

NOTES FROM RESEARCH ADMINISTRATORS – POST AWARD MEETING, JUNE 6, 2012

INTRODUCTION

Sandra: Welcome

Carmen is retiring! Good luck and many good wishes!

RSSP UPDATE

Dr. Brewer: Working on RazorGrant, rolling out gradually to campus starting with Chemical Engineering

Continuing contract with Hanover Grants; remember that this service is already paid for and should be utilized by the faculty

New Grant Specialists: Renee Vendetti and Noel Sharif

EQUIPMENT POLICY REVISION

Learn about changes to the equipment policies and what they mean for the campus community, including how indirect costs are affected. Also, hear a refresher on various procedures for equipment inventory and disposal.

Presenters:

- Michael W. White, Assistant Controller
- Janice Harrison, Project/Program Specialist

PRESENTATION NOTES

Changes coming in official equipment policies on campus; final policies will be released shortly. Drafts are on the property accounting website (<http://finance.uark.edu/property.asp>). Fayetteville Policy and Procedures Drafts are towards the bottom of the screen.

The state has increased the capitalization threshold from \$2,500 to \$5,000. For reporting purposes only (financial reports), equipment that is between \$2,500 to \$4,999.99 must be accounted for as it always has been. From a practical standpoint, nothing is changing; items \$2,500 and above will still be red tagged and tracked in AIMS.

In the past, departments have been able to track items that have not made the capitalization threshold in AIMS via the blue tags as departmental assets. The state has now created a category for items that are considered subject to pilferage – Low Value High Risk Equipment – and are under

\$2,500 must also be recorded. The University is currently formulating the exact policy as to what items under \$500 will need to be accounted.

Items that departments are currently tracking via spreadsheets can be uploaded into AIMS; talk to Property Accounting for help with this!

There will be some impact on the indirect rates because of these changes but it is not anticipated that the depreciation will not be great going forward.

During the transition period, there will need to be a plan for capitalized and non-capitalized equipment. It will also affect account numbers and BASIS transactions. It is likely that 805's will be split into 805's and 851's. There may need to be a low-value category in BASIS; this will be considered.

The new policy will not affect the equipment loss depreciation and penalties.

Are there penalties when equipment lost under \$2,500? That is a gray area; items should not be lost but at this point the penalties are not being assessed. Remember, however, the items that are tracked must be located during audits.

Does the telephone office track cell phones? The service is tracked.

Will items that are tracked on the blue tags need to be inventoried with the scanners? Yes.

Entering items into AIMS will also help when it comes time to surplus.

AIMS now has a new field for Export Control; those items that have restrictions as far as access or surplus is concerned can be identified. Items that have an export control number associated with it cannot be surplus in the normal manner.

Will items that the agency will take back at the end of the project need to be tracked? Yes and the export control field can also be used for this. Currently these items are red tagged.

How far back will a department need to go through historical items to tag them? As far back as possible; please keep in mind that this is a good time to "clean house". If the concern is that an item is not being used and may need to be tagged, it may be time to surplus the item.

The new policies will be in effect as of July 1st; the actual release date is still up in the air.

What about areas that are "black holes"? Those programs that do not have their own budgetary units should talk to Property Accounting; the parent unit may wish to create a new budgetary unit or assign the items to the parent unit.

How are penalties calculated? The policy is in 313.4; please see the policy as the explanation moved faster than I could type.

Will Low Value High Risk Equipment need to be tracked in AIMS? Yes, and you can get the blue tags by contacting Property Accounting.

What is the time period for this tagging? There is no current timeline but it is encouraged that people start tracking this equipment as soon as possible, starting with the high value items first, to get a start on this process.

Under \$500, right now it is expected that cellphones, tablets, and weapons will need to be tagged, correct? Yes.

When old items are entered into AIMS and the purchase price is no longer known, should the field be left blank or estimated? Either is acceptable.

Will old computers ever depreciate enough that there is no value for the penalty to be assessed upon? No.

When surplus items that have a tag, enter the tag number into AIMS. If the item does not have a tag (maybe if fell off), include the CORRECT serial number. It will help properly account for the item should it later be listed as missing. Janice views all surplus requests and checks non-tagged items to see if the items may have had a tag.

E-mail janiceh@uark.edu to join the Property Accounting listserv.

Remember, there will be a training session next Wednesday covering not only these policies but also functionality in AIMS and WebBasis. This is the last training session of the fiscal year. Training sessions are held at least annually. Also, anyone who wants training can have one-on-one training sessions with Property Accounting or with Donna Carter in BASIS.