

## Acquisition Of Equipment

### Purchases

Equipment is purchased by initiating either an Oracle Purchase Order Requisition or Payment Request Form. The Equipment Purchase Information Form (EPI) is required for every purchase of equipment. Purchases that involve trade-in required the Equipment Disposition Form.

**The sub codes for capital equipment are as follows:**

Sub Code	Equipment Type	Useful Life
8908051 Light Transportation Vehicles	Passenger Cars, Vans, Station Wagons, and Pickup Trucks with a total weight of less than one ton	4 Years
8908052 Heavy Work Vehicle	Heavy Trucks, Busses, Tow Trucks, Forklifts, Tractors, Bulldozers, and Trailers with a total weight of 1 ton or more	8 - 10 Years
8908053 Major Computer Software	Computer Software costing \$5000 or more	3 Years
8908054 Computer Hardware	Personal Computers, Disk Drives, Color Monitors, Printers, Mainframe Computers, and other Computer Hardware costing \$5000 or more for the University and \$2000 or more for the Hospital	3 - 5 Years
8908059 Other Equipment	Scientific Equipment, Patient Care Equipment, Office Furniture, and any other Equipment that does not fit in the above categories costing \$5000 or more for the University and \$2000 or more for the Hospital	5 - 15 Years

**Note:** If the correct sub code is not known, please use sub code 8908059 (Other Equipment). The Equipment Accountant will correct the sub code if needed.

### Capital Upgrades to Equipment

- A capital upgrade occurs when an equipment item is acquired that will become an integral component of another piece of capital equipment currently owned by UAB.
- The newly acquired item **MUST** meet the standard University or Hospital capitalization criteria. The cost of the upgrade will be charged to the equipment sub code and added to the original equipment item's total cost.
- Appropriate comments will be added to the Equipment Accounting Sunflower system.
- **Only UAB owned equipment can be upgraded with items purchased by UAB.**
- All upgrades to Hospital owned equipment must be paid from hospital accounts.

### Lease and Lease/Purchase

- Equipment meeting the equipment capitalization requirement under the capital lease review criteria will be recorded in the Equipment Accounting Sunflower System as inventoried equipment.

## **Purchase For Use At Non-UAB Facility**

- Equipment accounting will review the EPI form justification and verification that equipment identified with a Non-UAB Facility as a primary location to determine the allowability of the purchase.
- The equipment will remain the responsibility of the ordering department and will be reflected on that department's inventory until the equipment is returned to campus.

## **Tagging of Equipment**

- The new equipment record is set up on the Equipment Accounting Sunflower system.
- A Property Inventory Officer will go to the department to locate the purchased equipment and affix a property tag on the equipment.
- The property tag is applied for identification and inventory purposes. If the equipment cannot be tagged at the time of the visit, the Property Inventory Officer may return at a later date.
- If the equipment item is in a location that is not appropriate for tagging by our personnel, the tag for the item will be given to the departmental contact person for application. In this case, the departmental contact person will need to verify the property tag information and notify the Equipment Accounting Department of any corrections.
- If the equipment item cannot be physically located, the department will be charged 25% of the original cost as a penalty according to UAB policy. The penalty charge will be refunded if the item in question can be verified and tagged by the Equipment Accounting Department.

## **Pre-tagging Equipment**

On many occasions where equipment is difficult to locate, it is beneficial to tag equipment as soon as it arrives at UAB. This is usually before Equipment Accounting is notified of the purchase. If you have equipment that you want pre-tagged, call (205) 934-5144. A Property Inventory Officer will come out immediately to the department to tag the equipment, usually the same day. To assure accuracy in pre-tagging equipment you must be able to provide the P.O. number, description and location of the equipment item.

## **Donation of Equipment to UAB**

- Equipment items are donated to the University, including HSF or Health System donations, the individual receiving the equipment must notify the department's Accountable Equipment Officer.
- The department's Accountable Equipment Officer is responsible for sending an email to notify both the Equipment Accounting Department ([relston@uab.edu](mailto:relston@uab.edu)) and the Gift Records Office (Annette Forehand [forehand@uab.edu](mailto:forehand@uab.edu)). Including the donor's legal name, description of the equipment donated, the planned location of the equipment, the UAB organizational unit to which the gift was made, and a contact person name & phone number & email.
- An Equipment Disposition Form (Transaction Code 8) must be completed.
- A letter from the donor listing the equipment items donated with a dollar value (either estimated or appraised by the donor) should be attached to the Equipment Disposition Form. Attach copies of any other information that would be helpful in recording the equipment.
- All required information should be routed to the Equipment Accounting Department.

## **Fabrication**

- Any equipment manufactured for ownership by the University or for grants administered by the University that has an accumulated cost of \$5,000 or more should be recorded in the Sunflower system.
- Supplies, materials, and any other associated costs for fabrication of capital equipment should be noted on the documentation for purchase.
- If existing UAB equipment is to become integral to a piece of fabricated equipment, the property number of the equipment utilized in constructing the fabricated item must be reported to the Equipment Accounting Department on an Equipment Disposition form as scrapped (transaction code 6).

## Surplus

### From UAB Surplus (Transaction Code 1)

- Items which the Equipment Accounting Department are holding as surplus can be transferred to any UAB department free of charge.
- The departmental representative may go to the second floor of the University Stores Warehouse ([link to UAB Surplus page](#))
- If a department would like to put a surplus item on hold, we will hold the item for five (5) working days then it will be released back into general surplus.
- To transfer any item out of surplus, an Equipment Disposition form must be completed with the description, property number, serial number, current location, and future location.
- The form must be signed by someone in the department who has signature authority for Equipment Disposition Forms.
- The form should then be returned to the Equipment Accounting Department if the movers will be needed to move the item.
- If the item is to be personally picked up, the form should be returned to the warehouse.

### Federal Surplus Property

Federal surplus property may be obtained through the Alabama State Agency for Surplus Property. A representative from the acquiring department must secure an official letter of authorization from the UAB Purchasing Department prior to going to the state surplus warehouse in Montgomery. The department should contact the UAB Purchasing Department for information on pursuing this method of acquisition.

**Note:** *All federal surplus items with an original acquisition cost of \$5,000 or more are classified as restricted items regardless of the current cost. All restricted items are under a four-year period of restriction except vehicles, which are restricted for two years. The recipient (UAB) shall not sell, trade, lease, lend, bail, encumber, or otherwise dispose of restricted equipment or remove it for use outside the state without prior written approval of the Alabama State Agency for Surplus Property.*

### Transfer of Grant and Contract Equipment to UAB

#### (Transaction Code 9)

**When equipment is transported to UAB in conjunction with the transfer of a grant or contract, the Equipment Accounting Department should be notified of the items that are received so they can be recorded on the Equipment Accounting system. Complete an Equipment Disposition form with the description, serial number, current location, and department information. Also attach any other information that is pertinent. It is the responsibility of the recipient department to notify Equipment Accounting of any equipment received by grant or contract transfer. If there are any questions, please call the Equipment Accounting Department.**