

2.212 Equipment

I. Relevant Policies

Projects should refer to the following policies for guidance on controlled property and equipment acquisitions, transfers, gifts, and fabrication:

- A. **Equipment Purchased with Federal Funds:** UH APs [8.290](#), [8.509](#), [8.521](#), [8.523](#), [8.524](#), [8.530](#), [8.536](#), [8.539](#), [8.541](#), [8.542](#), [8.543](#), [8.550](#), and [8.555](#).
- B. **Equipment Purchased with Private Funds:** UH APs [8.509](#), [8.510](#), [8.512](#), [8.516](#), [8.521](#), [8.523](#), [8.524](#), [8.539](#), [8.541](#), [8.543](#), [8.550](#), and [8.555](#).
- C. **Equipment Purchased for RCUH Revolving Fund and Direct Projects:** RCUH Policies [1.360](#), [1.440](#), and [4.700](#).

II. Project Considerations

A. Prior Approval

It is the responsibility of the Principal Investigator (PI) to secure prior approval from the sponsoring agency if required by the terms of the sponsored agreement. An Authorization to Purchase Equipment with Federal Contract or Grant Funds ([UH Form 39](#)) must be completed for federally funded purchases, and be electronically attached to the purchase requisition.

B. Equipment Screening for Federally Funded Purchases

1. Screening Required within UH/RCUH

The PI shall attach a non-availability statement ([UH Form 39](#)) in accordance with federal government regulations and UH APs [8.290](#) and [8.521](#) for equipment purchases of \$5,000 and above on UH service ordered projects. Departmental screening is required for items with a unit cost that is \$5,000 or greater, but less than \$25,000. University-wide screening is required for items with a unit cost of \$25,000 or above.

2. Screening on U.S. Department of Defense (DOD) and NASA Contracts

U.S. Department of Defense and NASA contract awards may require certain types of equipment acquisitions to be screened by the awarding agency. Due to the variance in requirements across governmental agencies for acquiring federal property, PIs and Designated University Officials (DUOs) or Fiscal Administrators (FAs) should refer to the award requirements before acquisition.

C. Ownership Vesting

In July 2012, the transition from FMIS Fixed Assets to the Kualii Financial System (KFS) Capital Asset Management (CAM) module required object code changes. The KFS object codes utilize a 3-digit + Alpha suffix format. The suffix identifies the asset's ownership. Suffixes include the following:

1. A – Agency owned
2. F – Federal owned
3. G – UH owned, federally funded
4. U – UH owned

D. Subcodes

See [Kualii Financial System \(KFS\) CAM Object Code Table](#) for the Kualii Financial System (KFS) CAM Object Code table.

1. Equipment and Components

- a. A component is a subsequent acquisition for host equipment with a minimum cost of \$1,000, whose purchase extends the useful life or capabilities of the host equipment ([UH AP 8.550](#)). A component purchase is coded with an equipment object code.
- b. A written explanation by the property custodian or DUO shall be provided to the UH Capital Asset Accounting Office (CAAO) regarding the way(s) in which the purchase extends the useful life of the equipment, including the projected additional number of years, **or** how the purchase increases the production capacity of the host.
- c. If a new purchase replaces an existing portion of the host, it shall be capitalized only if the value has a minimum acquisition cost of \$1,000 **and** if the value of the replaced portion has been disposed ([UH AP 8.555](#)). Repair and maintenance costs that do not extend the property's life shall be expensed as incurred.

2. Controlled Property

Property less than \$5,000 that is not capitalized but tracked and managed by CAAO in CAM:

- a. Weapons/firearms, UH owned/federally funded;
- b. Weapons/firearms, UH owned;
- c. Property that is agency owned; and
- d. Property that is federally owned.

3. Real Property & Construction

See [Kuali Financial System \(KFS\) CAM Object Code Table](#) for the KFS CAM Object Code table for Real Property, Use Land, Land Improvement, Infrastructure, and Capital Improvement object codes to properly identify real property and construction-in-progress transactions.

4. Equipment Fabrication-in-Progress

- a. The FA or DUO shall submit an Asset Fabrication Global E-doc in CAM. A completed copy of the [PFMO-73](#) University of Hawai'i Fabricated Equipment shall be attached in the Notes and Attachment tab in KFS.
- b. The Asset number for the fabricated equipment shall be issued by CAAO and shall be referenced on all fabrication progress payments.
- c. Upon completion of the equipment, the FA or DUO shall inform CAAO of the in-service date of the fabricated property, the total cost, and the location. See Section 3 of [UH AP 8.521](#).

5. Non-Capital Assets

These assets do not meet the UH property definition of "equipment," but the code may be used to distinguish theft-sensitive items from supplies so that they may be entered into KFS CAM by authorized CAM processors.

E. UH Equipment Reporting

1. RCUH expenditures that meet UH property definitions are selected electronically by object code and printed in a daily report, which is provided to the CAAO. Failure to use the proper object code will result in incorrect reporting or non-reporting. The FA may be required to do KFS error corrections for coding errors.
2. The CAAO has access to information entered on the RCUH online equipment inventory form completed during the payment process.
3. All subsequent actions such as equipment transfers, disposals, etc. are handled directly in UH KFS.

III. Relevant Documents

[Kuali Financial System \(KFS\) CAM Object Code Table](#)

[UH Form 39 Authorization to Purchase Equipment with Federal Contract or Grant Funds](#)

[UH Form PFMO-73 University of Hawai'i Fabricated Equipment](#)

[Policy 1.360 Revolving Account Property](#)

[Policy 1.440 Direct Projects Property](#)

[Policy 4.700 Equipment and Property](#)

[UH AP 8.290 Requirements of Federally Funded Purchases](#)

[UH AP 8.509 Property and Equipment Overview](#)

[UH AP 8.510 Loaned Property, Personally Owned Property, and Collections](#)

[UH AP 8.512 Identification of Property](#)

[UH AP 8.516 Property and Equipment Valuation \(formerly Valuation of University Equipment\)](#)

[UH AP 8.521 Property and Equipment Acquisition](#)

[UH AP 8.523 Receiving Property and Equipment](#)

[UH AP 8.524 Property and Equipment Maintenance](#)

[UH AP 8.530 Property and Equipment Storage and Movement](#)

[UH AP 8.536 Subcontract Control of Government Property](#)

[UH AP 8.539 Property and Equipment Record Maintenance](#)

[UH AP 8.541 Property and Equipment Management Reports](#)

[UH AP 8.542 Property and Equipment Utilization](#)

[UH AP 8.543 Property and Equipment Transfer and Retirement](#)

[UH AP 8.550 Capitalization](#)

[UH AP 8.555 Impairment of Capital Assets and Retirement of Real Property](#)

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