Approved Changes to Equipment Inventory

In response to recommendations from the Auditor of Public Accounts (APA), Fiscal Services has made the following updates to the Equipment Inventory Policy and procedures. We would like to thank everyone who contributed to the conversation. Highlighted additions to the procedures are noted below. As a reminder, all equipment with an acquisition cost or donated value of $5,000 or more AND all Equipment Trust Fund (ETF) items, regardless of value, must be recorded in the university's central inventory database. Departments may request a barcode for non-ETF items under $5,000, however, **these items do not need to be scanned during the yearly inventory**. Proposed changes to Policy 2104 are pending University Policy approval. The updated Equipment Procedures Manual is now available.

Current Process		Control Enhancements (FY19)
Rigid Inventory Cycle – occurs January – March of every year	→	**Continuous Inventory Cycle** – occurs once a year during a select time to be coordinated between Fixed Assets and each Equipment Liaison for all Departments
Department must complete inventory at least every other year and may be exempt from subsequent years	→	**Department will complete inventory every year – no exemptions**
Controlled Scanning – Fixed Assets and Equipment Liaison scan physical inventory	→	**Independent Scanning** – Equipment Liaison will be provided a hand held scanner to work more independently on physical inventory. Fixed Assets will monitor and assist.
3 rounds of inventory are allowed	→	**Initial and Follow Up inventory rounds only**
Optional in-person training offered annually	→	**~~Required~~ Online training will be available year round and in-person training will be offered annually**
Department budget is reduced by the book value of missing equipment. ETF requirements remain unchanged.	→	**~~Department budget is reduced by an amount TBD~~** Department budget is reduced by the book value of missing equipment. ETF requirements remain unchanged.

Proposed Procedure Overview

1. Fixed Assets works with the Equipment Liaison to schedule a date/time during the year for physical inventory.
2. Fixed Assets will generate a Quarterly Inventory Report to assist the Equipment Liaison in year-round maintenance.
3. Fixed Assets provides the Equipment Liaison with instructions, hand held scanner, checklist and resources. *Fixed Assets will offer group and online training on how to use the hand held scanner and provide assistance as necessary during the inventory process. In-person training is scheduled for October 4 in Merten Hall 1201 from 1:00 p.m. to 3:00 p.m. – Register Here. The Hand Held Scanner Inventory Guide and Equipment Liaison Checklist are now available.*
4. Equipment Liaison scans items (using the hand held scanner) and verifies the tag number/location/serial number and custodian for each item on the initial inventory list.
5. Equipment Liaison returns the hand held scanner to Fixed Assets who uploads the data into the TraQ system. Reports are distributed to the Equipment Liaison within 3 days. Fixed Assets will follow up with any department that has missing equipment for a second scan or other verification.
6. Final inventory results are communicated to the Senior Vice President, Provost and Budget Office.
7. Fixed Assets will conduct random post-inventory audits during the year.

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Feedback Follow-Up

? Sometimes equipment is not found because it is assigned to the wrong department and nobody notices until it is listed as missing for 2-3 years. One idea to mitigate the problem of equipment being assigned to the wrong department would be for Fixed Assets to create a monthly report that lists all new items for the org so they can verify before the inventory.

- ✓ We hope the change to a rotating cycle will increase the ability to find missing equipment. Fixed Assets will prepare a Quarterly report for the Equipment Liaison to access in TraQ.

? Is there a possibility that organization number & EP number the equipment is paid by can be added to the report? Can the report include the name of the individual to whom the equipment is assigned?

- ✓ The Equipment Liaison can use the "comments" section in TraQ to add the equipment assignment. The Quarterly report can be run to include the "comment" section. Purchasing org and EP number are included on all TraQ records and a report can be run to include this information if requested.

? Scanning ourselves makes sense, but the scanners are consistently unreliable. Independent scanning will speed up the process. It seems we currently lose some data from the scanners. Teaching people how to use the scanner and how to identify barcodes is important.

- ✓ We have updated the scanners so that information will not be lost when uploaded to TraQ. Scanners show the number of items scanned and the Equipment Liaison can check to ensure the number is increasing. We will be providing scanner training and will review the scanner features with the Equipment Liaison prior to the start of inventory. A Handheld Scanner Guide is also available.

? Corrections to the TraQ system take too long. Manual entry of information results in incorrect serial numbers and bar codes. TraQ is hard to search. Equipment in TraQ should be tied to the individual who has the equipment.

- ✓ Equipment Liaisons can login to TraQ to change the room number, building and add comments. Fixed Assets can change the serial number when requested. Fixed Assets can upload information from a spreadsheet into TraQ, when multiple item changes are required.

? Equipment owned by various departments will be in many places across campus. Any one lab in the Krasnow Building, for example, could have equipment from several departments. If departments scan at different times throughout the year, will equipment scanned by another department exist as FOUND for the owning department? Or will it not be determined as FOUND at all, unless scanned by the owning department?

- ✓ Once scanned, equipment will be marked as found, no matter which department scans it. The scan will last all fiscal year.

? What is the proposed turnaround time once we receive the scanner? With only 2 rounds of scanning (initial and follow-up) will we still have the same amount of time to find missing equipment from the initial scan? What will be the procedure if the barcode wore off and cannot be scanned?

- ✓ Time with each scanner will be determined based on the equipment liaison's schedule and the number of items needing to be scanned. There will be about a month between the initial scan and the completion of the inventory.
- ✓ Once a serial number is verified for barcodes that have worn off or cannot be scanned, a new barcode will be provided by Fixed Assets.

? What will Fixed Assets be looking for when they perform the random audits?

- ✓ A sample of equipment will be selected and Fixed Assets will verify the existence, location and other information (serial number, model, and manufacturer) in TraQ.