

## Guide 4209 GD.01

### Fixed vs Movable Equipment

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#### Overview

*Policy 4209 Equipment* gives specific details regarding the University equipment. This guide is intended to further explain certain aspects of the policy.

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#### Fixed versus Movable Equipment

**Fixed** equipment is attached or fastened to a building. Examples of fixed equipment are: fume hoods, counters, carpeting, dishwashers, building renovations, and security systems.

**Movable** equipment can be moved. Examples are: computers, freezers, vehicles, centrifuges, rotors, autoclaves, cages, and modular workstations.

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#### How to Charge

##### Fixed Equipment

Fixed equipment must be charged to a project with a project type of *Capital Project Building*. The award will always be 75001A and the expenditure type will always be 881400 *Equipment- Fixed*. Capital Management will then charge your department for the expenditures via:

- a 'sweep' to department funds (including gifts) or
- interest and amortization payments over a 15 year period, if funds are loaned to your department.

##### Movable Equipment

Movable equipment can be charged to a project with a project type of *Operating* (if you want to fund the purchase within your department in the current year) or to a project type of *Capital Project Equipment* (if you wish the University to 'loan' the funds to your department). Capital Management will then charge your department interest and amortization for this 'loan' over a 4 to 12 year period.

For movable equipment, if you use a project type of *Operating*, the expenditure types used should begin with 881, except for 881400. The unit value of the equipment must be above the capitalization threshold amount (as reported on the [Controller's Fact Sheet](#)). These items will be entered into the Movable Equipment Inventory (MEI).

Equipment purchased on an *Operating* project that is below the capitalization threshold should be charged to expenditure type 820600 *Minor Equip & Furn* and **will not** be entered into MEI. If equipment is less than the capitalization threshold, you should never charge an expenditure type that begins with 881.

For movable equipment, if you use a project type of *Cap Project Equipment*, the unit value of the equipment must be above the capitalization threshold and the expenditure types should begin with 881, except for 881400. These items will be entered into MEI.

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#### Additional Requirements

If the equipment is movable, the Federal government requires additional procedures to track the existence and location of the equipment. The University uses the MEI system to satisfy this requirement. Grants and Contracts Cost Analysis takes note whenever a MEI expenditure type is charged. For valid charges to these expenditure types, this office sends tags to departments. These tags must be affixed to the equipment to facilitate future tracking. Every two years, the University is required to inventory the items in MEI.

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#### Accounting for Disposals

If fixed equipment is disposed, the transaction must be recorded in the Oracle Fixed Asset module. Contact Financial Reporting (432-3076) for details.

If movable equipment is disposed, the transaction must be recorded in the MEI system. Contact Grants and Contracts Cost Analysis (432-3077) for details.

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**Responsibilities**

To set up Capital Projects, contact Office of Capital Management (432-8012).

For questions regarding the Movable Equipment Inventory (MEI) system, contact Office of Grant & Contract Cost Analysis (432-3077).

For questions on Fixed Asset module, contact Financial Reporting (432-3076)

For other questions, contact Financial Reporting (432-9705)

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