


Asset Management System Overview

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Main Points

- ❑ Purpose of Asset Management System (AMS)
 - ❑ Define Assets
 - ❑ Asset Life Cycle
 - ❑ Questions / Recommendations / Summary
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Purpose of Asset Management System

Primary goal – Accounting Function

- Record expense over time through depreciation

Purpose of Asset Management System

Secondary goal – Inventory / Asset Control

- Meet reporting requirements for other departments (Grants, Business Services)
 - Regular inventories maintain accurate depreciation
 - Regular inventories help identify loss or theft for departments
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Asset Definition - Types of Assets

■ Non-Departmental

- Intangibles (Software)
- Land
- Land Improvements / Leasehold Improvements
- Buildings / Utilities / Infrastructure

■ Departmental

- Library Holdings
- **Equipment**

Asset Definition-Types of Assets-*Equipment*

The requirements for something to be tagged as equipment:


- Item must be able to function on its own
- Life cycle greater than 2 years
- Value of item or system is over \$5,000
 - Costs associated with making item functional and on site are included in total cost (shipping, site prep, installation, trade in allowances, etc)

Life Cycle of Assets – Data Gathering

Accounting Services Facilities & Debt Planning Responsibilities

- Identify assets to be tagged in 4850 / 2113 object codes
- Clarify status and value of item(s)
- Gather identifying information on a new asset form

Department Responsibilities

- Collaborate with Grants & Contracts if item is related to a grant
 - Engage in open, accurate, and timely communication with Accounting Services
 - Work with Accounting Services (FDP) to tag the asset
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Life Cycle of Assets – Data Gathering

Department Responsibilities (continued)

- Use appropriate object codes to flag purchases
 - If only part of a purchase will be tagged, can use multiple accounts
 - If building a unit of multiple parts that will exceed a value of \$5,000 when complete, use 4850


	Items or group of items to be tagged	Items or groups of items that do not need to be tagged
<i>Funds 11, 23-30, 41-46</i>	4850	Varies depending on how department wants to categorize (4436, 4570, 4390)
<i>Fund 63</i>	2113	2112

Life Cycle of Assets – AMS Data Entry

Accounting Services Facilities & Debt Planning Responsibilities

- Ask any additional questions to clarify missing information
- Accurately add asset to asset management system in timely manner

Department Responsibilities

- Provide information to Accounting Services (FDP) if questions arise during entry in AMS system
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Life Cycle of Assets – In Service Activities

Major Types of In Service Activities


Departmental Inventories – Grant and Regular Assets

- Yearly (except for years building is undergoing physical inventory)
- Spreadsheet sent to departments for updates/corrections

Physical Inventories-Regular Assets


- Every 4 years (unless Grant item-see Grant inventories)
- Accounting staff meets with departmental contacts to confirm physical existence of assets and update information

Physical Inventories-Grant Assets

- Every 2 years – Results to be shared with Grants department for record verification
 - Accounting staff meets with departmental contacts to verify physical existence of assets and update information
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Life Cycle of Assets – In Service Activities

Accounting Services Facilities & Debt Planning Responsibilities

- Run spreadsheets for inventories by buildings
 - Department Inventories - Send out and follow up with contacts until complete
 - Physical & Grant Inventories – Coordinate and execute physical confirmation of assets with department contacts
 - Provide information to various departments for reporting purposes
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Life Cycle of Assets – In Service Activities

Department Responsibilities

- Refer Accounting Services (FDP) to appropriate person(s) if you cannot assist with inventories
 - Departmental inventories - Physically confirm asset existence and update information on spreadsheets prior to returning
 - Physical inventories – Work with Accounting Services to physically verify assets in building/department
 - Send updates on asset information as they occur
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Life Cycle of Assets – Disposal

Accounting Services Facilities & Debt Planning **Responsibilities**

- Receive notification via numerous paths (Surplus sales, inventories, emails, tags returned)
 - Retire asset in system
 - Provide information to various departments for reporting purposes
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Life Cycle of Assets – Disposal


Department Responsibilities

- If asset is going to Surplus, complete surplus sales form with item tag numbers listed on form and arrange for surplus disposal
 - If item has been fully expended or will be broken down into pieces, contact Accounting Services-Facilities & Debt Planning so the asset can be retired/disposed in the system
 - If asset is associated with a Grant, contact your Grants officer to discuss any potential issues prior to disposal
 - Follow any required department guidelines
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Suggestions & Recommendations for Facilities & Debt Planning

- Standardize building inventory schedule so departments can anticipate and plan for rotation
- Educate and inform departments on asset management system and processes to define expectations
- Share copies of updates gathered during physical inventories to let everyone know status
- Improve structure of system information setup
 - Identify contacts versus custodians
 - Notes on Excel inventory sheets for miscellaneous information

Frequently Asked Questions

- Why don't the inventory lists I receive match our departmental equipment lists?
 - What if something is not tagged, but should be?
 - Why would I have an item that is tagged, but never shows on inventory sheets?
 - Why doesn't the item description accurately reflect what the item is? How do I change it to a more accurate description?
 - Why is there an unusual fund & cost center listed on an item?
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Why don't the inventory lists I receive match our departmental equipment lists?

- Different groupings: a department might list items that work together as a unit as individual items (or vice versa). A department might list the Widget, the widget spinner, and the widget storage box as individual items, while Accounting may list as Widget (and include all accessories)
 - Items may have been purchased using a non-capitalization object code and not flagged for addition to the WMU Asset Management System
 - Someone may have told Accounting the asset was no longer in service during a previous inventory and it was retired from the asset system
 - May be assigned to a different building in the asset system
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What if something is not tagged, but should be?

- Let Accounting know as much information as possible so we can find original purchase on GLOW
 - Fund & Cost Center, date of purchase, approximate cost, and/or vendor name are all helpful in tracking down purchases
- Accounting will try to locate the purchase details needed to add asset to the system
- If purchase was beyond the depreciation life cycle for an asset, it may not be added to asset system

Why would I have an item that is tagged, but never shows on inventory sheets?

- The dollar threshold for tagging used to be less than \$5,000. In 2002, the asset system was upgraded and only assets over the new \$5,000 threshold were added. The tags were not removed from the old equipment tagged prior to that change
- Item may have been ready to go to surplus and Accounting was notified to retire the asset in the system. It is possible that the assets did not end up sent to surplus (asset repaired, pieced out for parts, etc.) and the asset record did not get reinstated
- Item may have moved locations and is assigned to a different building's inventory list


Why doesn't the item description accurately reflect what the item is? How do I change it to a more accurate description?

- The description is typically pulled from the information off the PO, contract, or invoice. This might be a more technical or vague description than what the department may use
- Let Accounting know the preferred description of item and the asset record can be updated to be more useful and accurate

Why is there an unusual fund & cost center listed on an item?

- If the item was donated, there would be a unique fund and cost center to indicate it was a donation (typically 11-000000)
- If the asset is purchased for a department through another department, the original purchase fund and cost center may be assigned to the asset since the JES or billing is done after the asset is purchased by the university
 - Examples include vehicle purchases through Transportation Services, Facilities Management projects, and/or IT items purchased through OIT and billed back to the departments

Summary

- **Use 4850 object code**
 - Include tag information on surplus forms and/or send tags back to us at Mail Stop 5207
 - Ask questions / Share suggestions / Correct any inaccurate information
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Thank you!

Your cooperation and communication is appreciated!

Please feel free to drop us a line with questions, suggestions, or asset related updates:

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