

RIT Capital Equipment Fabrication Policy

Fabricated Equipment

Occasionally, RIT departments/employees will fabricate an item of capital equipment from component parts. The fabricated item must meet the RIT standard definition for capital equipment:

1. Must be tangible property (moveable) with a useful life of more than one year.
2. Total combined costs of the component parts are \geq \$ 1,500.

Request to Fabricate Equipment

Requests to establish a fabricated equipment account must be approved in advance by the RIT Property Control Office. Include the following information in the request (see the attached fabrication request form):

1. A description of the fabricated item to be constructed.
2. The general ledger department and project number where the costs of the component parts for the fabricated item will be charged. Note: **All component parts are charged to object code 16250 – Fabricated Equipment \geq \$1,500.**
3. Cost estimates of items to be included in the final fabricated item including electrical, electronic, and mechanical components and other materials. Include costs of services if applicable. Do not include salaries and wages of employees.
4. Anticipated completion date of the equipment.
5. Estimated useful life of the equipment.

Property Control will notify the department when the request to fabricate capital equipment is approved.

The department will notify Property Control of any cost revisions.

Reclassification of Fabricated Equipment

Immediately following the completion date of the fabricated equipment provided in the initial request, Property Control will contact the department asking them to certify that the equipment is complete and that all costs have been accounted for.

1. Property Control will then move the total costs from object code 16250 to object code 16200 – Capital Equipment \geq \$1,500 and add the item to the RIT fixed asset (inventory) system.
2. If the fabricated equipment is not complete, the department should request an extension from Property Control.
3. If the fabrication is completed sooner than anticipated, the department should notify Property Control.
4. If the department is a self-tagging department, the department contact should provide Property Control with the inventory tag number.

Requests for Fabricated Equipment Charged to Grants and Contracts

Follow the steps below for when the fabricated equipment is for a grant/contract.

1. The Principal Investigator (PI) provides Property Control with the information in “Request to Fabricate Equipment” above.
2. Property Control will notify Sponsored Programs Financial Management Services (SPFMS) when the request to fabricate equipment is approved.
3. SPFMS will review the grant/contract for allowability by the sponsor and then establish the line item on the grant/contract budget.
4. Component parts are not subject to F&A costs (when charged to object code 16250).
5. SPFMS will notify the PI.
6. Immediately following the completion date, Property Control will contact the PI asking him/her to certify that the equipment is complete and that all costs have been accounted for. Note: It is the responsibility of the PI to maintain all documentation for costs of component parts.

RIT Capital Equipment Fabrication Request

Complete the following information for each request and forward to the Property Control Office (GEM, Rm 1118) for approval.

Description of Capital Equipment	Department #/ Project #*	Cost Estimate**	Completion Date	Estimated Useful Life	Location—Bldg & Room	Tag #

*If the project number is a grant or contract, RFA will review for grant/contract compliance prior to establishing a line item in the budget.

** Provide an itemized list of component parts. Note, in order for the equipment to be capitalized, the total cost of the component parts must be \geq \$ 1,500. Do not include salaries or wages of RIT employees. Costs of services, including delivery and installation may be included, if applicable. Departments must maintain documentation for all component parts.

Name of Responsible Individual

Date of Request

Signature of Responsible Individual

Date

Property Control Approval

Date