

Agenda Items

Guest Speakers

- a. United Way – Will Gray (Director of Philanthropy) – *An overview of this year's United Way of the Bluegrass campaign was presented; covering nine counties and assists 84 agencies. This year's goal of \$300,000 is named "Big Bold Goal" and the mission is to help 10,000 central Kentucky families become self-sufficient. Pledge cards will be distributed soon. The campaign kicks off on October 1. UK employees can go on line or complete their pledge cards (when they're distributed) to donate to the UWBG. The college rep is Ruth Cremeans; you may call Ruth with any questions you may have.*
- b. Andrea Higdon – Updates in SAP - Outlook and UK Directory – *It is important for several reasons to make sure that your work address, telephone number and email information is always current in Outlook and in the UK campus directory. One of the most important pieces of information to keep updated is your university address, including speed sort. This ensures that employees receive emails for specific buildings. Attached in your meeting handouts is a sheet of instructions for checking your information in the directories. Also, a QRG will be sent very soon to the HR staff providing instructions for running a report to determine if any information is missing on any employee.*

1. Procurement & Travel

- a. Purchasing Newsletter
 - i. SRM e-Catalog Auto-Approval – *Auto-approval threshold for SRM e-catalog orders has increased from \$2,000 to \$5,000 as of July 1, 2015; so that orders less than \$5,000 will now be approved automatically once the order is placed; orders of \$5,000 or more will follow the standard approval workflows.*
 - ii. SRM Goods Confirmations – *It is very important to enter a goods confirmation for all items acquired through the purchase order process as soon as possible after receiving the goods or services. Everyone is reminded that a goods confirmation is required for all items purchased through the SRM e-procurement system, with the exception of office supplies ordered through Office Max e-catalog; restricted items ordered through Office Max free text shopping cart do require a goods confirmation.*
 - iii. VWR extension – *An additional extension until October 1, 2015, has been implemented to fully utilize the SRM e-procurement system for lab purchases from VWR. Beginning October 1, all purchases from VWR or Fisher Scientific will be restricted from pro card use. This should be relayed to all purchasers in your department.*
- b. Use of Contracted Vendors (B-3-1) – *The procurement changes for Uniform Guidance have been delayed for implementation until **July 1, 2016**. This change would require documentation of at least one competitor price with the purchase of a single item over \$3,000 unless you use a preferred vendor through UK's purchasing price contracts. The documentation of the competitive price from a non-contract vendor should be filed with the purchase receipt of the item at the time of purchase, even if purchased using the procurement card. This BPM is included in the handouts. More about this to come very soon. If you are not currently on the GMNews list serve and need to be, please contact Chris to be added.*
- c. Purchasing/AP Quick Reference Guide – *This reference guide was updated on July 1, 2015, and can be found on Purchasing's web site. It provides the allowable methods for purchasing all types of goods and services. If one of the methods on any item is the pro card, that is the preferred method of purchasing that item.*
- d. Tax Exempt Forms for Out-of-State Hotels – *Many states in the U.S. have a tax exempt status that UK travelers can take advantage of. Travelers are urged to print out the tax exempt document for any state they are traveling in order to avoid being charged sales tax for hotel rooms, etc. The list can be found at <http://www.uky.edu/Purchasing/docs/statestaxexempt.pdf>.*

****NEXT MEETING: Wednesday – November 11, 2015 @ 9:00 am (Gorham Hall, Good Barn)****
Please pass along any pertinent information to faculty & staff in your departments

2. Research & Grants

a. Research Support Fund

- i. **Enrichment Funds** – *We will continue to receive incentive funds from the VPR's office, but these will be placed into newly-created income cost centers that begin with 101317, instead of the 1012 prefix. Budget transfers will be done for these funds. Carry forward is allowed on these accounts, which is a big advantage to the departments. All of the details are still being worked out in the VPR's office. More info will follow.*
- ii. **General Research Support** – *Beginning in FY16, the VPR will provide research support funds to the colleges using a formulaic method. The formula is based on the 4-year average of college earned F&A as per the eIAF distributions. This fund will be managed centrally by the college, and each commitment will receive a new 101317 cost center. More info to come as details are worked out with the Office of the Associate Dean for Research.*

b. Federal Year End

- i. **Calendar** – *The FFY15 Year-End Closing Schedule was distributed in the handouts and Chris did a brief overview of the important upcoming dates and stressed the importance of adhering to those dates. If any questions, contact Chris.*
- ii. **Accruals** – *The payables and prepaid accruals for federal capacity grants (235-) are managed by the business center. A handout with the guidelines on accruals was included in the meeting documents. Any questions on accruals should be directed to Chris.*

3. Budget & Finance

- a. **Capitalization Policy (E-12-1)** – *This recently revised BPM in its entirety was included in the handouts. Capitalized assets are now considered any item costing \$5,000 or more. Colleges can decide how minor equipment (< \$5,000) will be tracked; however, all departments are required to protect all property in their department, regardless of its value.*
- b. **Equipment Inventory (E-12-3)** – *This recently revised BPM is also included in its entirety in the handouts distributed at the meeting. Within this document is a list of G/L's for capitalized and non-capitalized equipment that should be used now. **G/L 540300 and 540301 should no longer be used.** The college CFO is working on an update to the college's minor equipment policy. The "A" tags are used for capitalized equipment; and the "N" tags are probably the preferred method for items less than \$5,000; however, more information about this will be distributed to the departments as soon as a decision is made.*
- c. **Commitment Budget Transfers** – *The business center has reviewed the Dean's FY16 commitments and has sent out the list to departments. Budget transfers will be prepared in the next couple of weeks. If any were missing from the list, contact April. Also, let April know if you did not receive a transfer for any of your FY15 federal commitments.*

4. HR & Payroll

- a. **IT0027 Reminders** – *For any biweekly employee that is paid on federal funds, two separate 0027 entries will need to be made. See the FFY15 year-end calendar for how to split the payroll entries. The FFY16 funds have been entered in the system, so 0027 entries can now be made for the new federal fiscal year.*

5. Other

- a. **Topics for Training Offerings** – *Staff are encouraged to recommend any training offerings that they would like the business center to coordinate at upcoming UG meetings. The controller's division advised that they can send some of their staff to colleges to help train administrative staff in many areas of their jobs. Some topics the business center will be able to offer the training themselves; and others will be conducted by General Accounting, Accounts Payable, Purchasing, etc. Contact anyone in the business center about any topic you would like to have covered.*
- b. **Breakout Session on Reporting** – *At the November meeting, we are planning to have a breakout session for reconciliations and reporting.*
- c. **New Staff Introductions** – *New administrative staff were introduced to the group. Chris announced that Tina Navis has been hired as the new College Business Analyst Lead. She will join the CAFE business center on September 1.*

6. BREAKOUT SESSION – DOE (Q & A)

****NEXT MEETING: Wednesday – November 11, 2015 @ 9:00 am (Gorham Hall, Good Barn)****
Please pass along any pertinent information to faculty & staff in your departments

Directory Information for On-Campus Employees: How to Ensure Your Information is Correct

What

UK maintains two directories:

- Outlook
- UK [Campus People Directory](#)

Why

Having correct information in the two directories is important because:

- in support of the college's land-grant mission constituents, including colleagues, students, citizen stakeholders, alumni, and others to be able to easily find CAFE personnel email addresses and phone numbers
- CAFE maintains individual on-campus building listservs and an "all" on-campus listserv used to send announcements to employees

In order for an individual to automatically be added to their appropriate building listserv, it is important that the zip plus building speed sort be entered. The full zip is the ultimate, sure way that personnel are placed on the appropriate building listserv.

Further, the building listservs feed the CAFE on-campus listserv. The CAFE on-campus listserv is a composite of all the building listservs. If someone isn't on the appropriate building listserv, they won't be on the on-campus listserv, either.

The on-campus listserv zip codes and speed sorts are:

40506-0050	Erikson Hall	40546-0092	Seed House
40506-0054	Funkhouser Building	40546-0097	E. S. Good Barn
40506-0302	Dorotha Smith Oatts Visitor Center	40546-0099	Gluck Equine Research Building
40506-0312	Plant Sciences	40546-0184	Agricultural Machine Research Lab
40546-0064	Scovell Hall	40546-0215	W. P. Garrigus Building
40546-0073	Thomas Poe Cooper Building	40546-0229	Agricultural Distribution Center
40546-0076	Dimock Animal Pathology	40546-0236	Kentucky Tobacco Res & Devel Ctr
40546-0088	Agriculture Motor Pool	40546-0275	Bruce Poundstone Reg Servs Bldg
40546-0091	Agriculture Science Center North	40546-0276	Charles E. Barnhart Building

Room numbers, phone numbers, and correct email addresses are also important.

How

Employee directory information is entered by departmental payroll staff during the hiring process. However, sometimes at the time of hiring some details regarding office phone numbers, email addresses, etc. might not have been finalized.

To be certain your directory information is correct:

Conduct a self check in Outlook by:

- click on "new email"
- click on the "to" button
- search by last name, first name
- right click on the blue line where your name appears
- click on "properties"
- review your directory information

Conduct a self check in the -UK [Campus People Directory](#)

- click on the drop-down box and choose "name"
- enter Last Name, First Name

To correct your directory information in MyUK, see [Update Your Info: Addresses](#).

In about three days, following these instructions should update your information in both the Campus People Directory and the Outlook directory. Remember to enter the full zip plus speed sort, office phone number, and room number. Another way to get directory information corrected is to work with departmental payroll staff who can enter corrections on SAP payroll screen PA30.

Questions: If you have questions, please get in touch with your departmental payroll staff member.



Purchasing Newsletter – July 2015

William Harris
Director

Increase in Capital Equipment Threshold

Effective June 30, 2015, Office of the Treasurer increased the University capitalization dollar threshold to \$5,000 per item. The change will decrease administrative burden for grant budgeting and overall burden as the volume of equipment to be tagged and tracked is reduced. In addition, many of the University's benchmark institutions have adopted the federal level of \$5,000 for all equipment as well as seven of the eight Kentucky public universities.

For more information, visit the Business Procedures Manual sections [E-12-1 Capitalization Policy](#) and [E-12-3 Equipment Inventory](#).

New Auto-Approval Threshold for SRM e-Catalog Orders

In conjunction with the above Business Procedures Manual revisions to E-12-1 and E-12-3, relating to equipment capitalization policies, the auto-approval threshold for SRM e-catalog Shopping Carts has increased from \$2000 to \$5000. As of July 1, any Shopping Carts processed for items from SRM e-catalogs (currently OfficeMax, Dell, CDW-G, More Direct, and VWR) that are less than \$5000 automatically process with their respective suppliers immediately upon the Shopper placing the order. Shopping Carts that are \$5000 or greater follow standard approval workflows.

New Format for Shopper Training through myUK

Employees who register for SRM Shopper Training through *myUK* now complete a different course format. Previously, Shopper training was embedded within the single training course SRM_SHO_300. The course was long (120+ slides) and challenging to complete in one sitting. The revised format consists of a four-part module of "mini-courses" as follows:

- SRM_SHO_300 Shoppers Introduction
- SRM_SHO_301 Punch-out e-Catalogs
- SRM_SHO_302 Free Text Carts
- SRM_SHO_303 Supplementary Information

Each course is smaller and more effectively promotes the learning process. The entire module can still be taken in one sitting if preferred.

AAA Corporate Travel Services, Avant Travel to Continue as UK's Designated Travel Providers

Through a Request for Proposal process, lower travel agency service fees have been negotiated, beginning July 1st, as follows:

- AAA's Concur online booking tool service fee is now \$6 (reduced from \$9)

- AAA and Avant full-service agent service fees are now \$28 for domestic airline tickets/\$38 for international airline tickets (reduced from \$29/\$39)
- There will no longer be a service fee for booking a hotel or car without air in the travel itinerary (reduced from \$5)

Visit the [Travel Management Services website](#) for additional program information and a dashboard summary reflecting FY13-14 UK Travel Program benefits and cost savings.

Reducing Reverse Format Orders to Improve Spend Visibility

An important facet for managing procurement for any entity is that of spend visibility. "Spend visibility" is the ability to capture, retain, and view line item data (item number, description, quantity, price, etc.) of purchased goods and services. Improving spend visibility is a key objective within the University's strategic procurement initiatives. Line item data generated by SRM e-catalogs, for instance, is invaluable for commodity group management, improved supplier negotiations, and reporting of many types for stakeholders.

SRM Free Text Shopping Carts / SAP ECC Requisitions are frequently entered by departments in a lump sum/reverse order format. "Reverse order" format means one line item is entered for the entire supplier quote and the cost for all items is lumped into one amount. Since the order has only one line with a general description, pertinent line item data is not retained in the system reflecting what is actually purchased. As a result, lump sum/reverse format orders provide little or no spend visibility when it comes to reporting.

To improve spend visibility, whenever possible and appropriate, please prepare SRM Free Text Shopping Carts/ SAP ECC Requisitions utilizing line item entry of the items rather than lump sum, reverse order format when there are multiple items for purchase. The below table can be used as a guide to determine whether an order qualifies for lump sum / reverse order format.

<i>May Qualify for Lump Sum / Reverse Format</i>	<i>Items which are discrete in nature and are not part of a larger equipment piece should be entered based on each line item</i>
<ul style="list-style-type: none"> -Furniture orders containing many components -Large contract printing orders -Purchase of a single equipment piece with quote constructed of numerous smaller components -Personal Service Contracts -Orders for services to be provided over a fiscal year (e.g., leases, equipment rental, etc.) 	<ul style="list-style-type: none"> -Laboratory Equipment and Supplies -Fitness equipment -Imprinted Promotional Items -Audio/Video Equipment

Exceptions may be in order for exceedingly long quotes or purchases with special circumstances. If you are entering an SRM Free Text Shopping Cart / SAP ECC Requisition and are in doubt which format should be used, email SRMHelp@uky.edu or UKPurchasing@uky.edu for guidance.

Reminder: Importance of SRM Goods Confirmations/SAP ECC Goods Receipts

Remember that receiving must take place for any goods or services acquired through the purchase order process. For SRM users, this is the Goods Confirmation; for healthcare areas, the equivalent is the SAP ECC T-Code MIGO Goods Receipt.

Receiving should be completed upon passing of the goods or services, correct in specifications and condition, from the supplier to the University. As a reminder, an email notification to create a Goods Confirmation/Goods Receipt is generated from within SAP when an invoice is posted against a purchase order. Departments do not have to wait for receipt of an email notification to create the receiving document.

Some suppliers (e.g., VWR e-catalog) also provide an additional discount if paid early. The early pay discount applies only if the Goods Confirmation is created in a timely manner, thereby releasing the early payment.

Remember that all items ordered through the SRM e-procurement system require creation of Goods Confirmations with exception of office supplies ordered through the OfficeMax e-catalog. (Note: Restricted items ordered through an OfficeMax Free Text Shopping Cart require Goods Confirmations.)

New Extension for Utilizing VWR e-Catalog and Addition of Fisher Scientific e-Catalog

Due to requirements for training, an additional extension until October 1, 2015 has been implemented for departments to fully utilize the SRM e-procurement system for laboratory purchases from VWR, International.

Additionally, as of August 1, an e-catalog for Fisher Scientific is scheduled for loading into the SRM e-procurement system. As secondary contract supplier for the University for common laboratory supplies, the Fisher Scientific e-catalog will contain exclusive items only. A training Quick Reference Guide, reflecting step-by-step ordering procedures to assist Shoppers, will be placed on the SRM section of the Purchasing [website](#) when the e-catalog is loaded.

End-users who currently use the University procurement card for purchases from VWR, International or Fisher Scientific may continue to do so during this time to allow for processing of Training Plans and completion of the Shopper curriculum through *myUK* Employee Self-Service. Please continue to use the VWR and Fisher Scientific e-catalogs if you have already taken the training and currently have the Shopper tab.

After October 1, all purchases from VWR or Fisher Scientific will be restricted from the procurement card.

Information for completion of the Training Request Form(s) and online training can be found [here](#). Questions can be directed to SRMHelp@uky.edu.

Purchasing Question:

What does the term "Single/Sole Source Justification" mean?

Answer:

The Kentucky Model Procurement Code, which governs procurement for state agencies and public universities, requires purchases with value greater than \$40,000 to be carried out via competitive solicitation processes. Some items cannot be openly solicited if they are unique or proprietary in nature and/or only available from one entity, and thus, may qualify as "Single/Sole Source" purchases. Although not always the case, Single/Sole Source purchases are commonly applicable to scientific, Information Technology, and copyrighted goods.

The Single/Sole Source Justification (SSJ) begins with the department. The end-user placing the order, declaring that the item(s) being purchased are only available from a single entity, completes the SSJ form and acquires applicable signatures. The completed and signed form should be attached to the SRM Free Text Shopping Cart/ SAP ECC Requisition along with the supplier quote. The Purchasing Officer responsible for the order reviews and approves/rejects the Single/Sole Source Justification based on the information provided. The Contracting Officer may request additional information from the department or supplier if they adjudge the SSJ to be weak or incomplete.

In approving a Single/Sole Source Justification, the Purchasing Officer affirms that the purchase is not available from any other entity, and thus, exempts it from the Model Procurement Code requirements for competitive solicitation. As such, the University can be held liable if it approves a Single/Sole Source Justification purchase that is in reality available from more than one supplier.

The Single/Sole Source Justification form can be found on the University Forms [website](#).

Use of Existing Contracts

Use of Existing Contracts

I. Purpose

The University's Purchasing Division has established contracts for internal clients to utilize to obtain quality goods and services at the best value to the University Community.

II. Responsibilities

The University must use University Price Contracts established by the Purchasing Division when making purchases for any good or service covered by these contracts.

The University may use other contracts established by the Commonwealth of Kentucky, contracts established by the Purchasing Division based on current General Services Administration (GSA) contracts, and other Cooperative contracts that have been competitively bid and contain legal cooperative language. Consideration will be given to establishing a contract any time it is determined that a contract would provide enhanced services or prices for the requirements needed.

If the requirement is not covered by an existing contract, University departments may use other methods of procurement to secure the supplies, equipment and services necessary to accomplish the mission of the University. These methods are listed in section [B-3-2](#), Delegated Procurement Authority (DPA) for University Departments. Departmental requirements not covered by existing contracts or are included in a DPA delegation must be submitted to the Purchasing Division via an on-line requisition/shopping cart. See Section [B-3-3](#).

University departments and administrators do not have authority to sign contracts that obligate the University for goods and services. Vendors requiring a document to be signed in response to any departmental delegated purchase must forward all associated documents to the Purchasing Division for review and appropriate disposition. The Purchasing Division will insure any required document is in accordance with procurement statutes and university policy and will secure the appropriate university signatures. After signatures are obtained, the vendor agreement and associated documents will be returned to the requesting department for transmission to the vendor. Address any questions about dealing with vendor's contract terms to authorized representatives of the Purchasing Division.

III. Procedure

A. University of Kentucky Price Contracts

University of Kentucky Price Contracts are established when it is determined there is a continuing need for a certain types of products or services. These contracts are usually established after issuing a formal, advertised Invitation for Bids (IFB) or Request for Proposal (RFP). The contracts contain clauses allowing renewal for additional years.

Use of Existing Contracts

B. State Price Contracts

Contracts established by the Commonwealth of Kentucky may be used by all state agencies. These contracts may be used in the same manner as the university established contracts.

C. GSA Contracts

The General Services Administration (GSA) has established contracts for a wide variety of products for the use of governmental agencies. The University may purchase from these contracts provided the contract holder agrees to sell the product to the University at the GSA contracted price and under the same terms and conditions. The Purchasing Division will establish a UK contract based on the GSA contract. The contract established may be used by University departments in the same manner as UK Price Contracts.

D. Cooperative Contracts

Competitively bid cooperative contracts that are consistent with Commonwealth of Kentucky Statutes may be used upon written approval of the Purchasing Division and consistent with state statutes.

E. Printing Services Guidelines

The University of Kentucky is governed by Chapter 57 of the Kentucky Revised Statutes, which requires all contracts for Class II printing to be approved by the Governor. Therefore, in compliance with these statutes, the contracted vendors established by the Purchasing Division must provide all printing services for the University.

Departments may not purchase printing services except through the approved contracted vendors. Payments for printing services must be made with the procurement card or an SRM on-line shopping cart. The PRD is not a valid document for the acquisition of printing.

In cases where the Procurement Card is allowed, it is the preferred method for payment. See Business Procedures Manual Section B-3-2-1.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Accreditation Fees	X						PRD if not authorized on the Procurement Card
Ad Placement (one-time or short-term placement of ads via print, radio/TV, billboard; includes employment advertising)	X	X					Purchasing must review and sign any written agreement.
Advertising Services (long-term placement of ads via print, radio/TV, billboard, etc.)		X					Purchasing must review and sign any written agreement. Contact Purchasing for any purchase that may involve consulting, marketing, or branding services.
Agricultural Equipment, Supplies and Animals	X	X					
Alcoholic Beverages - BPM 3-2-2	X		X				Procurement card may be used solely with UK Dining, Boone Center, or Spindletop Hall and must be invoiced separately from food purchases.
Artwork		X					
Attorneys		X					Refer to BPM B-4. All invoices must be reviewed by Office of Legal Counsel prior to creation of Personal Service Contract and related Shopping Cart / Requisition.
Auctioneer		X					Refer to BPM B-4.
Audio / Video Services		X					Includes production of film, movie, web videos, etc. If performed by an individual, follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf If approved as IC, purchase via Shopping Cart / Requisition process.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Awards - Employees			X	X			Refer to BPM E-7-12
Awards - Students			X				Refer to BPM E-7-11
Blinds, draperies, other window coverings	X	X					
Books for departmental use, including reference books, workbooks and handbooks	X	X					Academic textbooks should be purchased via the University Bookstore
Building Supplies	X						PPD areas must use Supply Centers
Capital Equipment - all items over \$5,000		X					
Capital Equipment - Computer Hardware	X	X					Hospital and College of Medicine use E-buy. All other departments and units use SRM Shopping Cart for all items from Dell, MoreDirect, or CDW-G punch-out catalogs, or free text orders as applicable.
Catering Services - Off Campus			X				Must be on approved catering list www.uky.edu/Purchasing/catererslist.htm
Catering Services - UK Dining, Boone Center, or Spindletop Hall	X						Alcohol purchases must be invoiced separately from food.
Cellular Phones and Service							Must be approved by Communication Services
Chemicals	X	X					
Clinics, Doctors/Hospital for services rendered to UK patients when UK is unable to provide service	X						
Coffee and other refreshments for offices and official University functions			X				Refer to BPM - B-3-2-2 and E-7-10
Collection Services		X					

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Copier rentals	X	X					Applies only to copier rentals in place prior to January 2011. Copier rentals must be via requisition/ shopping cart. Purchases of excess copies can be via requisition/ shopping cart or procurement card. Ricoh-USA is the exclusive MPS provider for all digital impression equipment/ services as of January 2011 for the University.
Consulting Services		X					Refer to BPM B-4.
Contest judges			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Copyrighted educational materials	X	X					If signature required, must be on a Shopping Cart / Requisition
Custom and Tariff Fees	X	X					
Dry Cleaning and Laundry Services	X	X					
Dues for Memberships	X		X				Refer to BPM - B-3-2-2 and E-7-10
Duplicating Services	X	X					Use Ricoh on-campus Document Service Centers. Visit http://www.uky.edu/ukricoh/ for more information.
Editing publications or articles			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Entertainment			X				Includes actors, musicians, bands, disc jockeys, etc. Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Equipment Leases/Rental		X					Purchasing must review and sign any written agreement.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Equipment, Repairs, and Service involving no signed contract or no maintenance agreement	X	X					If signature required, must be on a Shopping Cart / Requisition
Examination Fees	X	X					
Exhibit Space for Conventions, Conferences, Trade Shows/Meeting space/room	X	X					If agreement required, must be on a Shopping Cart / Requisition
Exhibit Fees	X	X					If agreement required, must be on a Shopping Cart / Requisition
Express Mail Services (i.e., FedEx, UPS, DHL)	X						
Flowers			X				Refer to BPM - B-3-2-2 and the Discretionary Expenditure Policy E-7-10
Floor Covering Removal and/or installation		X					
Freight and other shipping costs	X	X					
Furniture	X	X					Refer to BPM E-12-1 University's Capitalization Policy
Gasoline card purchases made with Voyager Fleet Card only			X				Refer to BPM - B-3-2-2
Gasoline (Bulk) for use in Physical Plant, Agriculture areas, etc.		X					
Gifts, excluding promotional items			X				Refer to the Discretionary Expenditure Policy E-7-10. Retirement gifts allowed on procurement card.
Government Fees	X		X				
Graphic Design		X					Any graphic design related to printing must be transacted through the contract printers.
Guests Expenses	X		X				Meals cannot be charged to the Procurement Card. Independent Contractor - Must process through Human Resources per BPM E-7-3.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Hazardous &/or Radioactive Materials							Approval required by Environmental Health & Safety Officer
Honoraria			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf Must process through Human Resources for payments greater than \$2,000 excluding travel.
Interviewers			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Interpreters		X					Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf If approved as IC, purchase via Shopping Cart / Requisition process.
Kentucky Medical Services Foundation (KMSF) Payment	X		X				
Laboratory Equipment, Supplies, Analyses, and Related Services	X	X					<p>Departments/units <u>that utilize</u> SRM for procurement: All purchases from VWR International should be conducted through the SRM punch-out catalog. Any purchases requested from Fisher Scientific are to be via SRM Free Text Shopping Cart. Procurement card should not be used for either supplier.</p> <p>Healthcare areas that <u>do not utilize</u> SRM for procurement: Purchases should be made from VWR as the prime scientific awardee. Procurement card may be used, as applicable, for VWR goods or services. All requested purchases from Fisher Scientific, regardless of cost, should be entered via SAP requisition.</p> <p>Purchases of specialized laboratory goods or services not available from the above suppliers (e.g., Invitrogen, Qiagen, etc.) can be conducted via procurement card, as applicable.</p> <p>Purchasing must review and sign any miscellaneous written agreement.</p>
Legal Services		X					Refer to BPM B-4. All invoices must be reviewed by Office of Legal Counsel prior to creation of Personal Service Contract and related Shopping Cart / Requisition.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Library Books, Periodicals, Pamphlets, Subscriptions - Electronic Only		X					
Mailing Lists	X	X					
Maintenance Contracts		X					Purchasing must review and sign any written agreement.
Managed Print Services	X	X					Ricoh-USA is exclusive provider. Applies to all equipment or services that involve digital impressions (copiers, scanners, faxes, printers, multi-function machines) on or after January 2011. Purchase items are via procurement card or requisition/ shopping cart. Monthly MPS charges are billed through SAP.
Meals - Except employee meals while in travel status			X				Refer to Discretionary Expenditure Policy E-7-10
Medical services rendered to patients, students, when UK Hospital is unable to provide the services	X		X				Refer to BPM B-3-2-2
Musical instruments, books, and printed music (non-digital)	X	X					
Office Decorations			X				
Office Supplies	X	X					Hospital and College of Medicine use Procurement Card. All other departments and units use SRM Shopping Cart.
Pagers and Paging Services							Must be approved by Communication Services

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Patient Expenses for meals, lodging, etc.	X		X				PRD if not authorized on the Procurement Card
Personal Services Contracts		X					Contract and Proof of Necessity Forms must be completed and approved prior to work taking place. Refer to BPM B-4
Photography Companies / Photos	X	X					
Photography performed by individuals		X					Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf If approved as IC, purchase via Shopping Cart / Requisition process.
Postal Charges, including stamps and electronic prepayment by meters	X	X					
Printing (Approved contractors only)	X	X					Refer to BPM B-10-3
Promotional Items		X					Must use CLC licensed vendors at: http://www.uky.edu/Purchasing/docs/licensee_list.pdf
Proofreading publications or articles			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Publications, reprints, pages or articles from professional journals	X	X					
Recruitment Expenses	X		X				PRD if not authorized on the Procurement Card
Referees			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Refreshments for Workshops (Not catered)	X		X				Standard procurement card can be used at grocery stores. See E-7-10.
Refreshments for Department Use			X				Refer to BPM B-3-2-2 and the Discretionary Expenditure Policy E-7-10

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Refunds - Students and Patients			X				
Registration Fees Only - Conferences/Meetings/ Trainings	X					X	
Registration Fees - Conferences/Meetings/ Trainings with optional events			X			X	
Reimbursements to employees		X					Refer to BPM E-7-5. If the item(s) being submitted for employee reimbursement are listed within the PRD product categories, use the PRD for the reimbursement. If no PRD product category exists for the item(s), execute reimbursement via Shopping Cart/Requisition.
Relocation Expenses			X	X			Refer to BPM E-7-8
Rental of Equipment (Long Term)		X					Purchasing must review and sign any written agreement.
Rental of Equipment (Short Term)	X	X					Procurement Card if no written agreement is required. Purchasing must review and sign any written agreement.
Rental of Space							Contact Real Property Office at http://www.uky.edu/EVPFA/RealEstate/contact.html
Resale Items	X	X					
Research Subject Payments			X				See last page of this document for additional information
Royalty payments			X				
Scholarships, Fellowship payments to UK Students							Must be approved by Student Financial Aid Office
Service Calls - (See Equipment, Repairs and Service)	X	X					
Software	X	X					Procurement Card may be used if no written agreement is involved.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Speaker, visiting or Guest Lecturer			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Sports Day Camp Instructors			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Stipends and Grants to UK Students					X		Refer to BPM E-7-11
Storage, Temporary	X	X					If written agreement is required, must be on a Shopping Cart / Requisition
Students payments/cash disbursements					X		Refer to BPM E-7-11 and E-7-14. May also use Student Payment Procurement Card (BPM E-7-16)
Student orientation and reception activity expenses			X				
Sub Awards							Go through OSPA
Subscriptions to newspapers, magazines and journals for Official University purposes	X	X					
Theater Equipment and Supplies	X	X					
Training services performed by individuals			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Transcription services provided by individuals		X					Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf If approved as IC, purchase via Shopping Cart / Requisition process.
Translators		X					Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf If approved as IC, purchase via Shopping Cart / Requisition process.
Transportation Services (Chartered Buses, Taxi, Aircraft, Watercraft, etc.)	X	X					Procurement Card if no written agreement is required.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher</i>	<i>Comments</i>
Travel Services / Employee reimbursements	X					X	Refer to BPM - E-5-1 thru E-5-2
Travel - Guest Expenses	X		X				
Travel - Students					X		Refer to BPM E-7-11
Utility Payments			X				
Vehicle Maintenance & Repair	X	X					
Water for human consumption - bottled or cooler		X	X				Refer to BPM - B-3-2-2 and E-7-10
Writing publications or articles			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Medical Supplies Patient-Related with Cost Centers (1058XXXXXX) and (1061XXXXXX) and (107XXXXXX)		X					

UNIVERSITY OF KENTUCKY Purchasing Division

State-by-State Tax Exempt Status

State	Exempt?		Status
	Yes	No	
Alabama		X	
Alaska	X		No state sales tax
Arizona		X	
Arkansas		X	
California		X	
Colorado	X		Accepts KY form
Connecticut		X	
Delaware	X		No state sales tax
District of Columbia		X	
Florida	X		http://www.uky.edu/Purchasing/docs/floridaexempt.pdf
Georgia		X	
Hawaii	X		No state sales tax
Idaho	X		http://www.uky.edu/Purchasing/docs/idahoexempt.pdf
Illinois	X		http://www.uky.edu/Purchasing/docs/illinoisexempt.pdf
Indiana	X		http://www.uky.edu/Purchasing/docs/indianaexempt.pdf
Iowa	X		http://www.uky.edu/Purchasing/docs/iowaexempt.pdf
Kansas	X		http://www.uky.edu/Purchasing/docs/kansasexempt.pdf
Kentucky	X		http://www.uky.edu/Purchasing/docs/taxexempt.pdf
Louisiana		X	
Maine	X		http://www.uky.edu/Purchasing/docs/maineexempt.pdf
Maryland		X	
Massachusetts		X	
Michigan	X		http://www.uky.edu/Purchasing/docs/michiganexempt.pdf
Minnesota	X		http://www.uky.edu/Purchasing/docs/minnesotaexempt.pdf
Mississippi	X		http://www.uky.edu/Purchasing/docs/mississippiexempt.pdf
Missouri	X		http://www.uky.edu/Purchasing/docs/missouriexempt.pdf
Montana	X		No state sales tax
Nebraska		X	
Nevada		X	
New Hampshire	X		No state sales tax
New Jersey	X		http://www.uky.edu/Purchasing/docs/newjerseyexempt.pdf
New Mexico		X	
New York		X	
North Carolina		X	
North Dakota	X		http://www.uky.edu/Purchasing/docs/northdakotaexempt.pdf
Ohio	X		http://www.uky.edu/Purchasing/docs/ohioexempt.pdf
Oklahoma		X	
Oregon	X		No state sales tax
Pennsylvania		X	
Rhode Island		X	
South Carolina	X		Accepts KY form
South Dakota	X		Accepts KY form

Tennessee	X		http://www.uky.edu/Purchasing/docs/tennesseexempt.pdf
Texas	X		http://www.uky.edu/Purchasing/docs/texasexempt.pdf
Utah		X	
Vermont	X		http://www.uky.edu/Purchasing/docs/vermontexempt.pdf
Virginia		X	
Washington		X	
West Virginia		X	
Wisconsin	X		http://www.uky.edu/Purchasing/docs/wisconsinexempt.pdf
Wyoming		X	

University of Kentucky's Federal Employee Identification Number (FEIN): 61-6001218

University of Kentucky's State Tax Exempt Number: A-00276

University of Kentucky's Sales and Use Tax Permit Number: 048008

University of Kentucky's Duns and Bradstreet Number: 00-740-0724

COLLEGE OF AGRICULTURE, FOOD & ENVIRONMENT
FY15 FEDERAL YEAR-END CLOSING SCHEDULE

(Unless otherwise stated, all deadlines are 4:30pm on the due date indicated)

AG Due Date	Type	Business Transaction	Dept.	Contact Information		
9/9/2015 (noon)	Faculty Payroll Distributions	All faculty payroll distribution changes made via FES must be submitted by 12:00 noon. Any faculty payroll distributions submitted after this deadline that contain "OLD YEAR" federal funds will be returned.	ABC	Le Anne Herzog Christiane Tawasha	7-2981 8-3906	leanne.herzog@uky.edu cttawa2@uky.edu
9/10/2015	Req/PO	Shopping carts/requisitions for purchases where the items will be delivered prior to October 1. This will help to ensure that PO's are created and goods received by Sept 30. It should also help to ensure that all accounting entries are posted to the "OLD YEAR".	ABC	April Collier Chris Shotwell	7-4254 7-7194	april.collier@uky.edu chris.shotwell@uky.edu
9/25/2015	JV	All JV's making corrections to "OLD YEAR" postings should be completed and submitted to the Business Center. This should help to ensure they are posted by General Accounting before the month of Sept closes out. After this date, only the Business Center will be able to post JV's to "OLD YEAR". Please mark all JVs "OLD YEAR" or "NEW YEAR" at the top of documents submitted to the Business Center from Oct 1 - Oct 15.	ABC	April Collier Chris Shotwell	7-4254 7-7194	april.collier@uky.edu chris.shotwell@uky.edu
9/25/2015	PRD/Travel	All PRDs and Travel Vouchers for "OLD YEAR" should be submitted to the Business Center to help ensure they are posted to "OLD YEAR" funds. Any submitted after this date are not guaranteed to post to "OLD YEAR". Please mark all travel vouchers "OLD YEAR" or "NEW YEAR" at the top of documents submitted to the Business Center from Oct 1 - Oct 15.	ABC	Kim King Chris Shotwell	7-7143 7-7194	kim.king@uky.edu chris.shotwell@uky.edu
9/30/2015	PO/Goods Receipts	All goods confirmations due for items received prior to, or on, September 30.	ABC	April Collier Chris Shotwell	7-4254 7-7194	april.collier@uky.edu chris.shotwell@uky.edu
9/30/2015	Procard	All pro card editing for federal formula grants must be completed. This will help to ensure that all charges are posted to the appropriate year.	ABC	Kim King	7-7143	skking1@uky.edu
9/30/2015	Biweekly Payroll	In order to split the payroll for BW21 appropriately across the two federal fiscal years, separate IT0027 records will be required (see below): a. One record for period 09/20 – 09/30 on old year fund ending in "15" b. One record for period 10/1 – 10/03 on new year fund ending in "16"	ABC	Le Anne Herzog Christiane Tawasha	7-2981 8-3906	leanne.herzog@uky.edu cttawa2@uky.edu
9/30/2015	Accruals	Any goods/services received or travel expenses made prior to Sept 30th for which you have not processed a payment document must have an ACCRUAL established.	ABC	Chris Shotwell	7-7194	chris.shotwell@uky.edu

NOTE: "OLD YEAR" documents submitted to the Business Center after the federal year-end deadlines referenced above may require a Business Procedures Exception Request form (<http://www.uky.edu/eForms/forms/bpexception.pdf>) be submitted to Chris Shotwell via email (chris.shotwell@uky.edu).

College of Agriculture, Food and Environment

Federal Year-End Accruals Information

Accrual Definition:

An accrual is an accounting record that ensures all transactions are recorded when expenditure was incurred or revenue was earned regardless of when payment is made or received.

Types of Accruals (on CAFE Federal Capacity Grants):

Accounts Payable – used when goods or services are purchased and received on, or before, September 30, but for which payment has not been made to the vendor by September 30.

Ex: Travel for an employee is completed on September 28, but reimbursement to the employee will not be made until sometime in October.

Prepaid Expense – used when goods or services are purchased and received on, or before, September 30, but for which the goods or services will not be used by September 30. **Note: Only those prepaid expenses greater than \$5,000 will be recorded in SAP.**

Ex: Hotel Expenses related to a conference are paid for on September 15, but the conference won't be held until November 15.

Process for Recording Accruals (on CAFE Federal Capacity Grants):

Because the federal year-end process is managed by the CAFE Business Center, all accruals are to be submitted to our office by September 30. In order to create one of these accrual entries, send an email to Chris Shotwell (chris.shotwell@uky.edu) with the following:

- ✓ grant number and G/L the accrual needs to be posted to
- ✓ amount
- ✓ description of the item that needs accrued
- ✓ brief justification as to the need for the accrual
- ✓ any supporting documentation (copy of invoice, travel voucher, etc)

An accrual entry will be posted to SAP in "OLD YEAR" by the Business Center to record the expense in the appropriate year. This same entry will be reversed to effectively zero out the expense in "NEW YEAR".

If you have any questions regarding accruals for Federal Capacity Grants, please contact Chris Shotwell (7-7194 or chris.shotwell@uky.edu)

Capitalization Policy

I. Purpose

To establish accounting policies for the capitalization and depreciation of capital assets belonging to the University of Kentucky and its affiliated corporations as defined in [Business Procedure E-1-0](#).

II. Definitions

- *Betterments and improvements*: changes to a capital asset, such as additions, renovations and alterations, which increase its expected life or enhance its performance. Examples include building enlargements, installation of air conditioning in a building that was not air conditioned, partitioning of a classroom into offices, expansion of a paved parking lot, improved lighting, addition of a hoist or crane to a vehicle or a zoom lens to a camera.
- *Building*: roofed-structure for permanent or temporary shelter of persons, animals, plants or equipment. Costs to be included are foundations, walls, frame, roof, etc.
- *Capital asset*: any physical resource that benefits a University program for more than one year, including buildings, fixed equipment, land, land improvements, infrastructure, moveable equipment, library books, works of art and historical treasures, computer software, and vehicles
- *Capitalization*: recording in the financial records the cost or value of a capital asset belonging to the University, regardless of the source of funds used in acquisition of the property
- *Control*: protecting and safeguarding a capital asset while under the supervision or in the possession of a department, whether or not it is recorded in the Physical Facilities and Equipment Inventory System
- *Depreciation*: the allocation of the cost of a capital asset over the useful life of the asset rather than expensing the entire cost in the year of acquisition
- *eBARS*: the University's integrated facilities, space and equipment inventory system
- *Equipment*: moveable property having a useful life of two (2) years or longer, and which retains its identity as a separate and identifiable item. An item loses specific identity when attached to another item as a component part or when attached as a permanent part of a building.
 - For purposes of this manual, the term *moveable equipment* will include equipment, furniture, furnishings, fixtures, machinery, instruments, and vehicles.
 - Lease purchase equipment - equipment purchased under lease purchase contracts or agreements.

Capitalization Policy

- *Fixed equipment:* service equipment permanently attached to a structure. Costs included are electrical lighting and power fixtures, elevators, heating and ventilation, air conditioning, sprinkling and fire protection systems, casework, etc. Communications and network equipment are a special category of fixed equipment. The University does not capitalize equipment purchased to replace existing fixed equipment.
- *Infrastructure:* long-lived capital assets typically preserved for a significantly greater number of years than most capital assets and normally stationary in nature. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, and dams. Infrastructure assets do **not** include buildings, driveways, parking lots or any other items that are incidental to the property or access to the property.
- *Land improvements:* enhancements to land other than buildings, such as fencing, paving, roadways, walks, parking facilities, retaining walls, shrubs, underground sewers, water lines, yard lighting, etc. Land improvements are further categorized as inexhaustible and exhaustible, as follows:
 - Inexhaustible: land improvements that do not deteriorate with use or the passage of time or do not require maintenance or replacement, such as those made to bring land into condition to commence erection of structures
 - Exhaustible: Other land improvements that are part of a site, but which require maintenance or replacement, such as parking lots, landscaping and fencing
- *Library books:* generally literary compositions bound into separate volumes and identifiable as separate copyrighted units
- *Maintenance:* the recurrent, day-to-day work required to preserve a capital asset in its original condition (excluding normal deterioration) without materially increasing its usefulness or life. Costs include cleaning, lubrication, parts, material and labor. Charge such costs to current expenses.
- *Recording:* the steps necessary to report, list and control a capital asset within the Physical Facilities Inventory System
- *Reference materials:* information sources, other than books, which include journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents and similar items which provide information essential to the learning process or which enhance the quality of academic, professional or research libraries
- *Repairs:* restoration of a capital asset that has deteriorated to its original condition (excluding normal wear and tear). Examples include replacing a roof, tuckpointing a building, replacing a water fountain or HVAC system, replacing worn parts on a piece of equipment
- *Works of art and historical treasures:* collections of rare books and manuscripts; maps, documents and recordings; paintings, sculptures and designs; artifacts, memorabilia, exhibits; unique and significant structures

Capitalization Policy

Works of art and historical treasures are further categorized as inexhaustible and exhaustible, as follows:

- Inexhaustible: Collections and individual items of significance not held for financial gain, but rather for public exhibition, education or research in furtherance of public service. The period of economic benefit or service potential for inexhaustible works of art and historical treasures is extraordinarily long due to efforts of the University to protect and preserve the asset in a manner greater than that for similar assets without such cultural, aesthetic or historical value.
- Exhaustible: Collections and individual items of significance whose useful lives diminish by display or educational or research applications

III. Policy

- A. The University capitalizes assets in its financial records as follows:
1. Land – at cost; gifts capitalized at fair market value at the time of donation
 2. Buildings, building improvements, fixed equipment (other than communications and network equipment), infrastructure assets and land improvements costing \$100,000 or more – cost, or in the case of a gift, at fair market value at the time of donation.
 3. Telecommunications equipment costing \$5,000 or more acquired and installed by the University’s Communications and Network Services service center – at cost and must charge to general ledger accounts 550960 and 550970.
 4. Repairs and maintenance – not capitalized; job order work charges a departmental cost center on appropriate general ledger accounts (533010 through 533060).
 5. Moveable equipment purchased from vendors or fabricated by the University costing \$5,000 or more – recorded in eBARS at historical cost, or fair market value in the case of gifts, and tagged with a UK property tag
 - a) Expenses incurred for additions, improvements, or betterment to movable equipment – recorded in eBARS at cost
 - b) Equipment meeting all the criteria for equipment but costing less than the capitalization limits – controlled by the department and not included in the University’s capital inventory. However, departments are encouraged to track noncapital equipment through eBARS. Refer to [E-12-3 Equipment Inventory](#) for procedures.

Note: Any item required to be tracked under a Sponsored Project Agreement should be tagged with a UK property tag.

- c) Leased equipment – capitalize if the lease arrangements meet any one of the requirements of Governmental Accounting Standards Board Statement No. 62, paragraph 212, as follows:
 - 1) The lease transfers ownership of the property to the lessee by the end of the lease term.
 - 2) The lease contains a bargain purchase option.
 - 3) The lease term is equal to 75 percent or more of the estimated economic life of the leased property.

Capitalization Policy

- 4) The present value of the minimum lease payments at the inception of the lease, excluding executory costs, equals at least 90 percent of the fair value of the leased property.
 - 5) Installation costs and original incoming transportation (freight charge) must be included in the cost of the equipment.
 - d) Maintenance or repair costs to equipment – not capitalized and must not charge a capital outlay GL account
 - e) Capital equipment purchases must use capital outlay GL accounts. Refer to [Business Procedure E-12-3](#).
6. Library books, reference materials, works of art and historical treasures – capitalized at cost or, in the case of gifts, at fair market value at the time of donation.
7. Computer software developed or obtained for internal use – limited to institutionally significant systems developed or obtained for internal use with a cost of \$400,000 or more.
- a) For software to be considered developed or obtained for internal use, both of the following tests must be met:
 - 1) The software must be acquired, internally developed, or modified solely to meet the University's needs, and
 - 2) During the software's development or modification, the University must not have a substantive plan to market the software externally to other organizations.
 - b) Software development generally involves **three phases**, as follows:
 - 1) **Preliminary project phase:** Conceptual formulation of alternatives, the evaluation of alternatives, determination of existence of needed technologies and final selection of product
 - 2) **Application development stage:** Design of chosen alternative, including software configuration and interfaces, coding, installation of computer hardware and testing, including parallel processing phase
 - 3) **Post-implementation/operation phase:** Training and application maintenance activities
 - c) Expense costs associated with the preliminary project and post-implementation/operation phases as incurred.
 - d) Capitalize costs (both internal and external) associated with the application development stage.
 - e) Capitalization of costs begins when the preliminary phase is complete and the University's management implicitly or explicitly commits to funding the software project with the intent to complete and use to perform the planned functions.
 - f) Capitalization ceases no later than the time at which substantial testing is complete and the software is ready for its intended purpose or placed into service.
 - g) Examples of expenditures that are capitalized during the application development stage include:
 - 1) External costs
 - 2) External direct costs of materials and services (third party fees)
 - 3) Costs to obtain software from third parties
 - 4) Internal Costs
 - (a) Travel costs incurred by employees in their duties associated with development

Capitalization Policy

- (b) Payroll and payroll-related costs of employees directly assigned to coding, installing or testing.
 - 5) Capitalization of computer software includes computer license fees if an individual license fee (determined as the total dollar amount of the fee paid divided by the number of units served/terminals) meets the capitalization dollar threshold.
 - h) Do not capitalize general and administrative costs, including training costs.
 - i) If it is anticipated that a computer software project will equal or exceed \$400,000, a capital equipment WBS element must be established to track these costs. If it is anticipated that the capitalizable costs will be below \$400,000, costs are expensed as incurred.
 - j) Define capital software projects and establish the WBS element and related budget authority prior to the start of the project. Charge all external and internal costs to this WBS element as incurred.
8. Property transferred from other entities
- a) Chairs or directors must notify the Surplus Property Department, 104 Reynolds #3, 0103 of research equipment brought by incoming faculty.
 - b) Provide a list of the equipment and price (both the original and the negotiated purchase price) so that the University insures the property and adds it to the eBARS inventory system. Incoming property falls into one of the following categories:
 - 1) Property for which the title transfers to the University;
 - 2) Government owned property (authority to transfer must be given by the federal government either by the terms of a grant or contract or by other transfer documents); and
 - 3) Property on temporary loan (title does not transfer to the University and property must be returned to a former institution according to stipulations of the Transfer Agreement).

Capitalization Policy

B. Depreciation

Capital assets are depreciated over the following estimated useful lives:

Category	Depreciation Method	Useful Life
Land	Not depreciated	Unlimited
Land improvements – inexhaustible	Not depreciated	Unlimited
Land improvements – exhaustible	Straight line	10 years
Buildings and fixed equipment	Straight line	40 years
Building improvements	Straight line	20 years
Infrastructure assets	Straight line	25 years
Communications and network equipment	Straight line	5 – 15 years
Equipment and machinery, including vehicles	Straight line	5 – 20 years
Leased equipment	Straight line	Estimated useful life or lease period, whichever is shorter
Computer software	Straight line	10 years
Library books and reference materials	Straight line	10 years
Library books – special collections	Not depreciated	Not applicable
Works of art and historical treasures - inexhaustible	Not depreciated	Not applicable
Works of art and historical treasures – exhaustible	Straight line	10 years
Construction in progress	Not depreciated	Not applicable

IV. Responsibilities

A. Office of the Treasurer

1. Maintain an inventory of physical facilities and real property;
2. Conduct the annual verification of space assignments, room uses, and other applicable data to keep the physical facilities inventory current;
3. Conduct the university-wide equipment inventory annually;
4. Record the purchase, construction, capital renovation, or demolition of buildings;
5. Record the acquisition of capital equipment in the Equipment Inventory System and UK Financial Records;
6. Verify departments use the correct general ledger (GL) accounts on purchases and correct if necessary.
7. Provide the necessary property tags, forms, etc., for use in the inventory system;
8. Provide the Office of Planning, Budget & Policy Analysis with an updated and coordinated building and room inventory file upon request.

Capitalization Policy

B. Department

1. Verify the accuracy of the inventory records for equipment during the annual inventory process and throughout the year in accordance with [E-12-3 Equipment Inventory](#);
2. Use the proper expenditure general ledger accounts when requisitioning equipment;
3. Control and record the location of property;
4. Report transfers of property between the University departments;
5. Report surplus or obsolete property;
6. Report lost, stolen, and destroyed equipment items;
7. Maintain reasonable precautions in protecting all property
8. Report the acquisition of capital gifts to the Development Office and to General Accounting Plant Assets Inventory.
9. Ensure compliance with capitalization and inventory requirements detailed in sponsored project agreements.

Equipment Inventory

Equipment Inventory

I. Purpose

To establish policy, responsibilities and procedures for the inventory of capital equipment to enable the University of Kentucky to collect the following information:

- Values and types of property owned for financial reporting
- Building content values for insurance purposes
- Location of property
- Depreciation expense
- Data used in calculation of the facilities and administrative costs rate for sponsored projects

II. Responsibilities

Also see [E-1-3 Fiscal Roles and Responsibilities](#) and [E-1-4 Internal Control](#).

A. Department

Maintain control of all items of furniture, equipment, vehicles and other moveable property assigned to the areas, regardless of cost. Specific responsibilities include:

1. Use the proper expenditure general ledger account when requisitioning equipment. ([Section IV.A](#) and [Section IV.B](#))
2. Properly edit non-capital expenditures purchased on a procurement card to the proper expenditure general ledger account. ([Section IV.B](#)).
3. Apply property tags in accordance with directions from the Office of the Treasurer. ([Section IV.D](#))
4. Control and record the location of property. ([Section IV.E.2](#) and [Section IV.E.6](#))
5. Report transfers of property between University departments. ([Section IV.E.3](#))
6. Report surplus or obsolete property according to [E-12-4 Property Disposition](#)
7. Report stolen property immediately to campus police. ([Section IV.E.4](#))
8. Report items as missing or lost property if they cannot be found after conducting a thorough search. ([Section IV.E.5](#))
9. Complete the annual physical inventory of property in the possession of, or under the supervision of, the department by the assigned deadline. ([Section IV.G](#))
10. Maintain reasonable precautions in protecting all property under departmental control or supervision regardless of value.
11. Report the acquisition of equipment through gifts by notifying the Development Office and Plant Assets Inventory of the gift and its value.
12. The Housing system maintains an inventory of furniture groups for each dorm room. Dorm rooms are inventoried prior to and at the conclusion of each school session. Students are responsible for losses due to damage, missing items, etc.
13. Hospital Accounting coordinates all capital activity for Hospital departments. All hospital inquiries should be directed to:

Capital Equipment Accountant
Hospital Accounting
2347 Sterlington Road, Suite 300
Lexington, Ky. 40517

Equipment Inventory

(859) 323-8906

- 14. Each unit may have additional procedures; please check with the appropriate contact person for your unit prior to submission of paperwork.
- 15. Ensure compliance with capitalization and inventory requirements detailed in sponsored project agreements

B. Plant Assets Inventory

- 1. Record the acquisition of capital equipment in the Equipment Inventory System and UK Financial Records.
- 2. Verify general ledger (GL) accounts are accurate on documents recording equipment purchases and correct if necessary.
- 3. Inform University departments and organizational units of procedures necessary to complete processing for capital equipment items purchased.
- 4. Correct records when properly notified of changes by departments and organizational units.
- 5. Provide necessary property tags, forms, etc., for use in the inventory system.
- 6. Approve all requisitions for the purchase of equipment involving a trade-in.
- 7. Audit randomly selected physical inventories each year.
- 8. Conduct a university-wide inventory of equipment items annually.

III. Policy

The University will capitalize and record in the electronic Barcoded Assets Resource System (eBARS) all equipment meeting the thresholds defined in [Business Procedure E-12-1 Capitalization Policy](#).

IV. Procedures

A. Purchase of moveable equipment meeting the criteria of a capital asset as outlined in [E-12-1 Capitalization Policy](#).

- 1. Purchase with funds allocated for capital outlay
- 2. Use one of the following capital outlay general ledger (GL) accounts:

550010	Computing Hardware
550030	Lab and Scientific Equipment
550040	Hospital/Medical Equipment
550050	X-Ray Equipment
550060	Fine Art
550070	Vehicles
550080	Other Equipment/Furnish
550090	Fabricated Equipment
550100	Athletics Equipment
550130	Furniture/Fixtures/Office Equipment
550150	Instruments and Apparatus
550160	Capitalized Software
551140	Lease/Purchase Equipment

B. Use one of the following current expense GL accounts when the cost of moveable equipment does not exceed the capitalization amounts (minor equipment):

Equipment Inventory

- 540358 Computers and minor technology equipment costing less than \$5,000
- 540357 Furniture and other moveable equipment costing less than \$5,000
- 540360 Non-capital items required to be tracked under Sponsored Project Agreements

- C. For fabricated equipment, refer to [E-3-3 Fabricated Equipment](#).
- D. Tagging of equipment
 - 1. Value of equipment
 - a. Tag all equipment with a cost or value equal to or greater than the capitalization amounts ([Section III](#)) with a University of Kentucky property tag, except as noted below.
 - b. Items having a value meeting the capitalization threshold that are determined to be untaggable by the department are given a property number but will not have inventory tags attached. They will be flagged in the eBARS system as untagged equipment. These items may be of a size or composition or have other conditions of usage (such as sterilization) which would prohibit attachment or cause removal of the tag.

Note: Any item required to be tracked under a Sponsored Project Agreement should be tagged with a UK property tag.

- 2. Types, sources and uses of tags
 - a. A-tag: General Accounting, Office of the Treasurer, assigns inventory tags for items meeting the capitalization policy amounts described above, regardless of funding source, and sends them to departments attached to a worksheet. (Capital equipment purchased with federal funds is tagged with an A tag, but flagged in eBARS to indicate the use of Federal funds.)
 - b. J-tag: Standard computer equipment purchased on UK's ebuy Dell web site will arrive from the factory with a J tag already attached.
 - c. N-tag: Requested by departments for items not meeting the capitalization criteria but the department wishes, or is required to track the item.
 - 1) Items purchased at a cost below the capitalization threshold which are required to be tracked according to a sponsored project agreement should use an N-tag.
 - 2) It is highly recommended that high risk items, as determined by the department, purchased with University funds also be tracked using an "N" tag.

These items are tracked as noncapital equipment through eBARS as follows:

- a) At the request of the department, Plant Assets will issue non-capital tags for departmental use. The department will be charged for these tags at cost. The department will enter the equipment data directly into eBARS as non-capital equipment. The department can then scan these items for departmental

Equipment Inventory

inventories. Each unit is responsible for developing an internal policy on tagging noncapital equipment items.

- b) Directions for entering non-capital equipment into eBARS are at <http://www.uky.edu/EVPFA/Controller/files/plant/noncapital.pdf>
 - d. T-tag: Departments may request a group of "T" inventory tags to keep on hand for temporarily tracking their capital equipment. Replace these when the permanent tag arrives.
 - e. Tags are "peel and stick" and are applied after first cleaning the area with alcohol.
 - f. When a tag has been lost or destroyed, the department must contact Plant Assets Inventory and request a replacement tag.
- E. Forms used for Equipment Inventory
- 1. Use the following forms when reporting equipment acquisitions, recording changes in the status of equipment, and verifying inventory records.
 - a. Plant Assets Inventory worksheet – ([Section IV.E.2](#))
 - b. Capital Equipment Transfer Request – ([Section IV.E.3](#))
 - c. Capital Equipment Theft Report – ([Section IV.E.4](#))
 - d. Lost Equipment Report – ([Section IV.E.5](#))
 - e. Off-Campus Equipment Report – ([Section IV.E.6](#))
 - f. Annual Capital Equipment Inventory Certification Sheet – ([Section IV.E.7](#))
 - 2. Plant Assets Inventory Worksheet ([See Appendix A](#))
 - a. Plant Assets Inventory prepares the form and forwards it to the department.
 - b. The department tags the equipment with the assigned equipment inventory tag.
 - c. The department completes or corrects data on the worksheet and returns it to Plant Assets.
 - d. If the piece of equipment was added to another piece of equipment, such as adding memory to an existing computer, the department must indicate that it has been ADDED TO Property #XXXXXXX. Plant Assets Inventory will then add the cost of the addition to the cost of the original piece of equipment
 - 3. [Capital Equipment Transfer Request](#)
The department having control of and responsibility for equipment prepares this form to report the transfer of item(s) of equipment to another department. Each unit may have additional procedures; check with your appropriate contact person prior to submission of paperwork. Hospital Accounting will complete this form for all Hospital Departments upon proper notification. Instructions are included on the form.
 - 4. [Capital Equipment Theft Report](#)
The department having control of and responsibility for equipment uses this form to report the theft of item(s) of equipment. Attach a copy of the UK Police Report. Instructions are included on the form.
 - 5. [Lost Equipment Report](#)
This report must be completed when an equipment item is lost or missing. This does not include stolen equipment. Usually lost or missing equipment is discovered at the time of inventory. Complete the following information:
 - a. Dept. # - The number of the department responsible for the equipment.

Equipment Inventory

- b. Department Name - The name of the department responsible for the equipment.
 - c. Date - The date the department sends the report Plant Assets Inventory.
 - d. Property # - The property number shown on your most recent Annual Request for Verification of Capital Equipment Inventory.
 - e. Description - A description of the missing/lost equipment.
 - f. Cost - Cost of equipment as shown on Annual Request for Verification of Equipment Inventory.
 - g. Date Acquired - Date of acquisition as shown on the Annual Request for Verification of Equipment Inventory.
 - h. Signatures - The Provost, Executive Vice President of Finance and Administration, Executive Vice President of Health Affairs, or Vice President of Research must sign the report in order for it to be processed.
6. Off-Campus Equipment Report
Complete the Off-Campus Equipment Report for equipment items moved to a location off University premises for an extended period of time. An example is a notebook computer used in the field for University research purposes. University equipment is not to be utilized for personal use or financial gain.
- a. Department Number and Name - Enter the department responsible for the equipment.
 - b. Property Number - Enter the number shown on the property tag on the piece of equipment. If there is no property tag, call Plant Assets Inventory for assistance.
 - c. Date - Enter the date the equipment was removed from campus.
 - d. Description - Enter the description of the piece of equipment to be taken off campus as shown on your Annual Request for Verification of Capital Equipment Inventory.
 - e. Serial Number - Enter the serial number of item being taken off campus.
 - f. Temporary Location - The complete address of the location where the equipment will be used off-campus.
 - g. Justification - The reason for taking the equipment off campus.
 - h. Signature of Employee Making Request - The individual removing the equipment from campus must provide a signature and their printed name.
 - i. Approving Official - the appropriate Dean, Director, or Department Head must authorize the request to remove the equipment from campus.
 - j. Date Equipment Returned - Indicate the date the equipment was returned to campus.
 - k. Receiving Official - The signature of the Dean, Director, or Department Head who has received the equipment upon its return to campus.
7. Annual Equipment Inventory Certification Sheet
Complete the Annual Equipment Inventory Certification Sheet for your department ONLY if there were inventory exceptions. If the department was not able to locate and scan all equipment on its inventory, the appropriate forms documenting those exceptions must be submitted along with the Annual Equipment Inventory Certification Sheet. If there were no exceptions

Equipment Inventory

or changes, this form is not required.

- F. Equipment purchased on federal grants
1. The University must use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency.
 2. When no longer needed for the original project or program, the University must use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.
 3. During the time that equipment is used on the project or program for which it was acquired, the University must make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use will be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference will be given to projects or programs sponsored by other Federal awarding agencies.
 4. For equipment purchased with federal funds, the equipment cannot be used to provide services to outside organizations for a fee that is less than fees charges for equivalent services provided by private companies, unless specifically authorized by federal statute for as long as the federal government retains an interest in the equipment. Treat any revenues received as program income while the grant is active.
- G. Physical Inventory of Equipment
- In accordance with University policy and Commonwealth of Kentucky regulations, all capital equipment must be physically counted annually. Each department is responsible for completing its inventory using eBARS, the University's web-based equipment inventory system. Users must have a login id and password obtained from the eBARS website at: <http://app.mc.uky.edu/ebars/UserLogon.aspx>. Instructions for using eBARS to complete the annual inventory are located at: <http://www.uky.edu/EVPFA/Controller/files/plant/EquipmentInventoryInstructions.pdf>.

Equipment Inventory

Appendix A

a. PO Number P0182183		UK Plant Assets New Inventory Worksheet				b. Print Date 5/7/2010	
371 Service Building, Lexington, KY 40506-0005 Phone: 7-8638 Fax: 7-8238							
<p>ATTENTION! FAILURE TO COMPLETE THE REQUESTED INFORMATION AND APPLY A PROPERTY TAG MAY CAUSE THE EQUIPMENT TO BE UNINSURED. Complete the worksheet as follows: Fill in or correct all required fields. Required fields are Prop #, Desc., Cost Object, Using Dept #, Bldg., InsCode and Room #. Serial # and Model # are optional; however, fill in these fields when the information is available. If an item has been added to an already active property number, please explain in writing below, provide the property number of the other piece of equipment, and make changes necessary to clarify the description. Forward questions to 7-8638. Complete this information and return within 10 days of the above transmittal date.</p>							
c. A664411		d. PC APPLE IMAC 17" 1.83 1GB		e. Building 0494	f. Room ID 0216	g. Cost	\$1,289.00
h. Using Dept 80207	i. Model No.	j. Serial No. QP62503QV4	k. PO Item No 1	l. FI Doc Ref 7700490272			
m. Cost Object 1215371770		n. Date Acquired 06 2006		o. Insurance Code C			
Purchasing Data							
p.							
Dept	PO Number	FI Doc Ref	q. Cost Object	Date	Cost		
o. 80207	P0182183	7700490272	1215371770	6/1/2006	\$1,289.00		

- a) PURCHASE ORDER (PO) NUMBER - Completed by Plant Assets Inventory from Purchase Order, Stores Order, DAV or JV used to purchase equipment.
- b) PRINT DATE - Completed by Plant Assets Inventory on date they mail the worksheet to the department.
- c) PROPERTY NUMBER - Assigned by Plant Assets Inventory. The department must correct if the equipment is "added to" or "installed in" another piece of capital equipment.
- d) DESCRIPTION OF ITEM - Completed by Plant Assets Inventory from purchase document. Department must correct if the description is not clear.
- e) BUILDING - Completed by Plant Assets Inventory from the purchase document. Department must correct if the item is in another location. For area and building numbers, see <http://www.uky.edu/EVPFA/Controller/files/plant/campusALL.pdf>.
- f) ROOM ID - Completed by Plant Assets Inventory from the purchase document. Department must correct if the item is in another location.
- g) COST - Completed by Plant Assets Inventory from purchase document
- h) USING DEPARTMENT NUMBER - Completed by the department if the USING DEPARTMENT is different from the PURCHASING DEPARTMENT
- i) MANUFACTURER MODEL NUMBER - The department must enter the model number when available.
- j) IDENTIFICATION OR SERIAL NUMBER - The department must enter the serial number when tagging the equipment if available.
- k) PO ITEM NUMBER - Completed by Plant Assets Inventory for reference purposes
- l) COST OBJECT - To be completed by the department if the USING DEPARTMENT is different from the PURCHASING DEPARTMENT.
- m) DATE ACQUIRED - Completed by Plant Assets Inventory from purchase document.
- n) INSURANCE CODE - All capital equipment will default to "C", contents remain in the building. The department must change if the equipment will be used off campus (M) or if the equipment "floats" to various locations.
- o) PURCHASING DEPARTMENT NO. - Completed by Plant Assets Inventory using the department number from the purchase document
- p) FI DOC REF - Completed by Plant Assets Inventory from purchase document
- q) PURCHASING COST OBJECT - Completed by Plant Assets Inventory using the COST OBJECT from the purchase document