

# **UNIVERSITY OF MIAMI**

## **FINANCIAL POLICIES & PROCEDURES**

### **EQUIPMENT FABRICATED OR BUILT BY A DEPARTMENT WITHIN THE UNIVERSITY**

**B041**

Revised 5/10

Reviewed 11/11

#### **PURPOSE**

To establish the policy and procedures for recording in the University's books equipment fabricated, built or assembled from component parts by a University faculty/principal investigator, staff member, or an internal shop.

#### **POLICY**

Equipment fabricated, built or assembled within the University ("confab equipment") is capitalized as a complete unit, when the unit is finished and it meets the equipment capitalization limits as stated in policy B040. The aggregate cost is the sum of all costs incurred for parts, components, service fees and labor to make the equipment functional and that become a permanent part of the fabricated equipment.

#### **PROCEDURE**

1. Prior to fabrication of the equipment, complete a CONFAB Request Form (see Attachment A) and submit to the Property Accounting Office to provide the following information:
  - A. Description of Equipment
  - B. Account number under which expenses will be accumulated
  - C. Location of equipment while under construction
  - D. Expected completion date
  - E. Faculty/Principal Investigator, staff member contact information
  - F. Estimated useful life of fabricated equipment
  - G. With whom title/ownership will vest when completed
2. Property Accounting assigns a CONFAB and decal number to the equipment and returns the form to the department contact person.

3. The faculty member/principal investigator, staff member, or internal shop references the CONFAB number on all related purchase orders and expenditures. The following sub-object codes are used:
  - 6105 - CONFAB Equipment, if UM holds title to the equipment, or
  - 6811- CONFAB Equipment, if fabricated under a grant or contract but the sponsoring agency, under its regulations, holds title to the equipment.
4. Property Accounting adds the equipment to the Property System when the first related expenditure occurs. The expected completion date is entered in the Property System in the “In-Use Date” field.
5. When the CONFAB equipment is complete, the department notifies Property Accounting in order to tag the unit with a University decal and update the “In-Use Date” with the actual completion date.
6. To ensure that equipment is properly capitalized, Property Accounting reviews the CONFAB file on a monthly basis and contacts department if the expected completion date is approaching and no communication has been received from department regarding completion of the equipment.
7. Depreciation of the equipment begins after the equipment is completed and placed in use.
8. For sponsored project accounts, confab equipment is not subject to the Facilities and Administrative (indirect cost) rate.

**UNIVERSITY OF MIAMI – PROPERTY ACCOUNTING  
CONFAB REQUEST FORM – FABRICATION OF EQUIPMENT**

Complete this form to request a CONFAB number when fabricating equipment that will meet the capitalization criteria as stated in policy B040.

- A CONFAB number must be used and referenced on documents in order to properly accumulate the costs when fabricating specialized equipment over an extended period.
- Property Accounting will assign a CONFAB number and return a copy to the contact(s).

PI/Contact Name			
PI/Contact Phone Number		PI/Contact Email address	
Estimated useful life of equipment (Yrs)		Projected completion date (Mo./Year)	
Account number(s)		Title will vest with: (UM or Agency name):	
Equipment location (Bldg + Room)			

***Description of equipment (include explanation of specialized use and major components)***

***Undersigned acknowledges that all expenditures made referencing this CONFAB are for assembly costs and required parts that will become a permanent part of the fabricated equipment:***

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**SEND COMPLETED FORM TO:** email [property.accounting@miami.edu](mailto:property.accounting@miami.edu) or Fax (305)284-4850

***Below section completed by Property Accounting:***

CONFAB Number		Reference Number	CNFB
Assigned by		Date	