

## 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).*

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### ❖ 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.*

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❖ **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.).

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❖ **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/](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](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](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/>

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## ❖ **Support**

Send requests for assistance with the EEAF System to [DL-AFEEAFSupport@umaryland.edu](mailto:DL-AFEEAFSupport@umaryland.edu)