OFFICE OF PROPERTY CONTROL

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BIENNIAL INVENTORY INSTRUCTIONS

Definition of Equipment: An asset costing $5,000 or more, with a useful life of two years or longer, including moveable equipment, fabricated equipment, and musical instruments. Property also includes both capital and non-capital software including software purchased, gifted, or developed in-house.

1. **Equipment Inventory Report**: Property Control queries an equipment inventory report from the M-Pathways Asset Management system with the fields as included in the chart below.

2. **Verification by Property Control**: Property Control verifies the accuracy of the equipment inventory report by matching the report total to the general ledger and then emails the equipment inventory report to the departmental administrator or designated person for review and updating.

3. **Verification by Department**: The department verifies the information on the equipment inventory within two months of receipt. The department should perform a room by room inventory by comparing the equipment inventory report with departmental records and verifying and updating the following:

   - Confirm department still has the equipment (otherwise must provide proper documentation for retirement)

   - Building and room number

   - Serial number

   - Model of item

   - Manufacturer of item

   - Custodian of item (see appendix A)

   - Contact for item (see appendix A)

4. **Equipment removed from Department**: The department updates the equipment inventory report for equipment on the report that is no longer in the department's physical possession. The reason the item is no longer in their possession must be recorded in the "Reason for Removal From AM" column. The date the item was removed on the inventory file must be recorded in the "Comments" column. For example:

   - Item was sent to Property Disposition, but not retired. A DOS form is required.

   - Item was expended (worn out, blown up, dropped beyond repair, etc.) during normal use. Property Control will contact the department for more information.

- Item cannot be physically located (unable to locate item). Property Control will contact the department for more information and investigation of missing items.

5. **Retirement of Equipment:** All equipment will be retired by Financial Operations to ensure proper separation of duties. Financial Operations will retire equipment only when one of the following requirements is met:

   - Item has been sold to an external entity
   - Item has been traded in for a new item
   - Item has been scrapped and is no longer useful
   - tem has been transferred to another department
   - Item has been transferred to another institution/university
   - Item has been destroyed due to natural disaster (fire, flood, etc.)
   - Item cannot be physically located (due to theft or inability to locate)
   - Item was expended during research
   - Other - List reasoning in comments field

6. **Equipment not on the inventory report**: The department reports equipment not listed on the report by providing information on the "Add" tab. The department must provide Property Control with as much information as known (i.e. purchase order numbers, payment voucher number, project/grant number, serial numbers, etc.). Property Control will be in contact to confirm the asset and discuss tagging.

7. **Inventory Return:** The department returns the corrected equipment inventory report to Property Control via email to property.control@umich.edu. Departments are required to complete this process within 60 calendar days.

8. **Updating Asset Management System:** Property Control updates the M-Pathways Asset Management system with information supplied by the department. A new report is run after corrections have been made and sent to the department for review.

9. **Validation of Assets:** As a follow up to the equipment inventory process, Property Control periodically performs spot checks to verify the accuracy of inventories returned.

APPENDIX A

Asset Management System Field Names and Definitions

Fields marked with an asterisk can be updated at the department level

Field Name	Field Description
Dept	Department item is assigned to
Tag Number	University of Michigan assigned identification number
Asset ID	M-Pathways electronically generated identification number; this number follows the asset throughout its life.
Parent ID	Parent tag number of equipment, if needed
Acq Date	Date item was acquired
Contact *	Departmental Inventory Contact
Building *	Building Number item is currently listed under
Room *	Room Number item is currently listed under
Description *	Description of Item (Computer, Printer, etc.)
Serial ID *	Serial number of item
Manufacturer *	Manufacturer of item
Model *	Model number of item
Custodian *	Person responsible for the item *(must be a faculty or staff member of the University)*
PO No.	Original Purchase Order Number
Voucher	Original Voucher number item was acquired on
Acquisition Legacy Acct	Original Legacy Purchase Account
Acquisition Project	Original Project Item was acquired on
Project	Current Project Item is accountable to
Category	Equipment Category (EQUIP, GIFTS)
Dept Cost	Original cost of Item
Status	Current Status of Item (In Service, Disposed)

APPENDIX B

Frequently Asked Questions

Q: What account code and/or category code should I use when purchasing equipment?

A: See the [Equipment](#) page from Financial Operations for a list of the account codes and purchasing category codes.

Q: Why is there equipment not on my inventory report even though the item's value is over $5,000?

A: If the equipment is new, it may not have been processed or added to the M-Pathways Asset Management system yet. Generally, it takes one to two months after an item has been paid for it to appear.

If the equipment is not new, it may have been purchased using a non-equipment account code. If the item meets the equipment definition, contact Property Control with as much detail as possible, (purchase order number, project/grant) so they can determine why the item is not in the inventory.

Q: Why is there an item in my inventory valued under $5,000?

A: The cost for this item was probably shared between several departments, and if so, will show up on several inventories. The listed value is what your department paid on this particular item. In rare instances, the cost was not shared and the item may be in your inventory because of the conversion of the previous Capital Asset System. All items from that system were put in the equipment category (EQUIP). Financial Operations balances the general ledger to make sure equipment totals are correct.

Q: Why are there are multiple lines on my equipment inventory report with the same information for the same item?

A: The cost for this item was probably shared between several project/grants, and if so, will show up several times in your equipment inventory report. To get the correct value of the equipment, add these lines together.

Q: Our unit has equipment that I know was sent to Property Disposition. Why are they still appearing on my equipment inventory report?

A: Financial Operations removes equipment from the M-Pathways Asset Management system based on the information provided on the Declaration of Surplus (DOS) form and your department's equipment inventory. If the Declaration of Surplus did not contain the tag number or serial number, or you did not provide this information during your department's equipment inventory, equipment will not be removed from the M-Pathways Asset Management system.

Please see the the page [Declaring and Sending Surplus](#) from Property Disposition for more information about Declaration of Surplus. If the equipment is still in your inventory after the departmental review because no tag was recorded on a Declaration of Surplus form, notify Property Control.

Supporting documentation will always be required. Examples are: transfer letters/memos, Declaration of Surplus forms, a statement or memo from your dean, chair, or higher administrative authority for equipment that was destroyed or any equipment that you are not able locate. Electronic copies of these documents should be returned with the inventory.

Q: Where should I send the corrected equipment inventory report and who should I contact if I have questions?

A: Please send your corrected equipment inventory report to property.control@umich.edu. You can also send any questions to this address.

Q: Can I have access to the M-Pathways Asset Management system to make the corrections myself?

A: Yes. Property Control offers classes on the M-Pathways Asset Management system. This course is required, along with completing the OARS process. Once you are granted access you can update all non-financial information about equipment within your department (equipment location, contacts, serial numbers). Contact Property Control for details.

Q: Is it really important that I verify the rooms in which my equipment is located?

A: Absolutely. The depreciation on the equipment is expensed to the room and the activity identified for that room. If equipment is not identified to the appropriate room, the U-M Office of Cost Reimbursement will not have accurate information for calculation and negotiation of the federal Facilities and Administrative Rate Proposal (often called the "Indirect Cost Proposal"). Cost Reimbursement can be contacted by phone at (734) 647-3843 or by email at cost.reimbursement.office@umich.edu.

It is especially important to assign valid and accurate room numbers to scientific equipment, since it tends to be more expensive and has a shorter lifespan than other types of equipment. Annual depreciation for these items tends to be higher than for general-purpose equipment. Because these items tend to be housed in research areas, it is important to U-M to have the proper room number recorded in the inventory

Q: What are the numbers starting with 7 & 8 and the letters S & U mean and why can't I find them on the equipment?

A: When an item is not feasible to tag due to size, accessibility, or some other factor (radioactive, submerged, etc.) it is assigned a Non Tag Number. Identifiers starting with "7 or

U" are assigned for U-M funded equipment that cannot be tagged. Identifiers starting with "8 or S" are assigned to sponsor funded equipment that cannot be tagged. You are still required to track these items as you would any other item in your inventory.

Q: Where can I find a list of building names so I can update the building number in my inventory?

A: Please see the page Space Analysis - Reports from Space Analysis to download a listing of active buildings and structures.

Q: What about fully depreciated equipment, do I still need to account for that?

A: Yes. If the equipment is still being used, you are required to keep track of it. If it is no longer being used, download and fill out the Declaration of Surplus form, and send it to Property Disposition for action. Please see the the page Declaring and Sending Surplus from Property Disposition to download a DOS form.

Q: How do I handle Affiliate-Related Assets?

A: See the section "How to Handle Affiliate-Related Assets" on the Equipment page from Financial Operations for an explanation of how to handle assets owned by affiliates of U-M as well as assets owned by U-M but housed in affiliate space.