



California Health Sciences University

CHSU POLICY FOR CAPITAL REQUESTS FOR RESEARCH EQUIPMENT

I. POLICY STATEMENT

This policy defines capital expenditures and the process for University employees to request procuring capital equipment for research.

II. CAPITAL EXPENDITURES

A purchase is considered a capital expenditure (CAPEX) if a single asset which has an acquisition cost of \$2,500 or more and a useful life of more than one year, whether purchased outright, acquired through a capital lease or through donation.

Items purchased with a useful life of less than one year, are not considered CAPEX and are expensed in the year purchased through the normal course of business.

III. BUDGET REQUESTS

Capital requests for research equipment (CRRE) are to be submitted as part of the normal University budget process. There is no predetermined budget for capital research equipment. Instead, such requests will be considered in the context of overall university priorities.

CRRE requests are initiated at the department level. Each university department shall consider and request research equipment as it prepares its annual budget on a timetable established by university administration. If a department has multiple CRRE's they should be rank-ordered in terms of priority. Each CRRE should include a justification and a listing of investigators whose research will benefit from the equipment. Requests that will benefit multiple investigators should be given priority

The Dean of each university college shall submit the recommended CRRE portion of his/her budget request to the Research and Scholarship Committee (RSC). The RSC will consider all CRRE's and propose a final rank-order of all requests. The RSC's recommendations will then constitute the final CRRE budget request to university administration through the normal budget process on the timetable established by the university.

Departments requesting CRRE's will be notified as soon as practical if their requests have been approved as a part of the university's fiscal year budget. Once notification of approval has been received, departments may proceed to process Capital Expenditure Authorizations (CEA) following prescribed university procedures for the fiscal year of approval.



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All CAPEX should be purchased timely to ensure the items are “in-use” prior to academic year-end to ensure the expense occurs in the correct budget year.

IV. CAPITAL EXPENDITURE AUTHORIZATION FORM (CEA)

One CEA should be used to authorize the purchase of each asset. Do not combine multiple assets on one CEA. The department or lead investigator will complete the CEA Form as follows:

1. Lead investigator/faculty requesting the CAPEX should print their name, title, and date the form.
2. Complete, in detail, the item name and description/use. The CAPEX description should be in sufficient detail for the accounting department to identify the asset. Also provide a description of the proposed physical location of the asset.
3. Also, provide a business purpose of the expenditure. This description will also be used in recording the asset in the University’s fixed asset records. Accordingly, the description should be simplistic, but sufficient enough to readily identify the asset.
4. Provide cost detail related to the expenditure. If available, attach a copy of the vendor quote, proposal, etc. as additional support. A minimum of 2 quotes is required by the Business Office.
5. Include information about installation needs and costs. Identify whether a maintenance contract is needed. Provide supporting information that details the terms and conditions of the contract and whether the contract was reviewed.
6. Include the date the purchase is needed.
7. Sign and forward the CEA for approvals.

Approvals:

After the CEA has been completed in accordance with the above instructions, it will need to be approved by the RSC President. The RSC president will forward the CEA to the Business Office for budget review as well as the Assistant Vice President for Operations of the University.

Submissions of CEA:

Once the CEA has been completed and the proper approvals obtained, the CEA should be submitted to the accounting department for processing. At this time, the accounting department will issue a purchase order number. A copy of the CEA will be made and the original CEA will be given to the person/department requesting the expenditure.



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Ordering of Equipment:

The department/lead investigator requesting the expenditure generally will initiate the order with the vendor. It is the requesting department's responsibility to manage the order and inspect the item(s) when they are received to insure that the correct make and model has been shipped, the item is in an acceptable condition and keep the packing slip.

Submission of Invoice for Payment:

Invoices sent from the vendor will be routed to the department that initiated the order. The department/lead investigator should sign and date the invoice acknowledging that the item(s) ordered were received in an acceptable condition. After the invoice is reviewed for accuracy and matched up against the original CEA, the invoice, packing slip and the original CEA should be submitted to the accounts payable department for processing.

Conclusion:

The request of capital expenditures requires internal controls to manage the procurement process. These procedures will insure clear communication and payment controls in managing the accounting of capital acquisitions.

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- Policy Owner: URSCH-Research
 - Effective Date: 8/20/2018
 - Approval by President Date: 8/20/2018
 - Approval by Provost Date: 8/20/2018