Property, Plant & Equipment Procurement Requisitions Decision Tree

Is the order part of a Construction in Progress (CIP) Project?

NO

Does the order being placed cost at least $5,000?

NO

Does the order being placed cost at least $25,000?

YES

NO

Does each piece being ordered cost at least $5,000?

NO

Do all pieces being ordered work together as a system with each system totaling at least $25,000? (A)

YES

NO

Mixed Capital, Non Capital and/or Expensed Items

YES

Create separate req line(s) for capital assets
GL strings: Use the E.O.F.A.SA(s) to be charged for the equipment costs, but use NC 1700 for all GL strings. (B)
PTAEO(s): Use Expenditure Types in the range for $25,000 and greater

Create separate req line(s) for non capital equipment - GL strings and/or PTAEOs with Natural Classes and/or expenditure types in the range for $5,000-$24,999 equipment

Create separate req line(s) for items on the order which should not be included in capital asset-equipment
Use non-equipment Natural Class/Expenditure Type

Mark “Capital Expense” Yes. (E)

NO

Mixed Capital, Non Capital and/or Expensed Items

NO

Create separate req line(s) for items on the order which should not be included in equipment
Use non-equipment or expensed equipment NC/Expenditure Type

Mark “Capital Expense” No.

CIP order

Use assigned CIP Funding and Activity plus specified Natural Class(s) (17xx, 18xx, 54xx)

Mark “Capital Expense” No. (CIP assets are not added from A/P.)

Expensed Equipment

Use GL strings and/or PTAEOs with Natural Classes and/or Expenditure Types in the range for Under-$5000 supplies and equipment:
For example
7039-EQUIP UNDER 5000 Specialized
7035A EQUIP UNDR 5000 Lab

Mark “Capital Expense” Yes.

Non-Capital Equipment

Use GL strings and/or PTAEOs with Natural Classes and/or Expenditure Types in the range for $5,000-$24,999 equipment:
For example
7119-EQUIP 5000 to 24999 Office
7118A EQUIP 5000 to 24999 Medical

Mark “Capital Expense” Yes. (E)

Capital Asset - Equipment

GL strings: Use the E.O.F.A.SA(s) to be charged for the equipment costs, but use NC 1700 for all GL strings. (B)
PTAEO(s): Use Expenditure Types in the range for $25,000 and greater, for example, 7569A EQUIP OVER 25K Spec/Tech
You will see when you move through the req that the GL equivalent of the PTAEO will show NC 1700. This is expected.

Create separate req line(s) for items on the order which should not be included in capital asset-equipment
Use non-equipment Natural Class/Expenditure Type

Mark “Capital Expense” No.

Mixed Capital, Non Capital and/or Expensed Items

NO

NO

Notes:
(A) Evaluate what pieces work together as a system and their combined value to determine the threshold for equipment type. Individual pieces that stand alone should be evaluated based on their individual values.
(B) E - Entity, O - Org, F - Funding, A - Activity, SA - SubActivity, NC - Natural Class.
(C) Parts of an equipment order that should not be included in equipment NCs: training, service agreement, maintenance contract, extended warranty, consumable supplies, equipment leases, life less than one year.
(D) If adding lines to an existing PO, regardless of amount follow the accounting logic of the original order.
(E) The cases above are the only time when Capital Expense should be set to Yes. It should be No in any other scenario.
(F) If equipment is being traded in as part of the purchase, reference Property, Plant and Equipment Policy (ID 024-0001) Appendix G Trade In and Credit Processing Instructions.
(G) For Audio Visual purchases refer to Reference Property, Plant and Equipment Policy (ID 024-0001) Appendix C Additional Guidance for Specific Types of Equipment.