Why do we track capital equipment assets?

1. To help SEAS comply with all University and external requirements regarding the tracking of equipment capital assets. When auditors want to know about equipment purchases they look in the Harvard financial system where the purchases are recorded. Linking financial transactions to capital asset records requires us to have supporting capital equipment asset records detailing information about the asset tracked.

2. SEAS is required to perform a biennial physical inventory of all capital equipment assets. Tracking capital equipment assets assists in locating equipment during the inventory process.

3. Federal law requires we inventory capital equipment assets used in research and related activities.

4. Depreciation of capital equipment assets factors into the University overhead rate.

5. Tracking capital equipment assets provides a helpful reference for future contacts with vendors, manufacturers, for use with recalls, etc.

What has changed?

With the inception of iProcurement, tracking a capital equipment asset starts before you begin creating your requisition electronically. If this is a new purchase and an existing tag number does not exist, you must complete the attached form and email Thomas@SEAS.Harvard.edu to obtain your tag number before you create your requisition electronically. All information needed to complete the tagging process is now on one “easy to complete” form (used for tagging both capital equipment assets and fabrications).

When using sponsored funding for your capital equipment asset or fabrication purchase, you can now generate and complete the Vendor Justification form online during the iProcurement requisitioning process. While you are creating your requisition electronically, you will be asked to complete the form online. The Vendor Justification form remains electronically with the requisition for future auditing purposes.

Additionally, if you are spending $25K or more, fill in the vendor information on the New Equipment and Fabrication Tagging form so that SEAS Procurement may obtain a signed and dated Vendor Debarment form from your selected vendor on your behalf. Failure to complete this information will result in delays processing your request. Federal and internal requirements restrict us from approving your requisition and generating a purchase order to the vendor until we have a signed and dated Debarment form for the vendor.

What steps do I need to follow to obtain my Asset Tag number and make a capital equipment purchase?

1. Complete the attached SEAS Equipment/Fabrication Tagging form.

2. If the vendor information on the form for SEAS Procurement to obtain a signed and dated Vendor Debarment form from your selected vendor. Failure to complete this information will result in delays processing your request.

3. Email the form to Thomas@SEAS.Harvard.edu or deliver to 52 Oxford St., NWB Room B155.

4. Your tag number will be emailed to you once your request has been processed.

5. Login to iProcurement and create your requisition for your purchase.

6. Enter the Asset Tag Number on all lines of the requisition that are applicable to the capital equipment asset or fabrication purchase.

7. If using sponsored funding, complete the Vendor Justification form online during the requisitioning process. If spending $25K or more – answer the Vendor Debarment questions
stating SEAS Procurement has received a signed and dated vendor debarment form from the vendor (see #2 above). Submit your requisition for approval to your Level One approver.

8. Send any supporting documentation needed to complete the purchase (quotations, drawings etc) to ProcurementHelp@SEAS.Harvard.edu and Thomas@SEAS.Harvard.edu or deliver if not available electronically to Procurement Services at 52 Oxford St, NWB Room B153. Be sure to reference your iProcurement requisition number on all documents.

9. Once your requisition has been approved, a purchase order will be generated and placed with the vendor. If you prefer to place the order yourself with the vendor, instruct us using the “Notes to Approver” section on your requisition (on the Approver screen) and tell us you want to contact the vendor yourself once the purchase order is generated.

10. Note: Some of the component information needed for the Equipment/Fabrication tagging form will not be known until the unit is delivered. It is critical that you send updating information to Thomas@SEAS.Harvard.edu to ensure we have updated and accurate records on the Equipment Capital Asset or Fabrication.

11. If the physical location of an equipment capital asset or fabrication changes you must notify SEAS Finance immediately via email to Thomas@SEAS.Harvard.edu. Be sure to include the Tag #, Description, old location and new location as well as any new contact information needed.

12. If you are retiring or disposing of an equipment capital asset or fabrication, you must complete the Disposal of Capital Equipment form and remove the physical tag from the equipment and deliver to Capital Asset Coordinator at 52 Oxford St, NWB Room B155.

Common Tagging Terms:

1. **Capital Equipment Asset** – defined as equipment costing $5,000 or more. It has one tag # assigned, a primary user, a location and at least one component tracked in the equipment management system.

2. **Component** – defined as part of an asset and provides detailed information on assets such as Model, Manufacturer, Serial #, Warranty Information etc.

3. **Fabrication** – defined as pieces of equipment being built over time combining components or materials to produce one identifiable unit. All components must work as one unit to be considered a fabrication. Fabrications must be charged to object codes 6811 or 6812.

4. **Physical Inventory** – defined as the process of walking to the location of the equipment and visually verifying a physical tag is affixed to the equipment and the equipment is located where it is listed. Any time there is a change in an asset’s physical location, send an email to Thomas@SEAS.Harvard.edu to notify us of the change so we can update the inventory records. Physical inventories are conducted bi-annually as required by Federal law.

5. **Vendor Justification Form** – defined as form required for all purchases of capital assets costing $5,000 or more when using sponsored funding (fund range 100000 – 199999). Note: copies of competitive bids must be retained on file in your department for auditing purposes. Competitive bids are not retained centrally by SEAS Procurement.

6. **Vendor Debarment Form** – defined as a form required for all purchases costing $25,000. The form states the vendor you have selected has not been debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any federal department or agency. Failure to obtain this form, signed and dated by the vendor of your choosing, will result in delays processing your requisition.