

Non-Capital Assets FAQs

❖ Defining and Identifying Non-Capital Assets

1. What is a non-capital asset (NCA)?

The definition of an NCA is:

Equipment or other physical assets with an acquisition cost of \$1,000 or more but less than \$5,000 per unit and with a useful life greater than one year.

2. If I purchase a desktop computer with a monitor, keyboard, speakers, and mouse and the total cost is \$1,000, are all the components treated as one NCA?

No. These items are all IT supplies because each item can function independently and may be interchanged among multiple computer stations. However, if one of these components would normally sell at \$1,000 (e.g. an upgraded monitor or a CPU with upgraded operating system software), that item is an NCA requiring an asset tag and should be recorded in the NCA account 3953.

3. When I purchased my laptop I requested additional software that I need for my job to be installed on the laptop. The cost of the laptop was \$800 and the added software was \$300. I paid \$1,100 for the order. Is this laptop an NCA?

No. These items are IT supplies because each item is under \$1,000. This software is not considered necessary for the laptop to function. The software is considered an off-the-shelf type of software and a separate purchase item.

4. I purchased a laptop with a base price of \$950 and upgraded to a professional version of the operating system software (e.g. Windows NT or Mac OS X). The final price was over \$1,000. Is this laptop an NCA?

Yes. The operating system software is an integral part of a computer. This laptop meets the definition of an NCA and is further classified as a Designated NCA (DNCA).

❖ Classifying Purchases

1. I don't understand how to determine if my purchase is an NCA or a supply.

Please review this flowchart found on the Financial Services website:

<http://www.umaryland.edu/media/umb/af/fs/policies-and-procedures/Final-Process.pdf>

2. What is a Designated NCA?

A Designated NCA (DNCA) is a subset of NCAs that require additional controls. UMB has designated the following NCAs as DNCAs:

- A. Laptops*
- B. Tablets*
- C. Audio/visual equipment*
- D. Any NCAs located in a residence*

-Remember that an NCA has a minimum per unit cost of \$1,000. If your purchase is below the \$1,000 threshold then it is a supply.

3. What happened to the “sensitive equipment” category?

The terminology “sensitive equipment” is no longer used. Instead, the DNCA category was established to classify specific items that require additional custodial responsibilities, accountability, and documentation.

4. What are the additional controls required for a DNCA?

A. DNCAs must be entered into the Employee Equipment Acknowledgment Form (EEAF) System within 30 days from the date of purchase.

B. Assigned DNCAs require a fully executed EEAF within 30 days of assignment.

❖ **Accounting for Equipment**

- 1. NCAs and DNCAs are recorded in account 3953 – Non-Capital Assets.
- 2. Purchases less than \$1,000 are recorded in the appropriate expense account (e.g. IT supplies, laboratory supplies, etc.).
- 3. Purchases equal to or greater than \$5,000 are recorded in the appropriate capital equipment account (e.g. IT purchases, Library, Office, etc.).

❖ **Using the EEAF System**

- 1. Where can I find information on how to use the EEAF System?

The EEAF System Manual is available on the Financial Services website under the Policies and Procedures section. Here is the direct link:

<http://www.umaryland.edu/media/umb/af/fs/policies-and-procedures/EEAF-Manual.pdf>

2. How do users get access to the system?

- A. General users who will receive equipment and have a UM ID can log into the system anytime. After logging into the system, a record for the user will automatically be established. The link to the system is found here:
https://afcf.umaryland.edu/fs_inventory/
- B. Additional steps are needed to assign the custodian role and create access to the custodian's departments. Therefore, Custodians should click on the following link to establish access to the system:
https://afcf.umaryland.edu/fs_inventory/FSF-204.pdf
This link will:
 - 1. Direct new custodians to log into EEAF which will automatically create the user record.
 - 2. Generate a PDF form and instructions for requesting the custodian role to be added to the user record.
- C. Users who already have an EEAF record but need the custodian role added to their record can simply click on the link https://afcf.umaryland.edu/fs_inventory/FSF-204.pdf to retrieve the form for adding the custodian role.

3. I am a custodian. How do I know when a user accepts or rejects assigned equipment?

All custodians with access to the user's department will receive an email after a user accepts or rejects equipment. In addition, custodians can run the Unacknowledged Report in the Reports Menu to determine if there are any outstanding acceptance forms awaiting acknowledgment.

4. How do I view information about my department?

Custodians and Report Viewers can view information.

- A. Custodians can:
 - 1. View Equipment List
 - 2. View Equipment Report
 - 3. Run Reports – Reports are available in the Reports menu section and can be downloaded to PDF or Excel. Reports include equipment status reports, unsigned acknowledgments, and equipment transfers.
- B. Report Viewers can view the Equipment Report in the Department Report menu section.

❖ **Training**

Financial Services offers periodic non-capital asset training. Training materials and additional information are available on the Financial Services website:

<http://www.umaryland.edu/financialservices/policies-and-procedures/training/>

❖ **Support**

Send requests for assistance with the EEAF System to DL-AFEEAFSupport@umaryland.edu