

FI0600 – Equipment – Sensitive Minor

Effective: July 24, 2017 **Revision No:** 1 **Topics:**

Objective:

To ensure that adequate definitions and property controls are in place over “sensitive” non-capital equipment items that do not meet the University’s thresholds for financial reporting purposes.

Policy:

Sensitive Minor Equipment Defined

1. The University generally refers to sensitive non-capital equipment items as Sensitive Minor Equipment [SME]. SME is defined as equipment that has a unit cost or fair value between \$1,500 and \$4,999.99; is susceptible to theft; and has a useful life greater than one year. Firearms are not subject to the minimum cost threshold and must be recorded and tracked regardless of cost.
2. The following equipment categories that meet the cost range between \$1,500 and \$4,999.99 [see paragraph 4 on determining cost] should be classified as SME:
 - Audiovisual Equipment
 - Camera Lenses
 - Cameras
 - Communication Equipment
 - Computer Monitors
 - Computers/Tablets
 - Firearms (all firearms, regardless of cost)
 - Microscopes
 - Miscellaneous Motor Vehicles
 - Multi-function Office Equipment
 - Musical Instruments
 - Oscilloscope
 - Printers
 - Projectors
 - Spectrum Analyzers
 - Switches/Routers/Hubs
 - Televisions
 - Trailers
 - Vector scopes
 - Watercraft Related Items
 - Waveform Monitors
 - Other Lab Equipment meeting the definition in paragraph 1

3. If a department desires to track items as SME in the University's fixed asset system that do not fall into the specific item categories listed in paragraph 2, they must still meet the minimum cost threshold of \$1,500. These items will be subject to the guidelines of this policy from time of purchase to disposal.
4. Departments should check with internal audit with any questions related to equipment meeting the definition of SME.

Determining Cost

5. In general, the cost of an item includes its purchase cost and any costs incurred to bring the asset to the location and condition needed for it to operate in the manner intended. These costs include the purchase price, manufacturer's warranty, freight and installation. For computer purchases, monitors, keyboards, software and other peripheral items purchased with the computer should also be included in its costs. Do not include extended warranties (that are not included in the base price), consumables or costs related to servicing the item, which typically include maintenance labor and minor parts. These costs should be charged to Supplies – 439100.
6. Items meeting the item category requirement but with a cost under the \$1,500 threshold (except Firearms) should be listed as general ledger expenditure account Supplies-- 439100.

Adding Sensitive Minor Equipment to University Records

7. For each item of SME, an asset record in class 80000 must be created in the university's fixed asset accounting system. Although SME items are recorded in the fixed asset system for tracking purposes only and are not depreciated or recorded in the university financial statements, they must still be "capitalized" in order to show up on inventory reports. Capitalization will generally occur when an invoice is entered for payment and linked to the asset record. Directly posting to an expense general ledger expense account is not permitted. If the SME was purchased with a departmental procurement card, the asset should be linked to the procurement card transaction using a "complex posting" during the procurement card reconciliation process. Click Here for [Training Material](#). Proper coding is essential during the procurement card reconciliation process or when invoices are paid to ensure that the equipment is included in the university's movable equipment inventory. See [FISCAL POLICY FI0530](#) for restrictions regarding the use of procurement cards.

Additional Guidelines for Sensitive Minor Equipment

8. Further guidance regarding the responsibilities for safeguarding, transferring, and disposing of SME and the related forms can be found in [Fiscal Policy FI0605 – Equipment](#).