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 > $1,500.

Request to Fabricate Equipment
Requests to establish a fabricated equipment account must be approved in advance by RIT Property Accounting. 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 (16251 through 16254 are available if there is more than 1 piece of equipment) – Fabricated Equipment > $1,500. Furniture and Fixtures (F&F) charged to a construction project are charged to object 16259 if they fall within the capitalization guidelines for construction project F&F.
3. Provide a total cost estimate 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 because internal labor is not capitalizable.
4. Anticipated completion date of the equipment.

Property Accounting will notify the department when the request to fabricate capital equipment is approved and account combination is set-up/enabled.

The department will notify SPA and Property Accounting of any significant cost revisions or estimated completion date revisions.

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

1. Property Accounting will then move the total costs from object code 1625X to object code 16200 and the item will be added to the RIT fixed asset (inventory) system.
2. If the fabricated equipment is not complete, the department should request an extension from Property Accounting.
3. If the fabrication is completed sooner than anticipated, the department should notify Property Accounting.
4. If the department is a self-tagging department, the department contact should provide Property Accounting with the inventory tag number and building/room location.

**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 Sponsored Program Accounting (SPA) with the information in “Request to Fabricate Equipment” above. SPA will review the grant/contract for allowability by the sponsor and then establish the line item on the grant/contract budget.
2. SPA will notify Property Accounting and the PI when the request to fabricate equipment is approved.
3. Component parts are not subject to F&A costs (when charged to object codes 16250 through 16254 or 16259).
4. Immediately following the completion date, Property Accounting 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 Property Accounting (EAS, Rm 6025) for approval.

<table>
<thead>
<tr>
<th>Description of Capital Equipment</th>
<th>Dept #</th>
<th>Object* (1625X)</th>
<th>Project # **</th>
<th>Cost Estimate***</th>
<th>Estimated Completion Date****</th>
<th>Location - Bldg &amp; Rm</th>
<th>Tag#</th>
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* Objects 16250 through 16254 and 16259 (Construction project furniture and fixtures) are available.

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

*** In order for the equipment to be capitalized, the total cost of the component parts must be ≥ $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.

**** Contact Property Accounting (jfmcto@rit.edu) and SPA when the capital equipment is in use or there is a date change.

_______________________________________________  ______________________________________
Name of Responsible Individual                  Date of Request

_______________________________________________  ______________________________________
Signature of Responsible Individual               Date

_______________________________________________  ______________________________________
Property Accounting Approval / SPA Approval        Date