Appendix C: Additional Guidance for Specific Types of Equipment Policy: Property, Plant, and Equipment (ID: 024-0001)

Chart String Use and Fixed Asset Module Processing

Audio Visual System(s) An Audio Visual (A/V) system purchase or upgrade typically consists of several individual pieces of equipment, supplies, and other items including engineering, design, and installation costs, which need to be accounted for in Oracle. Individual items are often moved from one room to another, are disposed of and replaced, or are un-taggable and not able to be tracked and inventoried. Therefore, when processing audio visual requisitions, please abide by the following guidance:

- If the cost of an individual line item is under $5,000 it is expensed and not recorded in the Oracle Fixed Asset Module.
    - Exception: If the individual line items are to be assembled into a <u>single unit</u> with an aggregate cost of $5,000 or greater, the assembled unit will be accounted for as one asset. For the applicable line items, use the appropriate natural class as detailed below.
- Software, design, engineering, and installation costs are expensed as incurred.
- If the cost of an individual piece of equipment (monitor, video camera, screen, etc.) is between $5,000 and $24,999, it is considered non-capital/moveable equipment and is recorded in the Oracle Fixed Asset Module and is subject to being tagged and inventoried.
- If the cost of an individual piece of equipment (monitor, video camera, screen, etc.) is $25,000 or more it is considered capital/moveable equipment, recorded in the Oracle Fixed Asset Module and subject to being depreciated, tagged, and inventoried.
- If the purchase is part of a Capital Project (CIP), use natural class 1724-CIP CONST Moveable Equip.

Audio Visual System(s) Chart Strings for Reference:

Under $5,000 -	7032-EQUIP UNDER 5000 Audio Visual
Between $5,000 – $24,999 -	7112-EQUIP 5000 to 24999 Audio Visual
Over $25,000 -	1700-Oracle Fixed Assets Clearing
Design/Engineering/Installation -	7748-PROF FEES Instr Audio Visual Srvcs
Software -	7505-SUPPLIES Computer Software or 7331-MAINT CONTR Software Maint or License (only capitalized as part of IT CIP Project)

Accessories: An item which can be added to make an existing piece of equipment more useful or versatile. The cost of an accessory purchased separately after the original equipment has been received and made operable should not be added to the value of the original piece of equipment in the Fixed Asset Module. If an accessory meets all the criteria of non-capital or capital property (i.e., it is tangible property having a useful life greater than one year and an acquisition cost of $5,000 or more), it should be treated as a separate item of equipment.

Accessories Chart Strings for Reference:

Under $5,000 -	70XX-EQUIP UNDER 5000
Between $5,000 – $24,999 -	71XX-EQUIP 5000 to 24999
Over $25,000 -	1700-Oracle Fixed Assets Clearing or 75XXA-CAP EQUIP OVR 25K for PTAEOs

Additions: Acquisition of new assets, or improvements or modifications to existing assets that increase the useful life or the service potential of the asset. Examples include an addition to a building or renovations to repurpose the space; adding a new part or feature to an existing piece of equipment that increases functionality. When processing requisitions for additions to existing equipment/assets, please abide by the following guidance:

- The natural class used for the addition should be the same as the natural class used for parent item.
- The purchase requisition should reference that the item is an addition and the parent asset tag number (in both the description and notes).

Additions Chart Strings for Reference:

Between $5,000 – $24,999 -	71XX-EQUIP 5000 to 24999
Over $25,000 -	1700-Oracle Fixed Assets Clearing or 75XXA-CAP EQUIP OVR 25K for PTAEOs

Upgrades: A change, modification, or improvement made to a piece of equipment that improves capacity, capability, efficiency, or useful life. Upgrade costs of $5,000 or more are added to the original capital or non-capital equipment. When processing requisitions for upgrades to existing equipment/assets, please abide by the following guidance:

- The natural class used for the upgrade should be the same as the natural class used for parent item.
- The purchase requisition should reference that the item is an upgrade to existing equipment (either in the description or notes).

Upgrades Chart Strings for Reference:

Under $5,000 -	70XX-EQUIP UNDER 5000
Between $5,000 – $24,999 -	71XX-EQUIP 5000 to 24999
Over $25,000 -	1700-Oracle Fixed Assets Clearing or 75XXA-CAP EQUIP OVR 25K for PTAEOs