



Worcester Polytechnic Institute

Property Manual

Office of Procurement Services

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INTRODUCTION

The WPI property manual provides a standard of practice for the management of movable equipment (also referred to as capital equipment or property). The property manual sets forth procedures for property management and is designed to meet federal, internal, and external audit standards. It provides a management guide to develop accurate record keeping and property control procedures.

Procurement Services, and/or federal and external auditors, will conduct periodic field visits and audits. Since each department has the opportunity to maintain its own record keeping practices, the purpose of these field visits and audits will be to verify overall compliance with WPI procedures and to prevent audit findings. Procurement Services will also upon request make recommendations regarding a department's record keeping system in an effort to improve methods where needed.

ROLES AND RESPONSIBILITIES

The responsibility for accuracy and modification of the property manual resides with Procurement Services. The custodianship of the University's capital equipment is shared by Procurement Services and the department that acquires, controls, or uses the capital equipment.

Procurement Services is accountable for the management of movable capital equipment. Responsibilities include:

- Tagging of capital equipment.
- Monitoring awards documents with budgeted equipment purchases.

- Screening for like or comparable equipment prior to new equipment being purchased.
- Generating system reports and property listings.
- Conducting required physical inventories.
- Completing reports regarding federally-owned equipment and other sponsored projects reporting.
- Providing departments with guidance involving property management issues (i.e., record keeping, relocation of equipment, etc.).
- Maintaining communication with government agencies concerning matters relating to property management.

The department head, faculty and staff who acquire or use property are accountable and responsible for said property. This encompasses the overall care and maintenance of the department equipment and inventory; assisting with biennial physical inventory; verifying the existence and condition of all movable capital equipment; and notifying the Procurement Records Manager if there are changes in the equipment status. Please refer to the equipment status change or disposal form, which may be accessed by visiting the property management web page. <http://www.wpi.edu/offices/finops/property.html>

WHAT IS CAPITAL EQUIPMENT

Capital Equipment, as defined by WPI, is tangible, non-expendable, personal property having an anticipated useful life of one year or more and having a unit acquisition cost greater than or equal to \$5,000. The acquisition cost is the net invoice unit price of the property including the cost of modification, attachments, accessories or auxiliary parts necessary to make the property usable for its intended purpose. Charges, such as taxes, freight, and installation, will be included in the overall cost if these charges are listed on the same invoice. Spare or replacement parts, generally will be classified as supplies. This definition applies to all equipment borrowed, purchased or received as a gift or donation.

Capital Equipment consists of several types of assets: movable equipment, fixed equipment, fabricated equipment, buildings, building components, building improvements, land and land improvements. Although all capital equipment includes the aforementioned types, the policies contained in this manual pertain to movable equipment. If you are unsure if an acquired item is considered movable equipment, the Procurement Records Manager will assist you in determining whether the equipment in question is fixed or movable.

EQUIPMENT CLASSIFICATIONS AND TITLE

1. **WPI purchased** - Equipment purchased for WPI with University funds. Title to capital equipment at WPI is held by the University. Capital equipment may not be transferred without the approval of the appropriate department head, manager, or designee.
2. **Purchased with federal funds** - Equipment purchased for WPI with federal funds. Purchasing equipment using federal funds often requires the prior approval of the

sponsoring agency. The government contracting officer may transfer title of equipment to the University at any time during the period of project performance. Title to government property may be transferred with the stipulation that the property be used solely for the activity for which it was obtained. Please contact Sponsored Research Accounting or the Office of Sponsored Programs for further information regarding your sponsor's terms and conditions.

3. **Transfer** - Transfer of equipment from other institutions to WPI. The University may receive property from other institutions when faculty members transfer their research to WPI. Title is then assigned to WPI for each item of capital equipment transferred, unless grant regulations dictate otherwise.
4. **A gift or donation other than money** - Questions regarding procedures for proper handling of gifts and donations should be directed to the Operations Manager, Development Services in the Office of Advancement.
5. **Equipment on loan** - Equipment loaned to WPI whose title is held by another organization.

TAGGING PROCEDURES

1. **Capital Movable Equipment** - Each piece of capital movable equipment must be identified with a unique WPI approved barcode tag bearing an asset tag number. Upon acquisition, an appropriate asset tag will be attached to the equipment. This tag will be placed in a location on the item where it can be easily found, clearly read, and where a barcode scanner can scan the tag. Equipment that cannot be tagged due to size, location, or conditions where a tag can be destroyed, is deemed "untaggable". Under any of these circumstances, the tag will be affixed to the accompanying paperwork.
2. **Non-Capital Movable Equipment** - Equipment that does not meet the criteria of capital movable equipment is considered non-capital movable equipment. Each piece of noncapital movable equipment may be identified with a unique WPI approved barcode tag bearing an asset tag number at the discretion of the department. Subsequently, these tags differ slightly from those used for capital equipment and may be obtained by contacting the Procurement Records Manager. Upon acquisition of non-capital movable equipment, it is the responsibility of the department to place the tag in a location where it can be easily found, clearly read, and where a barcode scanner can easily scan the tag.
3. **Off Campus Movable Equipment** - There may be times when WPI movable capital equipment exists or is relocated off site for the purpose of conducting research. In such an instance, please contact Procurement Services to make arrangements for the Procurement Records Manager to visit the location and tag the equipment.

RECORDING OF CAPITAL MOVABLE EQUIPMENT

Records of tagged and inventoried equipment are maintained in Workday. The following are the categories recorded:

- Permanent tag number
- Item description
- Asset type
- Vendor
- Model
- Manufacturer
- Part number or vehicle tag
- In service date
- Title to
- Location
- Location description
- Name of equipment/asset manager

It is the responsibility of Procurement Services and each department to ensure all records are maintained accurately. Please contact Procurement Services if changes need to be made in the equipment's permanent record.

BIENNIAL PHYSICAL INVENTORY

WPI is required by the federal government to perform a physical inventory of its property once every two years. A physical inventory will support the accuracy of the records kept by Procurement Services, as well as the data maintained in Workday. WPI fulfills this requirement by inventorying assets on a rolling basis with every asset inventoried within a two-year period of time. Procurement services will provide instruction to departments in order for them to execute the inventory process. Should WPI movable capital equipment be located off site for the purpose of conducting research, the procedure for biennial inventory will still apply.

The purpose of a biennial inventory is to:

- Comply with federal government inventory requirements.
- Verify existence of equipment recorded in Workday.
- Confirm or update the location and condition of equipment.

To carry out its responsibilities related to inventory, Procurement Services will contact as needed the appropriate department head or manager. The department will assign a point of contact to conduct the inventory. The point of contact will be provided accurate equipment information by

Procurement Services to inventory the item. If an untagged piece of equipment is identified and may have a potential value of greater than or equal to \$5,000, the point of contact will record all required information and seek out the existence of historical data from Procurement Services. Should the equipment meet the criteria to classify it as capital equipment, then a record will be created in Workday. Once the record is created, the Procurement Records Manager will go to the location of the equipment and place a tag on the item.

EQUIPMENT DISPOSAL

There may be a need or desire to dispose of capital equipment. Before disposal of equipment may occur, WPI Procurement Services and, if appropriate, Sponsored Research Accounting will need to review the original equipment terms and conditions to ensure there are no restrictions. Prior to any action it is required that the equipment status change or disposal form be completed and submitted as directed. This form may be accessed by visiting the property management web page. <http://www.wpi.edu/offices/finops/property.html> Disposal Methods:

- **Sold:** Movable capital equipment is sold to another institution or vendor. Sale of equipment is prohibited without the prior approval of the department head or manager in conjunction with the office of the University Controller.
- **Returned:** Movable capital equipment is returned to another institution or vendor.
- **Donated:** Movable capital equipment is donated to another institution or vendor.
- **Lost or stolen:** Movable capital equipment is missing and determined to be lost or stolen. When an item or items are lost or stolen, please contact WPI Campus Police to report the incident.
- **Transferred within WPI:** Movable capital equipment is transferred within WPI from one department to another.
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- **Traded-in:** Movable capital equipment is traded to another institution or vendor for exchange.
- **Moved:** Movable capital equipment is physically relocated within the space occupied by the department with whom it currently resides, or it is moved to a space occupied by an alternate department. This designation also applies to equipment moved off campus.
- **Disposed of:** Movable capital equipment is properly discarded or scrapped.

FREQUENTLY ASKED QUESTIONS

How do I know if I am responsible for a piece of equipment?

WPI equipment is owned by the University, not an individual, and must be handled with care when being utilized by or in one's possession, regardless of value. Responsibility for the care, maintenance, and tracking of equipment will be assigned by the department head or manager.

How do I know if my equipment is designated as movable capital equipment?

WPI categorizes movable capital equipment as an item that is not permanently attached to a structure or building, has a useful life of one year or more, has a value of greater than or equal to \$5,000, and is of a non-consumable nature. Some examples are laboratory equipment, vehicles, and athletic fitness equipment.

What is non-movable equipment?

Non-movable equipment is a secured fixed asset or structure. Non-movable equipment may include equipment which is permanently fastened, such as buildings and land.

What is fabricated equipment?

Fabricated equipment is an item being constructed by combining or assembling diverse components. When the completed fabrication has a value of greater than or equal to \$5,000 the item will be tagged and recorded in Workday.

How do I know if equipment was purchased with federal funds?

As a research institution, WPI purchases items with federal funds. Procurement Services or Sponsored Research Accounting will assist with identifying how equipment was purchased.

Does Procurement Services need to know when I transfer, donate, or move equipment?

Yes. When any form of equipment disposal is about to take place Procurement Services must update capital equipment inventory records. You must complete the equipment status change form on the Property Management web page. <http://www.wpi.edu/offices/finops/property.html>

Does Procurement Services need to know if I receive a transfer, donation, or equipment is moved to my area?

Yes. When any new movable capital equipment comes to WPI, Procurement Services must be made aware these items are in the possession of the University. The item will need to be tagged and inventoried. Please contact the Procurement Records Manager to assist.

How do I determine if an item needs to be tagged?

Should the item meet the capital movable equipment criteria, of having a value of greater than or equal to \$5,000, it is required it be tagged. Procurement Services will also tag non-capital movable equipment at the request of the department. Records of non-capital equipment are maintained by the department for their own purposes.