

Stanford University



Service Center Capital Equipment Validation Program

Prepared by
Property Management Office
Research Administration Policy & Compliance
Cost & Management Analysis

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Background Stanford has over 70 service centers (SC) to date and that number continues to grow. They operate as self-sustaining “businesses” and must recover their operational costs annually through approved budgets and approved rates. A key element of a center’s financial well-being is its capital assets. While capital assets cannot be directly charged to a service center, their depreciation can. A service center collects asset depreciation in its expenses, and recovers those expenses via the charge-out rates. So accurate recording of a service center’s capital assets can financially impact a center’s recovery and its users.

Besides the “local” impact on the service centers, capital assets, if not recorded to the correct owning organization, can also have “global” impact on the university in terms of inaccurate calculation of the Facilities and Administrative (F&A or indirect) rates. Such errors will cause the university to be out of compliance and may result in audit disallowances.

All in all, service centers must record, report and track their capital assets accurately, pursuant to university and government policy.

Summary In an effort to ensure service centers stay compliant “locally” and “globally” as mentioned above, the Property Management Office (PMO) has implemented the Service Center Capital Equipment Validation Program in partnership with the Research Administration Policy & Compliance (RAPC) and Cost & Management Analysis (CMA) groups.

Beginning in Q1, FY12, Service Centers will complete their capital equipment validation within 30 days after each center’s budget submission. The program is an administrative process and we don’t intend to involve the asset custodians or principal investigators (PIs) unless deemed necessary by the center’s Department Property Administrator (DPA), Service Center Manager/financial contact (SCM/FC) or Director of Finance and Administration/Administrative Services Manager (DFA/ASM).

In the validation process, PMO works with DPAs to ensure accuracy of equipment information recorded in Sunflower (SFA); RAPC works with the Service Center Manager (SCM) or center’s financial contact (FC) to ensure equipment information is correctly reflected in the center’s charge-out rates; CMA reviews the equipment depreciation for accurate representation in the F&A rates.

Participants

Central office:

- [Property Management Office](#) (PMO)
- [Research Administration Policy & Compliance](#) (RAPC)
- [Cost & Management Analysis](#) (CMA)

Service Center:

- [Department Property Administrator](#)
- [Service Center Manager/Financial Contact](#) (SCM/FC)
- Director of Finance and Administration/Administrative Services Manager (DFA/ASM)

Service Center Capital Equipment Validation Program Roles and Responsibilities

<u>Property Management Office</u> (PMO) <ul style="list-style-type: none"> • Provide guidance to DPAs on property issues • Complete the steps outlined in the checklist for central office • Announce validation results to centers 	<u>Department Property Administrator</u> (DPA) <ul style="list-style-type: none"> • Contact Property Service Representative (<u>PSR</u>) with any property questions • Complete the steps assigned in the checklist for service center
<u>Research Administration Policy & Compliance</u> (RAPC) <ul style="list-style-type: none"> • Provide guidance to SCM/FC on center's budget and rate issues • Complete the steps outlined in the checklist for central office 	<u>Service Center Manager/Financial Contact</u> (SCM/FC) <ul style="list-style-type: none"> • Complete the steps outlined in the checklist for central office • Ensure completion of DPA steps and data accuracy
<u>Cost & Management Analysis</u> (CMA) <ul style="list-style-type: none"> • Complete the steps outlined in the checklist for central office 	Director of Finance and Administration /Administrative Services Manager (DFA/ASM) <ul style="list-style-type: none"> • Complete the steps outlined in the checklist for central office • Ensure the center completes the validation program by the deadline

Center Financial Contact: <http://doresearch.stanford.edu/node/180765/attachment/newest>

Cost & Management Analysis: <http://doresearch.stanford.edu/research-offices/cost-and-management-analysis-cma>

Department Property Administrator: <https://sparc.stanford.edu/ora/f?p=300>

Property Management Office: <http://doresearch.stanford.edu/research-offices/property-management-pmo>

Property Service Representative: <http://doresearch.stanford.edu/research-offices/property-management-pmo#property-service-representatives>

Research Administration Policy & Compliance: <http://doresearch.stanford.edu/research-offices/research-administration-policy-and-compliance-rapc>