as the University's official record of property, plant, and equipment. To comply with State regulations and sound fiscal practice, University policy requires that Fixed Asset records of moveable and controlled equipment be verified biennially. This verification involves comparing items of equipment physically located in each department's facilities with departmental equipment as recorded in Banner Fixed Asset. The verification process is referred to as a "physical inventory."

Physical inventories serve several valuable purposes other than compliance with State requirements, including:

- To ensure that Banner Fixed Asset will be able to perform the various functions assigned to the system. These functions include financial reporting; planning and budgeting; computing indirect costs on sponsored projects.

- To help ensure that Unit Heads are able to fulfill the control and custody responsibilities delegated to them. This includes identifying and locating equipment that "migrates" across departments and facilities without proper updating of Banner Fixed Asset records.

- To ensure compliance with federal requirements that federally owned equipment be adequately controlled. The U. S. government reimburses the University for the use of University-owned equipment not purchased with federal funds and not assigned to an "entity" (or revenue-producing activity such as stores, services, auxiliaries). A use allowance is calculated for each item of equipment and is assigned to federal functions and activities on the basis of the equipment's location code (building/room) and the department to which it is assigned.

- To ensure that unused/unneeded equipment is identified and, when appropriate, made available to other University departments or State agencies.

- As a sound business practice to protect assets and identify/correct overlooked errors.

Without thorough, conscientious physical inventories, the University is unable to accomplish these diverse purposes.

B. Timing of Physical Inventory

The UR FIFA Fixed Asset by Org report is the primary tool used to conduct the department's physical inventory. Departments can access this report in EDDIE. Campus units are notified by email of the appropriate timing of the physical inventory. Approximately one half of the university is scheduled to complete their inventories in even calendar years, the other half in odd years. The **initial fieldwork and Banner Fixed Asset updates** must be completed ***by the end of 3 months***. All items identified as ―**Pending Resolution" must be resolved and updated** in Banner Fixed Asset ***by the end of 6 months***.

C. Data Entry of Inventory Results

Departments are required to enter the results of their inventory to the extent possible using FABweb. Problems, errors, and illegibility in the listing notations are much more likely to be noted and corrected by those who generated the listings. Departments without access to FABweb should request access and sign up for training at
http://www.obfs.uillinois.edu/training/registration/

Alternate methods of entering inventory results may be discussed with University Property Accounting and Reporting (UPAR). Some departments have begun using bar coding technology to conduct certain aspects of their physical inventory. This requires special labels and special scanning equipment. Departments opting to use such a method should discuss their plans with the University Property Accounting and Reporting before implementing them. It is *crucial* to remember that updating equipment locations through bar coding is **only a part** of the entire physical inventory requirement. As discussed later, several additional data elements are required to be reviewed and updated, as well.

II. PHYSICAL VERIFICATION

A. Receipt of Verification Material

Materials needed to physically verify equipment are accessed in EDDIE or distributed to scheduled units. These materials typically include the following:

1) **Inventory Listing Accessed in EDDIE -** Inventory List in Property Number Sequence must be accessed in EDDIE/Corporate Categories/Finance/Fixed Assets/UR FIFA Fixed Asset by Org. Every department must run their own inventory verification list for retention in files and future reference. It includes all items recorded in Banner Fixed Asset for which the unit is responsible, regardless of whether owned by the University or a federal, state, or private agency. This list can be printed as a report or downloaded as an excel file which can be sorted by any desired field. Whatever format is used, print and make notations for updating the Banner Fixed Asset record based on physical examination of the equipment. The inventory list is generated according to the Chart and Responsible Organization codes assigned to equipment in Banner Fixed Asset. Therefore, if a department has chosen to assign more than one organization codes for its inventory, separate listings for each organization code or one combined listing for all organization codes may be printed.

2) **Distributed Materials:**

   a) **Cover letter from Assistant Controller, Accounting, Consulting, Equipment, and Information Management Services**. This letter outlines various aspects of the process that may need special departmental effort and attention.
   b) **Certification letter (*Appendix B*)**. A letter containing a statement that the inventory fieldwork has been completed in accordance with instructions and changes have been entered to Banner Fixed Asset. Upon completion of the physical inventory, this letter must be signed by both the individual responsible for taking the inventory and by the unit's Dean, Director, or Department Head, and submitted to the University Property Accounting and Reporting Office to signify official completion of the physical inventory requirement by the due date as indicated in the cover letter.
   c) **Moveable Equipment Physical Inventory Verification Manual**
   d) **Physical Inventory Check List** *(Appendix C)*
   e) **Works of Art and Historical Treasures/Antiques** *(Appendix H)*
   f) **Contact List Update Form** *(Appendix I)*

B. Requirements of the Examination

When conducting the examination, several aspects of the equipment and the related Banner equipment record must be reviewed; because we rely on various attributes within the system when making various financial computations, we must consider more than simply whether the item is locatable and, if so, where it is located.

These financial computations require that Banner accurately record the location code identifying the building and room where the equipment is housed. Federal guidelines require that overhead charges be based only on equipment in usable condition and actually in current use. By identifying and designating broken, missing, and unused items, we can exclude them from our calculations and avoid inappropriate charges to the federal government. Federal guidelines also require recording various description attributes, and we need to review these as well. Finally, other attributes are not required to be maintained for computational purposes, however, are often essential for departmental control over their equipment. Most departments find it in their best interest to verify the accuracy of these attributes, as well.

The following outline summarizes the various measures that must be taken to assure that computations and reports generated with Banner Fixed Asset data are reliable and accurate.

1) **Identify unlocated items.** When items on the department's inventory listing cannot be located during initial fieldwork, they must be designated "pending resolution" by changing the Condition Code to "P."

2) **Identify unlisted "found" items.** Items located within departmental space that are not on the listing should be initially noted as "found." These "found" items must be subsequently compared to their departmental assignment in the Banner Fixed Asset record and either transferred to your unit or the Location code updated to correct the other unit's Fixed Asset record.

3) **Identify Location code changes.** When an item is listed under the wrong Banner location code, you must update the record to reflect the correct location code identifying both building and room number. Use of room level location codes is required in order to assist the government costing department for calculation of the Facilities and Administrative (F&A) rate.

    NOTE: If the item is physically located off campus

    (a) with a University employee, use location code:
       109995 for Urbana Campus;
       209995 for Chicago Campus;
       409995 for Springfield Campus;

    (b) at a departmental facility, use location code:
       109990 for Urbana Campus;
       209990 for Chicago Campus;
       409990 for Springfield Campus;

    (c) loaned to another institution for any period of time, use location code:
       109990 for Urbana Campus;
       209990 for Chicago Campus;
       409990 for Springfield Campus;
       AND assign the Condition Code to "L."

    See Banner Location Code: http://www.obfs.uillinois.edu/equipment-management/ for other possible off-campus location codes.

4) **Review attributes <u>required</u> for <u>all</u> items.** Certain attributes must be reviewed and validated for all items located, since various financial computations rely heavily on them. Some of these attributes are *constant* and do not fluctuate—once they are correctly assigned, they will never need to be changed. You need to make certain these fields have been completed and contain correct information. Other attribute values will *fluctuate* depending on the status and use of the equipment—these require ongoing monitoring and updating. *Appendix A* **provides possible values for these attributes**. Explanations of required fields follow.

Constant Attributes

a) **Commodity Code** - identifies the *general type* of equipment for which to look. A table assigns generic, written descriptions to a particular five-digit commodity code. This code is assigned to an item when it is first acquired. During physical inventory, make certain the Commodity code *generally* describes each item.

b) **Manufacturer** - name of company that manufactured the equipment. If unknown, enter "N/A"; or, if fabricated on campus, enter "fabricated."

c) **Model Number** - model number/name of equipment as assigned by manufacturer. If unknown or inapplicable because fabricated or the manufacturer did not assign a model, enter "N/A."

d) **Serial Number** - manufacturer's assigned serial number. If fabricated, enter "fabricated"; if inapplicable (such as furniture) enter "N/A."

Fluctuating Attributes

e) **Condition Code** – identifies the item as working and its availability status: a condition code of "U" indicates the item is present in the location assigned and is being used; "N" indicates that the item is present at the location and is not in use and not available for other departments (e.g., storage). See *Appendix A* for other Condition Code values and their description. If the availability/condition status is not reflected by the currently assigned code, the department must alter the code to correctly record its availability/condition status.

f) **Description** – identifies the item: a brief/meaningful description of the asset provided by the department that acquired the item.

g) **Title To Code** – identifies where ultimate custodial title is held. Most are owned by the State of Illinois and assigned a Title To Code of "S." Other owners may include "F" (Federal), "O" (Other Agency), "L" (held on Loan/leased/rented), and "P" (Private, by a staff member).

h) **Location Code –** identifies the physical location (building and room) in which the equipment is located.

i) **Entity Code** - identifies for which type of revenue-generating (self-supporting/auxiliary) activity (if any) the equipment is currently used. The item need not be performing a function that is literally producing a revenue-producing product or service, but may be used in support of such activity. Since equipment may initially be used for revenue-generating activity, but may later be transferred to non-revenue-generating use, this code may become inaccurate as its use changes. Correct assignment of this code is essential for accurate computation of charges to the federal government. To review for accuracy, you may take the following steps:

1. Contact your business office to find out if you have revenue-generating funds (self-supporting/auxiliary activity). If not, no further action is needed. If so,

2. Find out what entity is associated with those revenue-generating funds. This is determined from the Banner Fund rollup hierarchy. Your business office should be able to assist in this determination. If not, you may contact the Self-supporting Funds Accountant in the OBFS University Accounting Services Office. See *Appendix A* for descriptions of the various entity codes. Once funds and entities are determined,

3. Contact the responsible person for administering the operations of each of the revenue-generating activity in the organization to help identify the specific items of equipment directly assigned to each revenue-generating activity. Then,

4. Make sure that all of the revenue-generating equipment listed on your inventory has the correct entity code assigned in the Banner Fixed Asset record. Note whether the code must be added, removed or changed. Use the Entity Code Change Request form to make changes.

5) **Review attributes <u>recommended</u> for all items.**

Although use of the Custodian (the UIN of the individual who has immediate responsibility for the custody, safety and use of the item) is not required, it is invaluable for monitoring equipment inventory. Its use and periodic updating is <u>strongly recommended</u>.

6) **Review equipment maintenance contracts in place**.

Verify that all **active** maintenance contracts **relate to equipment <u>in your possession</u>**, and that maintenance contracts on **disposed equipment** have been **<u>canceled.</u>**

C. Suggestions for Conducting the Physical Search.

Since departments have conducted physical inventories for many years, each will have developed its own methods and procedures that work best for its particular situation. To assure accuracy and efficiency, personnel who examine the equipment and reconcile the record should be selected based on their familiarity with the equipment and its locations. Part-time or temporary help are seldom satisfactory. A great savings in time and money is usually affected by assigning enough permanent staff members to the task so that most or all of the work can be completed in a short time period.

The overall objective is to systematically and thoroughly *examine all facility space* under the department's control in search of departmental equipment. This task is complicated by shared use of space, but through cooperation and communication, these complications can be minimized. Once items are physically located, **they must be compared to the Banner Fixed Asset record, usually using the inventory listing obtained from EDDIE, and the attributes noted in the preceding section must be reviewed and verified--needed changes should be noted on the listings for later data entry.** The approach taken usually depends on the format of the electronic inventory listing chosen and the layout of the physical space.

Some units rely heavily on the Custodian field to identify those using the equipment and responsible for its security. When relying on this field, however, it is crucial to remember that the individuals must know the expectation for equipment control that has been placed on them. This sort of delegation typically works most effectively when established as official departmental policy with the full and explicit support of the unit head. Some guidelines for using forms follow.

Using the Listing.

Since all of an organization's equipment appears on one list, searching for items may resemble a scavenger hunt. The inventory list can be downloaded to excel and sorted according to location code, equipment manager, etc. The first task is to identify some logical, predetermined sequence of examining the space assigned to your department. For example, you could start with the lowest numbered room and work toward the highest numbered room. Within each room, a logical sequence should also be followed to assure that all space is covered. One suggestion is to first examine items lining the walls by starting on one side of the door and progressing around the room until the other side of the door is reached. The items in the center are then examined, also systematically, such as making smaller circles around the room until the center is reached, or starting at one end and moving back and forth, from wall to wall, until the other end is reached. Upon examination of the equipment, the following notations are typically marked on the listing next to the corresponding Banner Fixed Asset record.

- A check mark or some other notation should be made next to those items located.

- Changes in required attributes (see pp. 7-8) should be noted.

- For any item *not located* which has a Condition Code **other** than "P," replace it with "P" (Pending resolution).

Other "tips" include:

- Use consistent notations throughout the process

- Always cross out invalid values

- Write the correct value next to the old, crossed-out value.

- Verify everything for a given piece of equipment once, so you do not have to relocate the equipment to obtain additional information.

Found Items Not on the Listing.

These should be noted (only for items thought to have at least a value of $2,500.00 acquired prior to July 1, 2005 or a value of $500 acquired after July 1, 2005), listing all of the required information: Ptag Number, Commodity Code, Location Code (http://www.obfs.uillinois.edu/equipment-management/), Manufacturer, Model, Serial Number, Custodian, estimated value, Description, and Entity Code (when required). If you later determine that it does not belong to another unit, you may need to add it to your inventory as a non-cash addition using FABweb.

Remember that the Entity and Condition Codes, as well as Manufacturer, Model, and Serial Number fields for these items must be correctly assigned as with any other item. By definition as "found" items, they do not appear on your listing and you cannot compare the items on hand to the Banner Fixed Asset record at the same time you physically examine them. If the item is eventually identified in Banner Fixed Asset, these notations are used to update the related Fixed Asset records.

Label Status of Found Items Not on the Listing.

1. If the item has a _red/white label_ affixed that reads ―Property of State of Illinois/University of Illinois," it cost less than $2,500 when acquired prior to July 1, 2005 or cost less than $500 when acquired after July 1, 2005 and should not be inventoried. Do not add these items as non-cash additions.

2. _Labeled with a numbered tag but not controlled or capitalized._ The dollar limit for inventoried items was decreased to $500 as of July 1, 2005. Therefore, since items valued at less than $2,500 (acquired prior to July 1, 2005) and items valued at less than $500 (acquired after July 1, 2005) are not in Banner Fixed Asset and do not appear on the inventory listing, departments will often enter these items as "found." Doing so will lead to unnecessary and time-consuming follow-up of these items. **If you KNOW at the time of examination that the HISTORICAL COST of the item is less than $2,500 and was acquired before July 1, 2005 or is less than $500 and acquired after July 1, 2005**:

   a. **Do not add as a ―found" item.**
   b. **Affix a red/white non-capitalized/non-controlled inventory label.**

   If in doubt, note the Property Control Tag number and location for follow-up to determine its historical cost and or true ownership.

3. _Unlabeled_. If items are located which have no inventory label of any kind and have an estimated Fair Market Value of $500 or more, make note of the item on the listing, and find out when the item was acquired to see if an inventory label should be obtained. The action taken depends on the circumstances.

   a. If you know that _the item is on the inventory listing_ (through comparing serial numbers or some other means), you should note that it is unlabeled. You should then to request a replacement tag with the correct Ptag number.

   b. If you are _unable to identify the item in_ the Banner Fixed Asset record and the estimated current market value would _exceed $500_, _record the item on your inventory listing unless it was acquired prior to July 1, 2005 when items less than $2,500 were removed_. If it looks as though it is a new acquisition, also make a notation to this effect for future investigation; new acquisitions may still be in the process of being added to Banner Fixed Asset. If it is not a new acquisition, you may later need to submit a ―Non-Cash Addition" request that a number be assigned (or provide the new number if you assign your own) and that the item be added to your inventory using FABweb.

c.   If _unable to identify the item_ in the Banner Fixed Asset record, and the estimated current market value would be _less than $500_, simply _affix a red/white unnumbered inventory label_.

D.   Completing the Initial Physical Verification Phase.

When all facility space has been examined and fieldwork notations have been entered on the inventory list, the notations must be reviewed for legibility, reasonableness, consistency of notations, and completeness, and prepared for data entry. This review normally involves the following processes.

1. ***Make sure all notations are legible***.

2. Compare items identified as unlocatable with the items found on the inventory listing. If any of these items match:

   a) Use the data noted on the inventory list to update the corresponding record, changing the condition code from ─P" to the correct value;

   b) Cross the record off the found equipment note;

   c) If the label was missing, request a replacement label from the University Property Accounting and Reporting office and make certain it gets promptly applied to the equipment after it is received.

3. Confirm the status of loaned items not housed in your departmental facility space. Equipment can be loaned off-campus or to another unit on campus. See also Business and Financial Policies and Procedures Section 12.1. If loaned off campus, make certain:

   a) An executed loan agreement is in place and on file [if not, obtain one immediately];

   b) The correct n0999n Location Code is assigned;

   c) The Condition Code is either ─L" for equipment loaned to other institutions or ─E" for equipment loaned to faculty/staff/students.

   d) The Serial Number field is completed.

   e) The borrower is identified either in Custodian (if a University employee) or Description field (recommended).

   Once the accuracy of this data has been confirmed, the item should be marked as "located" on the inventory listing.

4. Make sure all records on the inventory listing have either a ─located" notation/check mark, _or_ a Pending, condition code ─P.

5. Review all remaining ─Pending" items to see if you wish to conduct further investigation at this time   or enter the item as ─Pending" in Banner Fixed Asset and wait for the ─Resolution" phase of the process. Your decision to pursue further investigate at this point will depend on how quickly you are likely to locate the item. If it is likely to require comprehensive investigation and examination of facility space, it is usually best to wait. If it may be resolved quickly by contacting the custodial person, it is usually best to resolve it immediately.

At this point, you have gathered and processed all your ─field data" and are ready to process it in FABweb.

III. INPUT/REPORT RESULTS OF PHYSICAL VERIFICATION—FABweb

Data updates must be submitted before the initial verification phase is complete.

You are required to use FABweb or another Banner Data entry system to update your Banner Fixed Asset equipment records. Departmental responsibility for their own data entry allows greater flexibility and control over timely and accurate updates to Banner Fixed Asset data throughout the year, as well as for biennial inventory results. You may sign up for FABweb training at the OBFS Training web site: http://www.obfs.uillinois.edu/training/registration/. After you have received this training, additional, assistance in using FABweb may be obtained from the University Property Accounting and Reporting office.

Some bar coding systems enable units to upload **certain parts** of the information gathered during physical verification. Most current bar coding systems on campus are not yet designed to accommodate **all** requirements of the physical inventory process, such as verifying the accuracy of all required fields.

Before entering data, the listing and forms must be prepared for data entry. This primarily involves identifying which mechanisms are needed to update which records. Updates to fields not included on FABweb screens will always have to be submitted separately for processing by the University Property Accounting and Reporting office. Other electronic forms located at the following web address may be used to submit updates include:
http://www.obfs.uillinois.edu/forms/equipment_management_surplus_forms/

- **Interdepartmental Transfers of Equipment**. Transfer equipment custody to/from other campus units.

- **Request for Disposal of Equipment as Scrap or Surplus**. Request disposals, or explain other kinds of needed adjustments.

It will usually save data entry time and avoid oversights if you initially identify which updates require use of which forms and note that on your listing. Most items on your verification listing will require use of FABweb ―Update an existing Ptag‖ or Excel Scrap/Surplus updates; items identified as ―found‖ will also require FABweb ―Non-Cash Addition‖ or Excel interdepartmental transfer updates. There may be exceptions to this generalization, however.

A. FABweb Data Entry.

Fields to be updated using FABweb should be noted as such on your listings for easier data entry. They include:

1. In-service Date.

2. Manufacturer's Name (required for items with cost of $5,000 or more).

3. Model Number (required for items with cost of $5,000 or more).

4. Serial Number (required for items with cost of $5,000 or more).

5. Part Number Vehicle Tag – i.e., Vehicle Fleet number

6. External Cross Reference Number – Ptag number of traded-in items

7. Custodian (UIN of the person responsible for the item).

8. Description.

9. Equipment Manager (can only be someone who has a UIN)

10. Condition Code

11. Location Code

Since other documentation currently exists regarding the FABweb, this manual provides only a brief outline. You may learn more details about FABweb by consulting the Office of Business and Financial Services FABweb Training Guide. Users may sign up for a training session by clicking on the Training Center at: http://www.obfs.uillinois.edu/training/registration/

When first entering it, FABweb will take you to the sign-on screen. This screen only requires that you submit a request for authorization by completing the form
To access FABweb: https://fabweb.uillinois.edu/

Once updates to existing assets have been submitted, you should verify that the records reflect all of the correct data by viewing the Ptag record using Banner form FFIMAST. Any updates that have not been made should be submitted again. If the record does not reflect updated information, contact Juana Rodriguez at (312) 996-7321 or juana@uillinois.edu or Janet Ayers at 312-996-2858 or jayers2@uilinois.edu.

B. Transfers to Other Organization Codes [Interdepartmental Transfer of Equipment].

Whenever an item must be transferred to an organizational unit for which they are not authorized in, the unit must complete an Interdepartmental Transfer of Equipment form and submit it to the OBFS UAFR Property Acct & Reporting mailbox: obfsuafrproperty@uillinois.edu. Follow the directions on the form: *the transferring department completes the first part emails the form to the receiving department who completes the form and forwards it to the OBFS UAFR Property Acct & Reporting mailbox for processing*. Also, if the equipment will be **used** in a revenue-producing fund (3nnnnn) activity, be sure to enter the Fund Code and the Entity Code.

C. Adding New Equipment Records [Non-Cash Additions].

The addition of records for equipment not purchased with cash payments requires completion of the FABweb Non-Cash Addition screen.

If you locate an item to be added to Banner Fixed Asset that you know was *received as a gift*, you must process a Report of Gift Received form as well, provided that has not already been done, and the ―gift" line must be checked in the Acquisition Method box. Instructions for reporting gifts of equipment, or ―Gifts in kind," may be accessed from the gift section (11.3) of *Business and Financial Policies and Procedures*: http://www.obfs.uillinois.edu/cms/one.aspx?portalId=909965&pageId=913713

Otherwise, if the origin of the found item was *unknown*, you only need to check the ―Found" line in FABweb and submit it.

After the Property Accounting and Reporting office has used this information to enter the new record, make certain all other required fields are updated.

D. Other Changes and Updates

All other changes and corrections must be submitted to the University Property Accounting and Reporting for data entry. This is done by sending an e-mail to Juana Rodriguez, juana@uillinois.edu. Examples of the kinds of changes that might be submitted include:

1. Commodity Code/Description.

2. Funding line change/change in value.

3. Acquisition Method.

4. Acquisition Date.

5. Purchase Order Number.

6. Voucher Number.

7. Vendor.

8. Requests for replacement tags.

E. Completing the Initial Verification/Update Phase

Once FABweb updates have been submitted to Banner and all necessary paper forms have been prepared, this phase of the physical inventory is finalized by submitting the Certification Letter [*Appendix B*, page 21]. This involves:

1. Signing the Certification Letter on the appropriate line;

2. Obtaining the signature of your Unit Head (or delegate) on the appropriate line;

3. Mailing/delivering it to the University Property Accounting and Reporting office.

You do *not* need to submit your Verification Listing to University Property Accounting and Reporting.

Because the external audits have found that the University failed to complete its inventory on a timely basis, you must…

<div align="center">

Submit the Certification Letter no later than its stated due date!!

</div>

Units that fail to do so will be ***referred to the appropriate Vice President, Vice Chancellor, or Provost*** for follow-up.

Audits have also found that unlocated equipment was not being resolved on a timely basis. Therefore…

<div align="center">

All "pending" records (with "P" availability code) must be resolved no later than your stated due date.

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The following section addresses this final phase of the physical inventory process.

IV. FOLLOW-UP/RESOLVE ―PENDING" RECORDS

A. Follow Up On Requested Updates.

After you post your FABweb updates and submit requests for UPAR to process, make sure you verify that they have been correctly processed into Banner Fixed Asset as intended. This requires looking records up using Banner Fixed Asset inquiry form, FFIMAST. If your corrections/updates fail to appear within a day of submitting them contact Juana Rodriguez at (312)996-7321 or juana@uillinois.edu or Janet Ayers at (312)996-2858 or jayers2@uillinois.edu to determine their status. You may also want to contact Jeffery Weaver at (217)244-7978 or jweaver2@uillinois.edu.

B. Resolve Pending Items.

After three months, you will receive a report listing all items assigned to your unit with availability code ―P". Additional search/follow-up efforts must be taken to either locate or determine the disposition of these items, and report the discovered status in Banner Fixed Asset.

If the item is located, all required attributes must be updated, and the Condition Code must be changed from ―P" to its appropriate value (see ***Appendix A***).

If the item is *not located after concerted search*, it may be removed from the Fixed Asset record. To remove equipment, you must submit a ―Request to Dispose of Equipment as Scrap or Surplus" form. The form must include the names and phone numbers of both the preparers and the approvers. An email copy must also be sent to the Unit Head. The request must include:

- Listing of all items to be written off,

- Statement that a thorough search was conducted,

- Cites the most probable reason for its absence in the Comments section, using a valid disposal explanation (see below).

  Simply citing reasons of "LOST" or "MISSING" are ***NOT ACCEPTABLE*** as reasons for removal. Instead, the most likely, logical approved reason for the equipment's absence must be selected from the following list and accompanying documentation (when cited in the list) must be provided:

  Scrap - **attach** copy of property inspector's report
  Scrapped without authorization - discarded without required inspection by property inspector -   must have department head approval for disposal.
  Casualty loss - destroyed by fire, flood, accident, etc.
  Returned for credit - **attach** copy of credit document from vendor
  Trade-in - attach copy of purchase order for new acquisition
  Transfer with researcher - **attach** copy of transfer authorization
  Transfer - Transferred to state, federal, or academic institution other than with researcher **attach** copy of transfer authorization
  Stolen - **attach** copy of police report
  Demolished - destroyed when building housing it was demolished
  Inventoried twice - **provide evidence** that two PAS numbers reflect the same item
  Part of another Asset - provide information on the property control number to which it should be added
  Sale - **provide evidence** of University (not just unit) **approved** sale

All "pending" items must be resolved by the date stated in the Certification Letter. Units that fail to do so will be referred to the appropriate Vice President, Vice Chancellor, or Provost for follow-up.

You may obtain updated listings of your total equipment inventory or only those items assigned a "P" condition code at any point by using the EDDIE reports UR FIFA Fixed Assets by Org or UR FIFA Fixed Asset Pending List or contacting Janet Ayers at (312)996-2858 or jayers2@uillinois.edu.

APPENDIX A: DICTIONARY OF FIELDS USED ON REPORTS

COMMODITY CODE

[Assigned when record is created; update using email requests]

Standardized five-digit code that identifies the general type of asset reflected by a given Ptag number/Banner Fixed Asset record. Each code is directly tied to a specific commodity code description. The first three digits signify broad groupings of equipment; full five-digit codes (without last digits of 00) should be assigned.

For specific values of five-digit codes, see the following web site and select **Commodity Codes (Detail)** in the Helpful Links section:
http://www.obfs.uillinois.edu/equipment-management/

CONDITION CODE

[Update using FABweb]

A = Working Available to Other Departments
B = Working available on site only
E = Working Loaned to faculty, staff or students
L = Working Loaned to other University
N = Working Not in use/Not available
P = Working Pending resolution
S = Working Surplus-Internal Transfer
U = Working In Use/Unavailable for transfer

COST

Historical cost of acquisition or fair market value at time of donation or found.
To request an adjustment contact Janet Ayers at (312) 996-2858 or jayers2@uillinois.edu

DESCRIPTION

[Assigned when record created; update using FABweb—Update an existing asset]

Written description of the equipment item. At creation, the default is assigned from a standardized table and associated with a specific Commodity Code. User-defined descriptions may be inserted to replace the standardized description.

DISPOSAL CODE

[Assigned only by the University Property Accounting and Reporting; submit requests on ―Request Disposal of Equipment as Scrap or Surplus" email form]

Signifies the reason for deactivating a Banner Fixed Asset record.

A - Traded in
B - Inventoried in error
C - Casualty loss
D - Miscellaneous disposal

E - Error correction
F - Part of another asset
G - Returned to vendor for credit
H - State Surplus
K - Cannibalized
M - Demolished
N - Stolen
P - Transferred with researcher
R - Scrapped
S - Sale
T - Transfer out
Y - Change

ENTITY CODE

Used to identify/distinguish the various revenue-generating activities. Each item of equipment currently associated with such activity must have this code assigned.

Valid Entity Codes crosswalk to the Fund Code hierarchy level 3 code:

Blank or 00 – non-revenue-generating activity

Storerooms and Service Departments

29 – UI2 COP Funding
30 – Communication and Computing Services – Level 3 Fund Code 3100
31 – Plant and Service Operations – Level 3 Fund Code 3110

Auxiliary Enterprises Not Under Indenture

40 – Student/Staff Programs and Services – Level 3 Fund Code 3200

Auxiliary Enterprises Under Indenture

50 – Campus Life - Housing and Food Service – Level 3 Fund Code 3300
51 – Campus Life - Student Activity Facilities – Level 3 Fund Code 3310
52 – Campus Life - Parking – Level 3 Fund Code 3320

Activities

60 – Instructional Course Activities – Level 3 Fund Code 3400
61 – Professional Development Activities – Level 3 Fund Code 3410
62 – Unique Instructional Programs – Level 3 Fund Code 3420
63 – Agricultural Operations – Level 3 Fund Code 3430
64 – Commercial Operations – Not Under Indenture – Level 3 Fund Code 3600
65 – Commercial Operations – Under Indenture – Level 3 Fund Code 3610
66 – Hospital and Clinics – Level 3 Fund Code 3500
67 – Public Service and Academic Support Activities – Level 3 Fund Code 3440
68 – Intercollegiate Athletics – Level 3 Fund Code 3450

IN-SERVICE DATE

[Create/update using FABweb]

Date department places equipment in service.

PTAG PREFIX

[Assigned when record created; submit transfer request on Interdepartmental Transfer of Equipment Excel form]

First digit identifies the asset as a legacy record converted from UFAS-PAS (L=Primary record or S=Component record) or an asset entered directly into the Banner record (P).

Second and third digits identify the campus with custodial responsibility for the asset as follows

    10 - Urbana/Central Administration
    20 - Chicago - Health Sciences
    22 - Chicago - Health Sciences DSCC - Springfield
    24 - Chicago - Health Sciences - Peoria
    26 - Chicago - Health Sciences - Rockford
    30 - Chicago - University Center
    40 - Springfield

Last six digits represent the specific Property Control Number (physical tag) assigned to the item.

LOCATION CODE

[Assigned when record is created; update using FABweb (or Interdepartmental Transfer Request Excel form if also transferring to another unit's Organization Code)]

Location Code Hierarchy Level 2 identifies the building in which the equipment is reportedly housed.

Location Code Hierarchy Level 3 identifies the room within the building: assignment of Level 3 codes is **required** to help calculation of the Facilities & Administrative (F&A) rate.

Location Codes, http://www.obfs.uillinois.edu/equipment-management/

In addition, off-campus location codes include:

    1Z000   UIC Buildings – Other
    109990   5150 00000000 Off-Site Location
    109995   5200 00000000 Off-Site Employee
    2Z000   UIC Buildings – Other
    209990   5150 00000000 Off-Site Location
    209995   5200 00000000 Off-Site Employee
    4Z000   UIS Buildings – Other
    409990   5150 0000000 Off-Site Location
    409995   5200 0000000 Off-Site Location

MANUFACTURE DATE

[Create/update using FABweb]

Date manufactured.

MANUFACTURER NAME

[Update using FABweb]

Company that produced the item.

PRIMARY PTAG/BARCODE NUMBER

[Create/Update using FABweb]

Ptag number of the parent record used to link parent and children records together. Primary Ptag number is used when both parent and children are capitalized. Barcode number is the field used when one or both parent and children records are non-capitalized.

MODEL NUMBER

[Update using FABweb]

Model number assigned by manufacturer. Use NA when no model number exists.

ORGANIZATION CODE

[Assigned when record created; update using Interdepartmental Transfer of Equipment]

Responsible Organization Code to which the equipment custody has been assigned.

TITLE-TO CODE

[Assigned when record created; update by sending an email to Juana Rodriguez, juana@uillinois.edu.]

Identifies who holds title to (owns) the equipment.

> E = Endowment Farms
> F = Federally owned
> L = Operating Lease/Rented/Loaned
> O = Other Sponsor Titled
> P = Privately Owned - to follow staff member
> S = State Titled

CUSTODIAN

[Update using FABweb]

UIN of the individual assigned with responsibility for the equipment; the associated name also appears in the Banner record

SERIAL NUMBER

[Update using FABweb]

Serial number assigned to item. If no serial number, enter ―N/A"; if fabricated, enter ―Fabricated."

SOURCE ACCOUNT

[Assigned when record created; may not be updated]

The Banner CFOAPAL used to make the initial payment to acquire the equipment. Required to create the record. The funding source may be transferred by processing a Journal Voucher, and this will also appear in the Banner record; however, the CFOAPAL assigned as the initial ―funding source" may not be changed.

APPENDIX B: CERTIFICATION LETTER

TO: University Property Accounting and Reporting
               809 S. Marshfield Avenue, Room 420 - Chicago, IL 60612
               MC-548
               Attn: Juana Rodriguez 312-413-9487 (fax) juana@uillinois.edu]

FROM: Organization Chart: _____ Organization Code _____

              Organization Name: _____

SUBJECT: Biennial Physical Inventory
              Section 12.5 **Business and Financial Policies and Procedures**

In fulfillment of our unit's biennial physical inventory requirement, we have performed the following:

❑ We have reviewed the UR FIFA Fixed Asset by Org report and have retained a copy for our records.

❑ We have completed the physical inventory in accordance with instructions provided in the Moveable Equipment Physical Inventory Verification manual, including the reviews of attributes described in Section II.B, noting any discrepancies among these attributes.

❑ We have updated the Banner Fixed Asset record to correct discrepancies noted. For updates not available through FABweb, we have submitted the appropriate documents to initiate their execution in the Banner Fixed Asset record.

❑ We have verified that all off-campus items are identified as such with proper location and condition codes and, where applicable, that loan agreements are on file.

❑ We assure that any equipment not locatable at the close of our initial search has been assigned a "P" condition code (pending resolution); these will be resolved and Banner Fixed Asset will be updated no later than _____ (six months from the date physical inventory is initiated).

The record was examined by:

Printed Name _____ Signature: _____
_____

Approved by Department Head:

_____ Date: _____
_____

This certification must be completed and returned by _____ (**three** months from the date the physical inventory is initiated).

APPENDIX C: **PHYSICAL INVENTORY CHECK LIST**

1. Run the Inventory Listing in EDDIE-Corporate Categories-Finance-Fixed Assets-UR FIFA Fixed Assets by Org. To access the EDDIE system, go to https://eddie.ds.uillinois.edu.

2. Take a physical inventory of equipment that is contained in all the buildings and rooms assigned to your unit and/or used by your unit faculty/staff/students.

    a. Use a distinctive mark to indicate every item located.

    b. Make notes for any data that needs to be added or corrected in the Banner FA record.

    c. Items that cannot be found after a diligent search should be noted to change the Condition Code to ‑P" for Pending Resolution.

    d. For items found and that are not on your Physical Inventory List, record all of the required information for update/non-cash addition/transfer.

    e. Compare missing items to your list of found items and loaned items to see if any match.

    f. Check found items to see if they were acquired/added to inventory after you ran the EDDIE report.

    g. Review your Physical Inventory List notations for legibility, reasonableness, consistency, and completeness.

3. Enter the updates (including the Non Cash Additions) to FABweb and submit Interdepartmental Transfer of Equipment and Scrap/Disposal forms where necessary to OBFS UAFR Property Acct and Reporting mailbox.

4. Sign and have Unit Head sign the Certification Letter and submit **NO LATER THAN** _____ **(**three months after the Physical Inventory is initiated**)** to University Property Accounting and Reporting Office, 809 S. Marshfield Ave. Room 420, Chicago, IL 60612 MC-548.

5. Follow up and resolve Pending items (not located).

    a. Continue to search for items checking with the responsible person inquiring about disposal, trade-in, loaned to another university faculty/staff/student and record updates to your list.

    b. If possible obtain a written statement from anyone who has knowledge of unauthorized disposal of an item.

    c. After substantial search and follow-up efforts fail to locate the item, request it be written off.

    d. Beginning May 1st University Property Accounting and Reporting will send a listing of all your Pending Items and will refresh that list each month until they are all resolved **NO LATER THAN** _____(six months after the Physical Inventory is initiated).

6. Anytime that you have questions about the Physical Inventory process, data entry, forms, and/or policy, you may contact: Juana Rodriguez at 312-996-7321 or juana@uillinois.edu or Janet Ayers at 312-996-2858 or jayers2@uillinois.edu.

APPENDIX D: WHAT IS AND IS NOT EQUIPMENT INVENTORY

A. What is Inventory Equipment?

   1. Type
- a. Office Furniture
- b. Scientific Equipment
- c. Household
- d. Machinery/Tools
- e. Data Processing
- f. Vehicles
- g. Educational
- h. Other

   1. Useful Life of 1 Year or More

   2. Dollar Value of $500 or More

   3. Exceptions to the dollar value threshold

- a. Weapons
- b. Antiques
- c. Federally Owned

B. What is Not Inventoried Equipment?

   1. Type
- a. Batteries
- b. Replacement Parts
- c. Glass
- d. Supplies
- e. Software under $100,000

   1. No Measurable Useful Life or < 1 year

   2. Consumable

   3. Dollar Value Under $500

A. Special Inventoried Acquisitions

   1. Parts – Enhancements over $500
   2. Components over $500
   3. Fabricated Equipment
   4. Capital Lease [Lease Purchase]
   5. Gifts/Donations
   6. Non Dollar Purchase (new)
   7. Transfers from another Institution of Higher Education with Researcher

APPENDIX E: EQUIPMENT ACCOUNT CODES

Inventoriable – Assign/Affix Numbered Bar Code Tag

127000	Not Capital Equipment 500-2499
127010	NC Office Furnishgs/Equip 500-2499
127020	NC Automobiles 500-2499
127030	NC Other Vehicles 500-2499
127040	NC Household Equipment 500-2499
127050	NC Machinery 500-2499
127060	NC Sci/Lab Equipment 500-2499
127070	NC Med/Hosp Equipment 500-2499
127080	NC Educational Equipment 500-2499
127090	NC IT Equipment 500-2499
127100	NC Communication Equipment 500-2499
127101	NC Data Comm Equipment 500-2499
127102	NC Telephone Comm Equipmnt 500-2499
127103	NC Radio Comm Equipment 500-2499
127109	NC Other Comm Equipment 500-2499
127120	NC Livestock 500-2499
127130	NC Non-Library Books 500-2499
127140	NC Other Equipment 500-2499
127190	NC Equip-Progressive/Partial Paymts

161000	Not Capital Controlled Eq 2500-4999
161010	NC Office Furnishgs/Equip 2500-4999
161020	NC Automobiles 2500-4999
161030	NC Other Vehicles 2500-4999
161040	NC Household Equipment 2500-4999
161050	NC Machinery 2500-4999
161060	NC Sci/Lab Equipment 2500-4999
161070	NC Med/Hospital Equipment 2500-4999
161080	NC Educational Equipment 2500-4999
161090	NC IT Equipment 2500-4999
161100	NC Communication Equip 2500-4999
161101	NC Data Comm Equip 2500-4999
161102	NC Telephone Comm Equip 2500-4999
161103	NC Radio Comm Equip 2500-4999
161109	NC Other Comm Equip 2500-4999
161120	NC IT Equipment 2500-4999 OLD
161125	NC Livestock 2500-4999
161130	NC Non-Library Books 2500-4999
161140	NC Other Equipment 2500-4999
161999	NC Contrl Eq 2500-4999 FA Clearing
162000	Not Capital/Special Controlled<5000
162100	NC Artwork <5000
162200	NC Antiques/Historic Treas <5000
162300	NC Firearms <5000
163000	Capitalized Equipment >4999
163010	Cap Office Furnishgs/Equip >4999
163020	Cap Automobiles >4999
163030	Cap Other Vehicles >4999
163040	Cap Household Equipment >4999
163050	Cap Machinery >4999
163060	Cap Sci/Lab Equipment >4999
163070	Cap Med/Hosp Equipment >4999
163080	Cap Educational Equipment >4999
163090	Cap IT Equipment >4999

163100	Cap Communication Equip >4999
163101	Cap Data Comm Equip >4999
163102	Cap Telephone Comm Equip >4999
163103	Cap Radio Comm Equip >4999
163109	Cap Other Comm Equip >4999
163120	Cap Livestock >4999
163130	Cap Non-Library Books >4999
163140	Cap Other Equipment >4999
163999	Cap Equip >4999 FA Clearing
164000	Capitalized Special >4999
164100	Cap Artwork >4999
164200	Cap Antique/Historic Treas >4999
168000	Not Capitalized Software
168100	NC Administrative Software <100000
168200	NC Research Software
168500	Capitalized Software
168600	Cap Administrative Software >99999
168998	Admin Software >99999 FA Create
168999	Admin Software >99999 FA Clearing

Non-Inventoriable – Red or Silver Tag

126000	Not Capital Equipment 100-499
126010	NC Office Furnishgs/Equip 100-499
126020	NC Automobiles 100-499
126030	NC Other Vehicles 100-499
126040	NC Household Equipment 100-499
126050	NC Machinery 100-499
126060	NC Sci/Lab Equipment 100-499
126070	NC Med/Hosp Equipment 100-499
126080	NC Educational Equipment 100-499
126090	NC IT Equipment 100-499
126100	NC Communication Equipment 100-499
126101	NC Data Comm Equipment 100-499
126102	NC Telephone Comm Equipment 100-499
126103	NC Radio Comm Equipment 100-499
126109	NC Other Comm Equipment 100-499
126120	NC Livestock 100-499
126130	NC Non-Library Books 100-499
126140	NC Other Equipment 100-499

Fabricated Equipment: No Tag required for Fabricated Equipment in Process until the equipment has been placed into service. When equipment is placed into service notify UPAR by completing the Non-Cash Addition form in FABweb.

128000	Fabricated Equipment in Process
128100	Fabricated Equipment in Process
through	
128129	Fabricated Equipment in Process

OBFS HOMEPAGE

http://www.obfs.uillinois.edu/

Click on **Forms** then **Equipment Management & Surplus Forms**
to access:

Interdepartmental Transfer form
Request to Dispose of Equipment as Scrap or Surplus form

Under "**Log in to**" Click:
BANNER
EDDIE
FABweb

Click on **OBFS Policies and Procedures Manual** to access:

Section 12: Property Accounting
Section 19.9: Elimination of Data from Computers
Prior to Disposal or Transfer

Click on **Equipment Management** to access:
Location Codes
Commodity Codes
Banner Account Codes
Policy Manual: Section 12 Property Accounting
Equipment Management Information

Direct Links

EQUIPMENT MANAGEMENT
http://www.obfs.uillinois.edu/equipment-management/

FABWEB
https://fabweb.uillinois.edu/

SOFTWARE AND SCRUBBING LABELS
UIC: http://www.uic.edu/depts/accc/policies/disk_scrubbing.html#4
UIUC/UIS: http://www.cites.uiuc.edu/security/diskscrub/index.html

Request to Dispose of Equipment as Scrap or Surplus
http://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=917928

Interdepartmental Transfer of Equipment
http://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=918059

Property Accounting Contact Change Form
http://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=928199

Before you view reports in **EDDIE**, it is recommended that you set up **EDDIE** to open the reports in PDF format (**Adobe Acrobat**).

1) Go to: https://eddie.ds.uillinois.edu
2) Click the **Log In to EDDIE** button.
3) Type your **User Name**. This is your Net ID, for example: *jsmith*.
4) Type your **Password**, and then click the **Log On** button.
   For new **EDDIE** users:
   a. Type your default password that will be your User Name backwards plus a ―3‖ at the end, for example: *htimsj3*.
   b. Click the **OK** button.
   c. Type your default password again, for example *htimsj3*.
   d. Type a **New Password**.
   e. Confirm your new password.
5) Click the **Preferences** button on the upper right side of the screen.
6) Click the **Desktop Intelligence** tab.
7) Select **PortableDocumentFormat** (**Adobe Reader** required).
8) Click the **Apply** button.
9) Click **Home** in the upper left of the screen in the navigation panel.

> **NOTE**: When you login to access **EDDIE**, the first page you enter is the Business Objects **InfoView** home page. From this page you view, print, refresh, and save reports. You may also modify your preferences, create new documents, check your Inbox, open a document from a list of Personal Categories or Corporate Categories, search for a document, send documents to other **InfoView** users, and log out.

10) Click the plus sign next to **Corporate Categories** to expand it.

11) Click the plus sign next to **Finance** to expand it.

12) Click **Fixed Assets**.

13) Click **UR_FIFA_Fixed_Asset_By_Org.**

14) Click the **Refresh Data** button in the upper right corner of your screen to select or enter report parameters.

    NOTE: It may take a few minutes for the parameter box to appear.

15) Select or enter **ALL** parameters before executing the query.

    a. The first prompt is already selected. Type a Chart or select the appropriate Chart and click the Add button.
    b. Click 3 digit codes. If querying by a three-digit **Organization** code, enter it followed immediately by a percent sign (%). If you are querying by six-digit Organization code, enter a space.
    c. Click Org. If querying by a six-digit **Organization** code, enter it, or select it from the list of values, and click the Add button. To query multiple six-digit organization codes; enter each code separated by a semicolon (;) with no spaces.   If you are querying by three-digit organization code, enter a space and click the Add button.

16) Click the **Run Query** button.

17) Once the report appears, you may print or save the report.

     a. To print the report, click the ***Adobe Acrobat* Print** button on the toolbar (NOT the Internet Explorer browser Print button). Then click the **OK** button on the pop-up print screen. To print only the print view, select the print range

     b. To save the report, click the **View in HTML format** button. Then click the Document button and select the Save to my computer as option, then select Excel. In the File Download dialog box, click the Save button and choose the location to save the report.

Appendix H: Works of Art and Historic Treasures/Antiques

What do we mean by "Works of Art and Historic Treasures/Antiques"?

These consist of tangible objects held and considered valuable primarily for their cultural and social significance and meaning, rather than their functional, operational, or economic value. Often they are unique and irreplaceable. They are not normally considered ―productive" assets; in other words, they are not ―consumed" or used up through handling and operation to generate a particular product or service. As objects with social and cultural significance, they are essentially held ―in trust" for society.

They include items held because of their aesthetic nature as original artistic impressions (works of art) or their association with historical events, accomplishments, persons, cultures, or eras (historical treasures).

Historic treasures might include furnishings or scientific apparatus that were associated with noteworthy historic events or persons involved in historic noteworthy events (such as research apparatus used by a faculty member who achieved national recognition for her work). This could include archival materials that have special historical or scientific associations. It could also simply be a unique piece of furniture that represents a prior era and cannot be easily replaced.

In addition, any object older than 40 years and possessing special historical value or having special cultural, scientific, or other interest qualifies as an ―antique" for State of Illinois purposes, and is subject to special control and disposition regulations.

Because their ultimate value comes from their associations and social/cultural significance, any supplemental information about the origin, use, prior ownership, etc. of these objects should always be retained in connection with them. The more such information has been retained, the greater the value of the object; loss of such information diminishes its value.

Whenever a potential unreported work of art or historic treasure/antique is identified—whether during physical inventory or otherwise—you should notify your OBFS Property Accounting and Reporting contact.

If you want information about how to care for these objects—to preserve them and prevent their deterioration and decay—the Asset Preservation Sub-Committee of the Cultural Engagement Council can provide assistance and expertise. For more information see
http://www.oc.uiuc.edu/engagement/arts_and_cultural/preservation/

To: Juana Rodriguez
       University Property Accounting & Reporting
       juana@uillinois.edu
       Fax: 312-413-9487

In order to maintain current contact listings, please provide the following information. Please Print:

Campus: _____   Organization Code: _____

Department Name _____

Department Head _____

E-mail Address _____

Room _____ Building _____ Mail Code _____

Phone Number _____

Inventory Contact: _____

E-mail Address _____

Room _____ Building _____ Mail Code _____

Phone Number _____

Should there be any additional changes during the year, please fax or email updates to Juana Rodriguez at the address located above.

Thank you for your cooperation.