Financial Internal Controls Initiative
Capital Equipment Training

Part 2: Asset Movement & Inventory

University of Wisconsin-Madison
Welcome!

Capital Equipment Training
Part 2

Presented by

Property Control

Financial Information Management
Division of Business Services
Introduction

Recap of Session 1: Asset Acquisition

Capital Equipment Life Cycle

- Asset Acquisition
- Asset Movement & Inventory
- Asset Disposition
Introduction

Recap of Session 1: Asset Acquisition

Asset Acquisition Procedures

3008.1 Recording & Tagging Capital Equipment
3008.2 Gift in Kind
3008.3 Transfer-in with a New Hire from Another Institution
3008.4 Fabricated Capital Equipment
3008.5 Upgrades to Existing Capital Equipment

Property Control Website:
https://businessservices.wisc.edu/accounting/capital-equipment/
Agenda

Introduction

Asset Movement & Inventory Procedures

3008.6: Physical Inventory

3008.8: Location/Room Changes

3008.9: Change in Custody to Another Department
Asset Movement & Inventory Procedures

Let’s get started!
3008.6: Physical Inventory

1. Property Control schedules departmental inventories each fiscal year.

Notes

• Departmental inventories are spread out over the year.

• None are scheduled during June/July due to the fiscal year end.
3008.6: Physical Inventory

2. Property Control notifies DPAs of upcoming inventories and proposes a timeline.

Notes

• Current year physical inventories are scheduled.

• Property Control currently reaches out to departments around May of each year to set the upcoming fiscal year inventories

• One week before the scheduled inventory, Property Control will send an email communication to the DPA.

• A copy of the notification and timeline will go to the divisional Chief Financial Officer.
3008.6: Physical Inventory

4. DPA conducts or supervises others conducting the inventory.

To inventory a department’s items, employees must:

a) Directly see the item.

b) Document observation of the item.

c) For off-campus items, employees must obtain written confirmation from the item’s responsible person (still intact, in his/her custody, present location). See sample tool in packet.

d) For items on loan as part of an active UW loan agreement, employees should indicate this. Loan items are not subject to inventory.
3008.6: Physical Inventory

5. Property Control coordinates inventories. This includes providing training and equipment lists.

Two-Phase Approach to Inventories

1. Initial search

2. Final search for unaccounted items and subsequent reconciliation
3008.6: Physical Inventory

6. Property Control first requests that the DPA conducts an initial search.

Property Control Provides:

- Capital equipment list
- Physical Inventory Snapshot
- Barcode scanner
- Scanning instruction sheet (see copy in packet)
- Due date for completion and returning scanner to Property Control
3008.6: Physical Inventory

6. Property Control first requests that the DPA conducts an initial search. (Continued)

Sample Physical Inventory Report  (See sample Inventory Report 1 in packet)
3008.6: Physical Inventory

7. DPA or others supervised by the DPA use the scanner to verify items by scanning the tags affixed to equipment.

Notes

• No adverse effects if:
  ✓ A tag is scanned more than once
  ✓ A tag from another department is scanned.
3008.6: Physical Inventory

8. Property Control collects the barcode scanner on the due date and loads results to update capital equipment inventory records.

9. For items not accounted for in the initial search, Property Control requests the DPA to conduct a final search.
   • Property Control provides a printed list of unaccounted items
   • Department has 15 days to complete the final search and return documentation to Property Control.
### 3008.6: Physical Inventory

**Sample Unaccounted Physical Inventory Report**

(See sample Inventory Report 2 in packet)

<table>
<thead>
<tr>
<th>Building</th>
<th>Room</th>
<th>Property Administrator</th>
<th>Responsible Employee</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1070</td>
<td>5165</td>
<td>FREDERICK, PAMELA A</td>
<td>CARROLA, STEVEN J</td>
<td>SCANNER, PA03576-B035 FUJITSU FI-6770A SCANNER WITH 90 DAY WARRANTY. POST 90 DAY SCANCARE WARRANTY EXTENSION ON PO#: 188K020</td>
</tr>
<tr>
<td>030101</td>
<td>6315</td>
<td>FREDERICK, PAMELA A</td>
<td>CARROLA, STEVEN J</td>
<td>SCANNER, PA03576-B035 FUJITSU FI-6770A SCANNER WITH 90 DAY WARRANTY. POST 90 DAY SCANCARE WARRANTY EXTENSION ON PO#: 249K421</td>
</tr>
</tbody>
</table>

**UW Unaccounted Physical Inventory Report for Department 0301 22/01/2017**

<table>
<thead>
<tr>
<th>Building</th>
<th>Room</th>
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</tr>
</tbody>
</table>
10. DPA or others supervised by the DPA check items off on the printed list as they verify them during the final search.

11. DPA attempts to determine what happened to any items that cannot be found, then documents this on the unaccounted item list and attaches documents if available (i.e., SWAP pick-up request form).

If Phase 2 of an inventory exceeds 15 days, Property Control will send a formal communication to the DPA, Supervisor and Dean’s Office advising the compliance requirement and the unaccounted items remaining. (Phase 2 Compliance Notification)
3008.6: Physical Inventory

12. If unaccounted items cannot be found, a DPA will indicate them as lost and complete a Disposition Request Form. A concerted effort should be made to find the items. The Department will attest to these efforts by marking the attestation boxes on the Disposition Form.

13. DPA signs the completed unaccounted listing and obtains the signature of the Department Chair, Director, or designee.

Note

Two signatures are required to ensure segregation of duties in authorizing removal of unaccounted items determined to have been disposed or lost.

14. Property Control collects the completed unaccounted items list on the due date.
3008.6: Physical Inventory

15. Property Control reviews all losses to determine if they are eligible for removal from records as “lost.”

Designating an item as “lost” will not be allowed if:

a) The asset belongs to a sponsor
b) The asset is less than three (3) years old.
3008.6: Physical Inventory

16. Property Control will ask the department to file a police report with the UW Police Department if an item is determined to be ineligible to be removed from records as “lost.”

Property Control must receive a copy of the official police report before deactivating the item from records.
3008.6: Physical Inventory

17. Property Control enters all results into records and provides a summary of inventory results to DPA with copy to Department Chair and divisional Chief Financial Officer.
3008.6: Physical Inventory

A Re-cap of the Physical Inventory Process

- Property Control sends notification of physical inventory schedule to DPA
- DPA completes Phase 1 scan of inventory items
- Property Control updates system and generates unaccountable report
- DPA completes Phase 2 manual search for items
- DPA and Department Chair/Director sign off on lost items
- Property Control updates system and provides summary results to department
Pop Quiz Questions
Pop Quiz

Indicate TRUE (T) or FALSE (F) for each statement.

When inventorying off-campus items, employees can simply assume items are still intact at the listed location.

Answers
Pop Quiz

Indicate TRUE (T) or FALSE (F) for each statement.

F When inventorying off-campus items, employees can simply assume items are still intact at the listed location.
Pop Quiz

Indicate TRUE (T) or FALSE (F) for each statement.

There will be no adverse effects if a tag on an item is scanned more than once or for another department.

ANSWERS
Pop Quiz

Indicate TRUE (T) or FALSE (F) for each statement.

T  There will be no adverse effects if a tag on an item is scanned more than once or for another department.
Pop Quiz

Indicate TRUE (T) or FALSE (F) for each statement.

Authorization for removal of an unaccounted item from inventory requires two (2) signatures.

ANSWERS
Pop Quiz

Indicate TRUE (T) or FALSE (F) for each statement.

T  Authorization for removal of an unaccounted item from inventory requires two (2) signatures.
Capital Equipment Website
Inventory Assistance Section Review
3008.8: Location/Room Changes

Why is this procedure important?

Physical inventory audits look for the following:

- Is equipment tagged appropriately?
- Does the location (building & room) of the equipment match the location recorded in the SFS Asset Management System?

If equipment is **not** found in the same location as recorded in the SFS Asset Management System, **it is an audit finding.**
3008.8: Location/Room Changes

Moving capital equipment to a different room or building is considered a location change, even if the item stays in custody of the same department.
3008.8: Location/Room Changes

1. Responsible employee or user of the capital equipment notifies DPA of the move.

2. DPA completes top-half of *Property Transaction Form* with information related to the location change and clicks on “Submit” button.

3. Property Control updates the records in the capital equipment system.

See sample in packet
What questions do you have about Procedure 3008.8: Location/Room Changes?
3008.9: Change of Custody to Another Department

Change of custody refers to capital equipment transferred to another UW-Madison department.

Notes

• Revenue is not generated for the sale to another department.
• If the current custody department incurs expenses for packing and moving the asset, those expenses may be transferred to the new department.
3008.9: Change of Custody to Another Department

1. Responsible employee sends written notice to the DPA requesting change in custody of the capital equipment.

2. DPA sends a request via email to Chair/Division and Property Control for review and authorization of the change in custody. Request must include:
   a. Name of new department
   b. Name of responsible employee in new department
   c. Location of the asset in new department

Responsibility Employee → DPA

Department Chair/Division

Property@bussvc.wisc.edu
3008.9: Change of Custody to Another Department

3. If equipment is funded by 133/144 funds, Property Control verifies with Research & Sponsored Programs (RSP) whether the change of custody is acceptable.

4. Property Control notifies both departments and DPAs of the approval.

APPROVED
3008.9: Change of Custody to Another Department

5. If necessary, department may initiate cost transfer journal entries or internal billing to recover costs of change in custody.

Example: Cost Transfer (Allowable)

Debit: Transfer Cost to the New Custodial Department $XXXX
Credit: Transfer Cost from the Prior Custodial Department $XXXX

Notes

• Departments may recover direct costs incurred to move equipment to a new custodial department (decommissioning, set-up, recalibration, etc.)
• Direct costs should be supported by reasonable estimate and coded to an expense account.
• A 46XX code is not permitted for allowable cost transfers.
3008.9: Change of Custody to Another Department

5. If necessary, department may initiate cost transfer journal entries or internal billing to recover costs of change in custody.

Example: Internal Sale (Not Allowable)

Debit: Internal Bill to the New Custodial Department \$XXXX
Credit: Internal Sale for the Prior Custodial Department \$XXXX

Notes

- Department may not “sell” equipment to other departments by processing an internal billing.
- Changes in custody may never be recorded as a revenue transaction in the ledger.
3008.9: Change of Custody to Another Department

6. Property Control updates the inventory records.
What questions do you have about asset movement and inventory?
Asset Acquisition Procedures

3008.1: Recording and Tagging Capital Equipment
3008.2: Gift in Kind
3008.3: Transfer-in with New Hire from Another Institution (Transfer-in via No Purchase or Purchase)
3008.4: Fabricated Capital Equipment
3008.5: Upgrades to Existing Capital

Asset Movement & Inventory Procedures

3008.6: Physical Inventory
3008.8: Location/Room Changes
3008.9: Change in Custody to Another Department
Asset Disposition Procedures

University of Wisconsin-Madison
Asset Disposition Procedures

3008.7:  Equipment Disposition

3008.10:  Asset Loan Agreements

3008.11:  Departing Employee Requests to Take Capital Equipment to a New Institution
3008.7: Equipment Disposition

Introductory Notes

• We have a responsibility to protect the University’s capital equipment.

• These assets are funded through various sources and are intended to last several years.

• Many assets have contractual obligations requiring consistent reporting and limitations on usage.

• Valued items should be utilized to maximum capacity.
3008.7: Equipment Disposition

1. Responsible employee in custody of the equipment notifies DPA.

2. DPA completes **Capital Equipment Disposition Request** and indicates reason for retirement.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

Two Categories of Dispositions

**Accountable dispositions** – scenarios where proactive decisions are made by the department to retire equipment.

**Unaccountable dispositions** – scenarios where no decisions are made by the department to retire equipment.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

<table>
<thead>
<tr>
<th>Accountable Dispositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Item has become surplus, obsolete or unrepairable</td>
</tr>
<tr>
<td>2. Item will be traded in for credit on purchase of a like item</td>
</tr>
<tr>
<td>3. Item will be cannibalized for parts</td>
</tr>
<tr>
<td>4. Item will be returned to vendor and</td>
</tr>
<tr>
<td>a. Replaced; or</td>
</tr>
<tr>
<td>b. Not replaced</td>
</tr>
<tr>
<td>5. Item will be delivered to a sponsor per contract terms</td>
</tr>
</tbody>
</table>
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

**Accountable Dispositions**

1. Item has become surplus, obsolete or unrepairable

- Does not function anymore
- Is obsolete
- Is not useful anymore
- Is not needed by the department in the foreseeable future
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

**Accountable Dispositions**

2. Item will be traded in for credit on purchase of a like item

- Trade ins for *purchase*, not for lease
- In advance, department should notify and work with UW-Madison Purchasing Services
- Department must notify DPA so DPA can submit *Capital Equipment Disposition Request*

**Exceptions for Trade-ins:**

1. UW-titled property cannot be traded on the purchase of sponsor-titled property.
2. Sponsor-titled property cannot be traded in without prior authorization from sponsor, RSP and Property Control.
3. Departmental vehicles cannot be traded in.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

### Accountable Dispositions

3. Item will be cannibalized for parts

- If the equipment is sponsor-titled, approval must be obtained from sponsor prior to dismantlement.
- Department must follow standard University surplus procedures for any unused parts not kept by the department.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

<table>
<thead>
<tr>
<th>Accountable Dispositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Item will be returned to vendor</td>
</tr>
</tbody>
</table>

- If the item is being replaced with the same model, a new asset tag will be issued for the same inventory record.
- DPA must update the serial number information on arrival.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>5. Item will be delivered to sponsor per contract terms</td>
</tr>
</tbody>
</table>

- Departments may deliver assets constructed in-house per contractual terms.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

### Unaccountable Dispositions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Item has been lost</td>
</tr>
<tr>
<td>2</td>
<td>Item has been stolen</td>
</tr>
<tr>
<td>3</td>
<td>Item has been destroyed</td>
</tr>
<tr>
<td>4</td>
<td>Item should be removed from records because Property Control should not have entered</td>
</tr>
</tbody>
</table>
2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

### Unaccountable Dispositions

1. Item has been lost

- Missing, but no evidence of theft.
- Only report as “lost” after exhaustive efforts have been made to find it.

Refer to Procedure 3008.6 – Physical Inventory

Not Allowed

- Titled to a sponsor
- Less than 3 years old
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

### Unaccountable Dispositions

2. Item has been stolen

- Department must report the theft/presumed theft to the local police department.
- DPA submits the disposition request to Property Control.
- Property Control provides information to UW-Madison Risk Management.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

<table>
<thead>
<tr>
<th>Unaccountable Dispositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Item has been destroyed</td>
</tr>
</tbody>
</table>

- Examples: Flood, fire, vandalism
- Department should notify Property Control using the disposition request.
- Department should also notify UW-Madison Risk Management.
3008.7: Equipment Disposition

2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>4. Item should be removed from records because Property Control should not have entered it</td>
</tr>
</tbody>
</table>

Examples:

- Non-capital item such as lab supplies.
- Permanent fixture that should have been capitalized as part of a building.
2. DPA completes *Capital Equipment Disposition Request* and indicates reason for retirement. (Continued)

### 3008.7: Equipment Disposition

Formal Asset Management Categories

<table>
<thead>
<tr>
<th>Disposition Reason</th>
<th>Formal Asset Management System Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus, obsolete, unrepairable</td>
<td>Scrapped Asset</td>
</tr>
<tr>
<td>Traded for credit</td>
<td>Traded in for Another Asset</td>
</tr>
<tr>
<td>Cannibalized</td>
<td>Cannibalized for Other Asset</td>
</tr>
<tr>
<td>Returned to vendor and replaced</td>
<td>Like Kind Exchange</td>
</tr>
<tr>
<td>Returned to vendor and not replaced</td>
<td>Scrapped Asset</td>
</tr>
<tr>
<td>Delivered to sponsor per contract</td>
<td>Returned to Inventory</td>
</tr>
<tr>
<td>Lost</td>
<td>Disappeared</td>
</tr>
<tr>
<td>Stolen</td>
<td>Disposal Due to Theft</td>
</tr>
<tr>
<td>Destroyed</td>
<td>Casualty Loss</td>
</tr>
<tr>
<td>Recordkeeping error</td>
<td>Expensed</td>
</tr>
</tbody>
</table>
3008.7: Equipment Disposition

3. DPA and Dean/Director or designee sign the *Capital Equipment Disposition Request*.

4. DPA sends the completed request form to Property Control.

Property@bussvc.wisc.edu
3008.7: Equipment Disposition

5. Property Control reviews request form for:
   a. Completeness
   b. Appropriate signatures
   c. Potential restrictions on disposition (i.e., grant-funded, hazardous, etc.)

Note

Property Control may also forward the completed request to:

- **SWAP** when item has become surplus
- **Purchasing Services** if item will be traded in for credit on a purchase of a like item or returned to vendor
- **Risk Management** if item has been destroyed
- **Environment, Health & Safety** (EHS) if item is hazardous
3008.7: Equipment Disposition

6. Property Control authorizes disposal and notifies the DPA in writing if no restrictions exist.

   If restrictions exist, DPA should keep the tag affixed to the asset until receiving further direction.

7. DPA notifies employee requesting the asset’s disposition that the request is approved and the barcode tag can be removed.

8. Property Control documents the retirement reason in capital equipment records.
3008.7: Equipment Disposition

9. For surplus dispositions, DPA contacts SWAP by submitting *Surplus Request Form*. SWAP will assess item’s suitability for re-sale.

10. SWAP arranges pickup and advises next steps with the DPA if they deem the item suitable for re-sale.

If item is not suitable for resale, SWAP advises DPA of alternatives.

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**SURPLUS REQUEST FORM**

Before submitting a Surplus Request Form for capital asset items, UW-Madison departments MUST:

1. Submit a [Disposition Request Form](#) to Property Control;
2. Receive a Disposition Approval email from Property Control;
3. Enter the Asset Tag # or Asset ID # on the Surplus Request Form.

If all of your surplus material is non-capital, please proceed below:
3008.7: Equipment Disposition

11. Property Control reviews all losses, using judgment to allow/disallow loss removal.

See Procedure 3008.6 – Physical Inventory.

12. Property Control notifies divisional Chief Financial Officer of all unaccountable dispositions.
Pop Quiz
Questions
Pop Quiz

1. DPAs should complete a *Capital Equipment Disposition Request* for which of the following?
   A. Items stolen
   B. Items delivered to sponsor per contract
   C. Items returned to vendor and replaced
   D. All of the above

ANSWERS
Pop Quiz

1. DPAs should complete a *Capital Equipment Disposition Request* for which of the following?
   A. Items stolen
   B. Items delivered to sponsor per contract
   C. Items returned to vendor and replaced
   D. All of the above
2. In disposition scenarios, when can the barcode tag be removed?

A. When the DPA submits a *Capital Equipment Disposition Request*

B. When the responsible employee decides the asset is obsolete

C. After Property Control approves the disposition request

D. Never
Pop Quiz

2. In disposition scenarios, when can the barcode tag be removed?
   A. When the DPA submits a *Capital Equipment Disposition Request*
   B. When the responsible employee decides the asset is obsolete
   C. After Property Control approves the disposition request
   D. Never
110.10: Asset Loan Agreement

Introductory Notes

• Equipment loans must be authorized by Property Control before equipment is removed from campus.

• This procedure is for equipment that will be borrowed for more than 30 days and reside at a location not directly associated with the University.

• Risk Management should also be notified to execute insurance and other risk management activities.
3008.10: Asset Loan Agreement

Introductory Notes (Continued)

- Equipment may be loaned for up to five (5) years
- Borrower must sign an *Agreement for Loan of University Property* at least 30 days prior to shipment of loaned property.
- Property Control will monitor loaned equipment throughout the term agreement.
- Thirty days prior to end of the loan agreement, Property Control will contact DPA to determine if a new agreement will be required to extend a loan beyond one year.
3008.10: Asset Loan Agreement

1. Responsible employee notifies DPA for guidance on capital equipment loan and also contacts Risk Management.

2. DPA works with responsible employee to gather contact information from the institution/entity where the capital equipment will be loaned.

'I’ll send you that contact information

Great! Thanks.

Responsible Employee  DPA
3008.10: Asset Loan Agreement

3. DPA completes Asset Loan Request Form and obtains signatures of approval from Department Chair/Dean/Director. The form is submitted to Property Control.

4. Property Control reviews request and verifies with RSP to confirm equipment can be loaned before authorizing loan of capital equipment.

See sample in packet
5. Property Control notifies DPA, responsible employee and Department Chair/Dean/Director of approval.

DPA, Responsible Employee, Department Chair/Dean/Director,

Your request to loan the following capital equipment to Xxxxxxxxx Xxxxxxxxxx at Xxxxxxxxxx University has been approved.

- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxx Xxxxxxxxxx
- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxx xxxxxxxxxxxxx
- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
- Xxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx Xxxxxxxxxx
3008.10: Asset Loan Agreement

6. Property Control prepares an *Agreement for Loan of University Property*. Signatures are required in this order:

   1\(^{st}\)  Representative from borrowing institution  
   2\(^{nd}\)  UW-Madison Property Control

7. Property Control provides a copy of the fully executed agreement to the DPA and borrowing institution.
8. Notice is sent to DPA and responsible employee that agreement is signed and equipment can be shipped.


10. Capital equipment is shipped to borrowing institution/entity. Shipping arrangements are coordinated by DPA, building manager, and/or responsible employee.
3008.10: Asset Loan Agreement

11. Property Control will contact DPA when loan agreement reaches its end date to initiate conversations to determine whether an extension is necessary.
3008.10: Asset Loan Agreement

Recap of Loan Request Form and Loan Agreement

**Loan Request Form**
1. Responsible employee requests to loan equipment
2. DPA completes Loan Request Form and gets signatures from Department Chair/Dean/Director
3. DPA submits form to Property Control for authorization to loan equipment

**Loan Agreement**
1. Property Control prepares Loan Agreement
2. Property Control sends to borrowing institution
3. Borrowing institution signs and returns to Property Control authorization to loan equipment
4. Property Control signs agreement and sends copies
Pop Quiz Questions
Interactive Question 8

Who completes the *Loan Request Form*?

*Answers*
Pop Quiz

Who completes the *Loan Request Form*?

DPA, Department Chair, etc.
Interactive Question 9

Who completes the Agreement for Loan of University Property Form?

Answers
Pop Quiz

Who completes the *Agreement for Loan of University Property Form*?

Property Control
3008.11: Departing Employee Requests to Take Capital Equipment to a New Institution

Introductory Notes

- Sometimes employees may need to move their work to another institution and might want to take University property with them.
- Assets of the University need to be protected and utilized to their fullest capacity.
- The importance of capital equipment for ongoing research in higher education institutions requires different conversations and a different procedure.
3008.11: Departing Employee Requests to Take Capital Equipment to a New Institution

1. Before taking/shipping capital equipment to a new institution, departing employee notifies Department Chair of their departure and identifies the item(s) they’d like permission to take.

   Department Chair and DPA,

   As you know, I have accepted a research position at Xxxxx Xxxxxx University. Attached is a list of equipment that I would like to take with me...
3008.11: Departing Employee Requests to Take Capital Equipment to a New Institution

2. DPA contacts Property Control to request a list of capital equipment associated with departing employee.

3. Property Control provides the requested list along with NBV and funding information.

4. DPA sends list received from Property Control to departing employee, Department Chair, and Fiscal Officer of the Dean’s Office for review.
3008.11: Departing Employee Requests to Take Capital Equipment to a New Institution

5. Department Chair determines that all criteria are met.

All Criteria Must Be Met

✓ Formal resignation has been submitted by departing employee.

✓ Departing employee was a permanent employee of the University (not a student).

✓ Departing employee’s role was directly related to instruction, research or public service. This excludes administrative roles.

✓ The departure of equipment does not adversely affect instructional needs, graduate students or other research remaining at the UW.
3008.11: Departing Employee Requests to Take Capital Equipment to a New Institution

5. Department Chair determines that all criteria are met

All Criteria Must Be Met (Continued)

- The capital equipment will be used for the same purpose at the new institution.
- New institution is another institution of higher education or academic research (not a business).
- Equipment does not contain any UW licenses, UW proprietary software, nor any sensitive data.
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Equipment Transfer (Zero-Dollar, Cost Transaction)

• Capital equipment is solely funded by an active/ongoing sponsored research project.

• The research project is moving with the departing employee to their new institution.

Note
An active or ongoing project is defined as a contract/grant/agreement having the same sponsor, that is currently in progress, having not ended, and is being continued at the departing employee’s new institution.
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Criteria for an Equipment Sale

✓ Sale is a negotiated exchange or condition of the recruitment/employment package of the departing employee.

✓ Equipment was solely funded by a sponsored project, and project is closed.

✓ There are no sponsor or University restrictions on the award.
Determining a Sale Price

• Property Control provides listing of capital equipment along with the Net Book Value (NBV).

• Employee’s Department Chair and/or Dean/Director/Designee has the final authority to negotiate and set the sale price of the equipment.

• If price is more then NBV, Department Chair or Dean/Director/Designee provides a written explanation.

• Advice from UW-Madison Division of Business Services, Purchasing Services may be sought for a comparable sale price.
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6. The Department Chair and/or Dean/Director/Designee approves one or more items on equipment list to be transferred and/or sold to new institution.
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7. DPA works with Department Chair and Dean/Director or Designee to complete "Request to Transfer/Sell University Property Form" and obtains signatures from:
   • Departing employee
   • Department Chair
   • Dean/Director/Desigee

Departing employee’s signature confirms the equipment does not contain sensitive data.

See sample "Request to Transfer/Sell University Property Form"
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8. DPA sends form along with list of equipment and other supporting documents (e.g. justification) to Property Control.

9. Terms and conditions of the grant or contract are reviewed by Property Control and RSP for restrictions that would prevent a departing employee from taking the equipment.
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10. If no restrictions, Property Control sends Agreement for Transfer/Sale of University Property to listed point of contact at new institution for their approval.

11. New institution signs the Agreement for Transfer/Sale of University Property and returns to Property Control.
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12. After accepting signature approval, Property Control signs agreement and authorizes (in writing/email) the departing employee to take or ship the equipment.

Property Control updates asset management records to show retirement of the asset(s).

Property Control provides a PDF copy of the fully-signed form to DPA, Department Chair and Dean/Director/CFO.

13. DPA removes and discards UW property tags prior to shipping.
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14. If there was an agreed sale price, UW-Madison department financial staff creates an invoice and sends it to the institution along with a signed copy of the contract.
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Recap of *Request to Transfer/Sell Property Form* and *Agreement to Transfer/Sell Property*

**Request to Transfer/Sell Property Form**
- 1. DPA works with employee, Department Chair, etc. to complete form and obtain signatures
- 2. Form is sent to Property Control for review and authorization
- 3. Property Control sends notice of approval

**Agreement to Transfer/Sell Property**
- 1. Property Control prepares the agreement
- 2. Property Control sends agreement for signature
- 3. New institution signs agreement and returns it to Property Control
- 4. Property Control signs agreement and sends copies
- 5. Property Control sends notification to remove equipment tag and proceed with shipping
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Questions about this procedure?
What questions do you have about asset dispositions?
After Completing Both Capital Equipment Training Sessions

• You will receive an email with subject: *Follow-up to Capital Equipment Training*

• It will contain a link to a brief assessment.

• Please complete the assessment within three business days.

• You will be given the option to print an electronic completion certificate.
Thank you for your participation in Capital Equipment Training Part 2.

Email
property@bussvc.wisc.edu

Website
https://businessservices.wisc.edu/accounting/capital-equipment/