Inventory Verification
Training

September 16, 2019
Agenda

- Inventory Audit by PFMO - September 2018
- UH Administrative Procedure 8.509
- Purchasing Asset Items
- Acquisition Report and Inventory Asset Decal
- Annual Physical Inventory Verification
- Changes to an Asset
- Contact Information
- Questions?
Inventory Audit by PFMO

- UH Property Fund Management Office conducted an onsite physical inventory verification. They found the following discrepancies:
  - Model number in KFS did not match the model number on the asset.
  - Serial number in KFS did not match the serial number on the asset.
  - Multiple component parts were not labeled. They should have the same asset tag information affixed. (Corrective action: Department can let the Business Office know they need duplicate tags.)
  - Asset tag was not affixed to the asset.

- Acquisition Test Finding - Property acquired on a Federal grant did not agree with the award equipment budget approved by the sponsor. The amount approved was less than the actual amount of the purchase. (Corrective action: The PI will obtain written approval for any changes to the item or amount of the approved award.)
UH Administrative Procedure 8.509

- AP 8.509 - Property and Equipment Overview
  https://www.hawaii.edu/policy/?action=viewPolicy&policySection=ap&policyChapter=8&policyNumber=509

- Definitions for assets - located in section II of AP 8.509.
Purchasing Assets

- Equipment - Expenditures should be capitalized if the equipment has a useful life for more than one year and an acquisition cost of $5,000 or more for an item.

- Requisition Reminders:
  - Object code for UH owned equipment - 770U
  - Location - Building and room number
    - Example: 5991 = Hale Palanakila
    - Example: 5988 = Hale Imiloa
  - KFS ► Maintenance Tab ► Click on Building under the System section in the lower right corner ► At the Building Lookup Screen enter WI for the campus code and click the search button. All the building numbers for Windward CC will be displayed.
Acquisition reports and decal(s) are sent to the Business Office after a purchased item meets the following criteria:

Net invoice unit price of equipment, including the cost of modifications, attachments and accessories necessary to make the property usable for the purpose along with other charges, such as installation fee, transportation, taxes, insurance for which it is acquired is $5,000 or more.
<table>
<thead>
<tr>
<th>Asset</th>
<th>Asset Rep</th>
<th>Asset Tag</th>
<th>Asset Number</th>
<th>Asset Description</th>
<th>Asset Manufacturer</th>
<th>Asset Model Number</th>
<th>Asset Serial Number</th>
<th>Asset Build</th>
<th>Asset Build Code</th>
<th>Asset Build Room</th>
<th>Asset In Service Date</th>
<th>Asset Pyment Document Number</th>
<th>Asset Org Owner Account Number</th>
<th>Asset Org Owner Chart Code</th>
<th>Asset Pyment Object Code</th>
<th>Asset Pyment Total Cost</th>
<th>Asset Pyment Sub Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>6025</td>
<td>dippins</td>
<td>155488</td>
<td>42155</td>
<td>AUTOMATIC PROGRAMMABLE CUTTER WI VR CUT SOFTWARE</td>
<td>TRIUMPH</td>
<td>5260</td>
<td>1306695</td>
<td>W1</td>
<td>595</td>
<td>2421</td>
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<td>228102</td>
<td>W1</td>
<td>772U</td>
<td>$12,874.34</td>
<td></td>
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</tbody>
</table>

I certify that:
- The following information [Asset Description, Manufacturer, Model, Serial Number, building and room] contained in this report have been physically verified and are in agreement with the information found on the property listed. (Reference: OMB Circular A-110; Hawaii Administrative Rules 3-130-5 and UH AP 8.509, Property and Equipment Overview and AP 8.521, Property and Equipment Acquisition)
- Missing or incorrect information have been noted and a KFS Asset Edit eDoc will be have been submitted to update the asset record.
- Asset tag(s) have been properly affixed to each inventoried item.

__________________________
Signature

__________________________
Type or Print Name

__________________________
Date

__________________________
Title

Please email the scanned copy of the certified Acquisition Report to caso@hawaii.edu.
Inventory Asset Decal

- The acquisition report and decal is sent to the custodian or inventory designee of that department.
- The decal is to be affixed to the item in a noticeable area.
  - If there is more than one component (i.e., computer monitor and CPU) listed on the acquisition report per tag number, please contact the Business Office to have additional labels made. The label will have the same information as the decal and will also indicate 2 of 2 and so on if there are multiple components.
  - If decal cannot be affixed to the asset, contact the Business Office for advice.
- Verify all information on acquisition report is correct and accurate with the item.
  - Asset tag number with actual number on decal
  - Asset description
  - Asset manufacturer
  - Asset model number
  - Asset serial number - if no number was included during purchase, it will be requested on this report.
  - Asset building code
  - Asset room number
- Complete the bottom of the acquisition report and return to the Business Office within 5 business days of receipt. Do not email the form as indicated on the report. The Business Office will email the report to the PFMO Office.
Annual Physical Inventory Verification

An annual physical inventory must be performed to ensure that assets listed on the report are accounted for and accurately described, and that all items no longer useable or needed are transferred or retired.

Asset Representatives (custodians) should not perform the physical inventory of property under their custody. The department shall assign a permanent employee, other than the asset representative or principal investigator, to conduct the physical inventory.
Instructions for the Annual Inventory Verification

- Locate each item listed on the Annual Inventory Verification Report. Verify the following and make a √ next to each section listed below:
  - An asset decal is affixed to the correct item.
    - The asset decal is a silver rectangle sticker. If the sticker had been misplaced or lost, a label may be used. Contact the Business Office to have a label made.
    - The asset number on the decal matches the asset number on the report.
    - The asset description should be as accurate as possible to help you or anyone else identify the item.
    - Manufacturer, serial number and model number matches report.
    - Asset is located in building (listed on top of report) and room number (listed on far right column) on report.
  - If all items on report have been verified print name of verifier, sign and date report and submit to the Business Office by September 30, 2019.

- If there are any discrepancies:
  - Send an email to Kawai (kawaijalo@hawaii.edu) with the asset number, tag number and information that needs to be corrected.
    - The correction will be made in KFS by Kawai.
<table>
<thead>
<tr>
<th>TAG #</th>
<th>DESCRIPTION</th>
<th>MANUFACTURER</th>
<th>SERIAL #</th>
<th>IN-SERVICE DATE</th>
<th>COST</th>
<th>ROOM</th>
<th>SUB RM #</th>
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<tbody>
<tr>
<td>152231</td>
<td>90-INCH 1080P COMMERICAL LED TV</td>
<td>SHARP</td>
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<td>08/09/2017</td>
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<td>115</td>
<td></td>
</tr>
</tbody>
</table>

**BUILDING:** 5979 WCC-HALE MANAOPONO (MAH1)**
Changes to an Asset

The Business Office must be notified via email of any of the following changes before the changes take place. The Business Office will create the document in KFS to initiate the changes. Once the change has been recorded and approved in KFS, the custodian or inventory designee will be notified via email. Changes include the following:

- Asset location (building and/or room)
- Condition of asset (ie: good to poor)
- Serial number incorrect on verification report
- Asset is missing
- Asset is no longer working and unrepairable
- Asset is to be transferred to another department or campus
Questions?
Contact Kawai
at ext. 408 or
kawaialo@hawaii.edu