

Best Practices for Fabricating Equipment Using Sponsored Funds

Prior to building:

1. Make sure the item being built meets the federal definition of [equipment](#). The individual components of fabricated equipment must be permanently attached together and function as one unit. All components of the fabricated equipment at time of disposal must be sold/disposed of as a single unit as well.
2. If you are working with a federal award, make sure the equipment has been approved by the sponsor and is listed in the approved budget of the award. If it is not, a [rebudget](#) may need to be approved prior to ordering.
3. Work with your faculty/lab supervisor to gather a list of all of the following information:
 - a. Name of the item and description of its purpose
 - b. List of desired vendors, cost and items that will need to be ordered
 - c. Quotes from vendors
 - d. List of services needed (machining, etc.)
4. Contact the [Equipment Manager](#) (currently Katie Wiegand) to request an equipment number for the item that is being constructed. The Equipment Manager will need the following information:
 - a. Description of equipment
 - b. Responsible department
 - c. Responsible person
 - d. Building and room where equipment will be housed
 - e. Estimated total cost to build equipment
 - f. Estimated completion date for building equipment.
5. Contact purchasing; they can assist with:
 - a. Determining the best vendor(s) to use
 - b. Gathering quotes
 - c. Determining whether the equipment should be competitively bid
 - d. Completing federal price justifications to ensure a fair price
6. Determine how each item will be purchased and develop a summary sheet for the equipment. A sample is below:

Vendor	Item Description	Cost	Purchase Method (CyBuy, Req., P-card, etc.)	Notes
1.				
2.				
3.				

Continue to the next page for more tips . . .



When ordering:

7. Reference the equipment number assigned by the Equipment Manager on all online systems transactions (KFS, CyBuy, P-card).
8. Use the equipment object code (0711 for KFS or 71100 for other legacy systems) for items that will be a permanent part of the equipment¹. The equipment [object code](#) is the only code that can be picked up in the equipment inventory system. For other items necessary for building the equipment but not considered part of the equipment please reach out to the Equipment Manager or the Sponsored Program Accountant to determine the appropriate object code to use.

¹The P-card system will not allow the use of the equipment object code. It will be necessary for the department to use another code such as 43900 and complete a General Error Correction (GEC) to move the P-card purchase to the equipment (0711) object code. The assigned equipment number must be noted on the GEC.

After item is built:

9. Make sure all transactions for items that are a permanent part of the equipment have a 71100 or 0711 code. This will ensure that indirect costs are not charged on the equipment. Also, make sure to verify that all P-card transactions that are part of the equipment system have been corrected.
10. Upon completion of equipment, notify the Equipment Manager and verify the total value of the equipment.
11. Once the Equipment Manager is notified the equipment is complete, an ISU equipment tag will be sent out to the department to be placed on the equipment. Work with your department to obtain and place the tag.

What expenses are considered part of the cost of the equipment?

Charges that should be included as part of equipment value:

- All equipment and supplies that are a part of the final piece of equipment
- Major charges for fabrication, machining, etc.
- Delivery costs
- Installation costs

Charges that should not be included as part of equipment:

- Supplies used in testing equipment
- Consumable supplies used during construction (oil, ink, gloves, etc.)
- Warranties purchased on parts
- Tools

If you have questions regarding other costs and are unsure if they should be included as part of equipment please contact the Equipment Manager.

