

Equipment Reporting Threshold Policy Updates

Welcome to the Office of Business and Financial Services Open Comment Blog!

The Office of Business and Financial Services is hosting an open comment period, beginning May 1 and closing May 15 at 5 p.m. CT. In this open comment period updates to equipment reporting threshold policies are presented.

The updates proposed are to existing threshold policies that reference equipment reporting threshold, 7.3, 12.1.2, 12.1.6, 12.1.7, 12.1.8, 12.3.7, 16 Sponsored Projects Cost Principles, and 16.1.4. These changes increase the equipment reporting threshold from \$500 to \$1000.

The open comment period allows stakeholders to provide input and ask questions about specific policies that affect University of Illinois System business and their work. To review the changes and submit comments, visit the [open comment website](#). Feedback may also be submitted directly via email at obfpolicies@uillinois.edu.

Contact: For questions contact OBFS Policies at (312) 585-9049 or obfpolicies@uillinois.edu.

All the updates are presented in a *Bolded and Italicized* format.

12.1.6 Affix Property Labels

Policy Statement

The University of Illinois System complies with the Illinois State Property Control Act (30 ILCS 605) which requires all system-owned property to display ownership information (state, sponsor, or individual). PTag numbers are assigned by University Property Accounting and Reporting (UPAR) ***for all equipment valued at \$1,000 or more and for vehicles and firearms regardless of value.*** All property \$100 and over in value that belongs to the system must have a "University of Illinois, State of Illinois" label on it.

Affix a PTag number label for:

- Any item purchased after July 1, 2005, that is valued at ~~\$500~~ ***\$1,000*** or more
- Any item purchased before July 1, 2005, that is valued at \$2,500 or more
- All ***vehicles*** ~~are~~ and firearms regardless of value

Affix an unnumbered "State of Illinois" label:

- Any item purchased after July 1, 2005 that is valued at \$100 ~~or more~~ ***to \$999.99***
- Any item purchased before July 1, 2005 that is valued at less than \$2,500

Non-University Owners of personal property should clearly identify it as such. Do not assign a University of Illinois PTag number to personal property brought onto the system premises **and owned by faculty, staff, or any third parties.**

University units must not use the University PTag number label for any items not tracked on the system inventory in Banner. See additional resources at the bottom of this policy for additional guidance regarding equipment not tracked on the system equipment inventory.

Procedure

To affix property labels to the system property:

Affix the labels to equipment so the text remains legible without defacing the equipment. Label placement may vary depending on the type of equipment and its use. Follow the general guidelines below. Place the label:

- On a permanent part of the equipment. Each major component of valuable scientific or technical apparatus must carry the PTag number label.
- Where it receives the least damage and wear, yet is easily seen.
- Whenever possible, on the lower right hand corner.

Do **not** place the label:

- On ornamentation, cornices, or curved surfaces of molding or in any manner that adversely affects the aesthetic appearance of the equipment.
- Where it interferes with the free use or repair of the equipment.

If wear, chemicals, sterilization, heat, or other processes could deface the label or the label would interfere with the use of the equipment, use an alternative method such as stencils, contrasting paints, electric markers, stamping, etc.

If labeling or marking is impossible, retain photographs of the object with any unique identifying information (serial number, measurements, maker's mark, etc.) in a secure location with the PTag number label.

Sponsor-Titled Equipment

If a sponsor has retained title to the equipment, or the equipment is on loan to the system from outside agencies, contact your university Grants and Contracts Office (**UIC**), **Sponsored Programs Administration Office (UIUC)**, or **Research & Sponsored Programs – Post Award Office (UIS)**. They will give you numbered property control labels designed for use with equipment that is not owned by the system or the State. Use the steps above to affix them to the property.

If the title is transferred from another institution or sponsoring agency, the Grants and Contracts Office (**UIC**), **Sponsored Programs Administration Office (UIUC)**, or **Research & Sponsored Programs – Post Award Office (UIS)** will tell you to remove or obliterate the labels of the previous owner and affix new ones.

Related Policies and Procedures

6.4.3 Protect Personal Property
12.1.2 Classify Equipment and Property
12.1.5 Process a New Acquisition in FABweb

Additional Resources

Lesson 4.4: Affixing Physical Labels in Fixed Assets 101: Introduction to Property Accounting

Illinois State Property Control Act (30 ILCS 605)

University Tracked & Unit Tracked Equipment (placeholder for hyperlink to new OBFS-Equipment Management webpage to be published in sync with policy and threshold updates)

12.3.7 Loan Equipment to Faculty, Staff, or Student Employees

Policy Statement

Equipment loans to faculty, staff, or student employees must be to further the unit's mission, not for the convenience of the employee. Employees who have been loaned equipment are responsible for its safe keeping. The unit head retains custodial responsibility for the equipment. **Equipment loans must be documented for all Banner tagged and tracked equipment on the University of Illinois System inventory. System Units can include equipment not on the system Banner inventory on the loan forms at the Unit's discretion.**

Procedure

To loan equipment to faculty, staff, or student employees:

1. Consult Banner Fixed Assets **for all Banner tracked equipment** to confirm that your unit is on record as the responsible organization for the equipment to be loaned and that it is titled to the state of Illinois. **Confirm any equipment not tracked in Banner is not titled to another Federal, State, or corporate entity.**
2. If your unit is loaning equipment for **less** than one week, design and use a sign-out sheet as the loan agreement form.

The loan sheet must contain the borrower's name, the borrower's signature, a description of the equipment, the property control (Ptag) number (or serial number if not recorded in Banner Fixed Assets), the date borrowed, and the date returned.

3. If your unit is loaning equipment for **more** than one week, complete the Equipment Loan to Employees and Students form and retain it in your unit. If your unit is loaning equipment for more than one academic term:

Update the record in FABweb by entering an off-campus location code, a condition code of "E" (Loaned to Faculty/Staff/Student), and the UIN of the person who holds custody of the item in the custodian field. Add the actual location to the end of the existing description.

4. Retain all forms and sign-out sheets so they are available for review by internal or external auditors and University Property Accounting and Reporting (UPAR) staff.

When the agreement expires, it may be extended for additional terms, provided the extension is properly documented and authorized by both parties initialing an existing Equipment Loan to Employees and Students form.

Forms Used in this Procedure

Equipment Loan to Employees and Students This form requires Adobe Acrobat Reader and will not work with some browsers' default built-in PDF viewers. If you cannot open the form in your browser, right click on the form's link, choose to save it to your computer, and open it directly in Adobe Acrobat Reader. Instructions to complete the above form

Related Policies and Procedures

- 12.2.3 Comply with Unit Head Property Custodial Responsibilities
- 12.2.7 Assess an Employee for Missing or Damaged Equipment

7.3 Purchase Orders

(This information is an excerpt from existing policy in [section 7.3](#))

Regular Purchase Orders > Regular Purchase Orders may be issued

- "For purchases of Fixed Assets with a unit price of ~~-\$500~~ **\$1,000** or more."

12.1.2 Classify Equipment and Property

(This information is an excerpt from existing policy in [section 12.1.2](#))

Policy Statement

"The University inventories all property and equipment that, in general, have a useful life of more than one year and a unit value equal to or greater than ~~-\$500~~ **\$1,000**."

Procedure

Movable Equipment

Non-Controlled equipment (does not need PTag):

- "Costs less than ~~-\$500~~ **\$1,000** (firearms, antiques, and items of historical value are considered controlled equipment regardless of cost)"

Controlled, but non-capitalized equipment:

- "Costs ~~\$500~~ **\$1,000** to \$4,999 (firearms, antiques, and items of historical value are considered controlled equipment regardless of cost)"
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12.1.7 Identify Donated, Found, and Other Non-Cash Addition Equipment

(This information is an excerpt from existing policy in [section 12.1.7](#))

Procedure

Found

- "Has a current estimated fair market value of ~~\$500~~ **\$1,000** or more. (Because the reporting threshold changed July 1, 2005, if the item was purchased before that date for less than \$2,500, it does not have to be recorded in Banner Fixed Assets using FABweb.)"
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12.1.8 Add Donated, Found, and Other Non-Cash Addition Equipment to FABweb

(This information is an excerpt from existing policy in [section 12.1.8](#))

Policy Statement

"All equipment ~~\$500~~ **\$1,000** or more must be recorded in FABweb, even if your unit did not purchase it."

16 Sponsored Projects Cost Principles

(This information is an excerpt from existing policy in [section 16](#))

Equipment

16.1.4 Equipment, Equipment Leases, and Expendable Supplies

(This information is an excerpt from existing policy in [section 16.1.4](#))

AND

- "Costs ~~\$500~~ **\$1,000** or more,"

Supplies (Sponsored Projects and Federal Appropriations) - Capitalized Equipment (State)

"To account for differing definitions, all purchases of equipment on sponsored projects and federal appropriations with a useful life of more than a year, and costing ~~\$500~~ **\$1,000** or more, but less than \$5,000 should be recorded in UFAS Banner using the 27XX series of expenditure object codes. These codes became effective July 1, 1995."

Fabricated equipment - An item fabricated, or made, within the University for which the:

- "Total cost of component parts and materials/supplies (not labor) is ~~\$500~~ **\$1,000** or more,"

Exempt property - "Federal regulations define exempt property as "tangible personal property acquired for **research** in whole or in part with federal funds, where the federal awarding agency has statutory authority to vest title in the recipient without further obligation to the federal government." This includes:

- Expensed equipment (~~\$500~~ **\$1,000**-~~\$4,999~~) and supplies"

Grants And Contracts Office Approval For Sponsored Project Acquisitions

OR

- "Equipment acquisitions of \$5,000 or more on all sponsored projects except for Public Health Service (PHS) and National Science Foundation (NSF) which are \$10,000 or more, State of Illinois sponsored projects which are \$1,000 or more, and fabrications which are ~~\$500~~ **\$1,000** or more. PHS and NSF research grants and cooperative agreements are identified by the first three characters of the UFAS account title."

Valuation of Equipment

Fabrication equipment -

"Object codes for recording fabricated equipment in process are 6500-6529 and the following criteria must be met:

- These object codes are used **only** when the aggregate sum of component parts, materials, and supplies used to fabricate equipment total ~~\$500~~ **\$1,000** or more,"

To leave feedback, please use the "Add Comment" link below. On the next screen, choose the "Sign in with my NetID" option and log in with your University credentials. Comment moderation is enabled. Your comment will not appear until approved.

You may also submit a comment without posting to the feedback board by contacting obfspolicies@uillinois.edu.
