

Prepared by Property and Fund Management Office.
This replaces Administrative Procedure A8.506
dated November 1997.

A8.506

A8.505 State Personal Property

December 2000

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A8.506 Acquisition

1. Purchase Order or Contract

Inventorial property acquired by either purchase order or contract and paid through the University's disbursing system or fed to the University via the Research Corporation of the University of Hawai'i is initially picked up on the inventory as a pending asset record. After all the required data fields on a pending asset record have been fully defined, the pending asset record is approved.

On a monthly basis, the Inventory Management Section provides Property Custodians and Fiscal Officers with Report THDR030D, Acquisition Report By Fiscal Officer, and THDR030, Acquisition Report By SL Account Code, which are listings of new acquisitions. The reports contain the following information:

(1) Decal Number	(10) Building Campus
(2) Asset Number	(11) Acquisition Date
(3) Description	(12) Acquisition Method
(4) Manufacturer's Name	(13) Document Number
(5) Model Number	(14) Check Number
(6) Serial Number	(15) Ownership Code
(7) Custodian	(16) Quantity
(8) Building Name	(17) Unit of Measure
(9) Building Number	(18) Cost

Pre-numbered decals to be physically affixed to the property are attached to the Report THDR030D, Acquisition Report By Fiscal Officer. Report THDR030, Acquisition Report By SL Account Code, displays the cost contributed by the FMIS 10-digit SL account code to acquire the asset. Report THDR030 should be retained by the fiscal officer.

2. Donated Property

When property is donated, APM A8.620, Gifts, applies. The receiving department or unit shall, upon the receipt of such property, promptly notify the University of Hawai'i Foundation (UHF) by completing and submitting UHF Form DP014, Transmittal Form for Non-cash Gifts. The University of Hawai'i Foundation will forward the UHF Form DP014, Transmittal Form for Non-cash Gifts, to the Inventory Management Section for recordation of the equipment or controlled property into the fixed assets system. The notification must provide the following:

- (1) Donor
- (2) The description, model, serial number, manufacturer's name of item(s) being donated
- (3) Fair market value or amount of the item(s)
- (4) Location
- (5) FMIS SL account code and title accountable for the controlled property or equipment
- (6) Purpose and restrictions stipulated by the donor
- (7) Indicate if item should not be inventoried, e.g., motor vehicle to be dismantled for parts

Pre-numbered decals to be physically affixed to the property are attached to the Report THDR030D, Acquisition Report By Fiscal Officer.

3. Fabricated Property

Prior to fabrication, the Fiscal Officer, with the assistance of the Principal Investigator or Property Custodian, shall complete FMIS Form 73, Fabricated Property, and submit the completed form to the Inventory Management Section. In order to record fabricated property accurately in the fixed assets system, all fabrication payments shall be coded with subcode 7790, Equipment, Fabrication In Prog. After initial payment, a decal for the fabricated property shall be issued via Report THDR030D, Acquisition Report By Fiscal Officer. Subsequent additions or deductions in costs to the initial payment shall be reported on the THDR035, Cost-Changes Report By SL Account Code. In order to capitalize each component part as it is purchased, subsequent purchases to the initial payment shall cite the decal number issued for the fabricated property on the purchasing document.

Upon completion of the fabrication process, the fiscal officer, principal investigator, or property custodian shall inform the Inventory Management Section via memorandum of the following:

- (1) In-service date of the fabricated property
- (2) Total cost
- (3) Property location (i.e., building campus, building number, room/floor, or other location)

4. Found Property

Found property is reported to the Inventory Management Section by memorandum. The memorandum shall provide the following information:

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| 1) Description of the property | 5) Ownership |
| 2) Manufacturer's name | 6) 10-digit FMIS SL account |
| 3) Model number | 7) Serial number |
| 4) Location (i.e., building campus, building number, other location, and room/floor) | 8) Circumstances surrounding the discovery |

The Property Custodian shall be the Responsible Person of the FMIS SL account code accountable for the property. The value is estimated by the Custodial Department. The date found is used as the in-service date unless the acquisition date can be determined or confirmed by other means.

Pre-numbered decals to be physically affixed to the property are attached to the Report THDR030D, Acquisition Report By Fiscal Officer.

5. Acquisition of Surplus Property

The University of Hawai'i, as a nonprofit, tax-exempt educational institution, may acquire Federal or State surplus personal property at a nominal cost. The University is authorized to participate in this program by designating "Authorized Representatives" from the University system to coordinate with the Department of Accounting and General Services (DAGS), Surplus Property Office, to officially authenticate the acquisition of such property in accordance with applicable laws (Internal Revenue Code, Federal Property and Administrative Services Act, Rehabilitation Act, etc.). The official representative designated for the University is the Property and Fund Management Office (PFMO). University faculty or staff members may acquire surplus property. The acquisition of such property shall be coordinated in advance with the Fiscal Officer for the department or unit.

If the acquisition fair market value of the surplus property meets the capitalization criteria of APM A8.550, Capitalization, the individual and department acquiring the property shall be identified on the purchase/payment document.

Surplus items acquired under the State Agencies Surplus Property program from DAGS Surplus Property Office shall be valued at 23.3 percent of its ORIGINAL ACQUISITION COST. Surplus property items meeting the equipment or controlled property criteria of APM A8.550, Capitalization, shall be recorded into the inventory system. Surplus property not meeting the criteria shall be coded as expenditures of the current period. Refer to APM A8.516-c, Valuation at Fair Market Value.

These procedures are used for all funds, including extramural funds if the particular contract or grant permits the acquisition from DAGS Surplus Property Office.

Pre-numbered decals to be physically affixed to the property are attached to the Report THDR030D, Acquisition Report By Fiscal Officer.

6. Acquisition Under Contracts with Extramural Sponsors

Refer to APM A8.528, Acquisition, Federal Personal Property.

7. Grouped Items

Some items with unit costs not meeting the capitalization criteria of APM A8.550, Capitalization, may be inventoried. Items that are physically or functionally identical, have sufficient useful life and whose total value as a group justifies recordation for the purpose of inventory control shall be treated as "Grouped Items." Each group shall be recorded as a single asset and shall be assigned one decal number.

Pre-numbered decals to be physically affixed to the property are attached to the Report THDR030D, Acquisition Report By Fiscal Officer.