Asset Management
Overview

Presented by
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Class objectives

- Know when and how to create an asset correctly
- Ensure that the correct assets show up on your inventory reports
- Navigation of asset records
- Run an inventory report for your department
Stop me and ask questions at any time!
Creating an asset

When?

- Definition of Moveable Equipment:

  ...items of a movable nature which have a cost or fair value (for donated items only, measured at the time of acquisition) of $5,000 or more. And has a useful life of one or more years.
Creating an asset

Unfortunately, we have

- Sensitive Minor Equipment:
  
  ...equipment items of a movable nature which are particularly vulnerable to theft and have a cost or fair value (for donated items only) between $1,500 and $4,999.99.

*** New SME Fiscal Policy for suggested categories***
Creating an asset

- IRIS transaction AS01 – Create Asset

Accounting ➔ Financial Accounting ➔ Fixed Assets ➔ Asset ➔ Create ➔ Asset
Creating an asset

- IRIS transaction AS01 – Create Asset

  Required Information

  Asset class

  Asset description

  Cost Center

  Responsible Cost Center

  Fund
Selecting the correct asset class is extremely important.

If the wrong asset class is selected when creating the asset master shell, you cannot go into the asset master shell and change the asset class — you will be required to create a new Asset Master Shell.
## Creating an asset - Asset class

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitive Minor Equipment</td>
<td>80,000</td>
</tr>
<tr>
<td>Items costing $5,000 &gt;</td>
<td>30,000</td>
</tr>
<tr>
<td>thru</td>
<td>41,000</td>
</tr>
<tr>
<td>Software costing</td>
<td>50,000</td>
</tr>
<tr>
<td>$5,000 &gt;</td>
<td></td>
</tr>
</tbody>
</table>
Creating an asset-Asset class

<table>
<thead>
<tr>
<th>Class</th>
<th>Class name</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000</td>
<td>Land</td>
<td>n/a</td>
</tr>
<tr>
<td>11000</td>
<td>Land Improvements</td>
<td>20</td>
</tr>
<tr>
<td>20000</td>
<td>Buildings</td>
<td>40</td>
</tr>
<tr>
<td>21000</td>
<td>Infrastructure</td>
<td>20</td>
</tr>
<tr>
<td>30000</td>
<td>Furniture</td>
<td>20</td>
</tr>
<tr>
<td>31000</td>
<td>Office Machines</td>
<td>10</td>
</tr>
<tr>
<td>32000</td>
<td>Computers &amp; Peripherals</td>
<td>5</td>
</tr>
<tr>
<td>33000</td>
<td>Education &amp; Scientific Equipment</td>
<td>10</td>
</tr>
<tr>
<td>34000</td>
<td>Works of Art &amp; Historical Treasures</td>
<td>n/a</td>
</tr>
<tr>
<td>40000</td>
<td>Vehicles</td>
<td>5</td>
</tr>
<tr>
<td>41000</td>
<td>Heavy Equipment</td>
<td>10</td>
</tr>
<tr>
<td>50000</td>
<td>Software</td>
<td>5</td>
</tr>
<tr>
<td>80000</td>
<td>Sensitive Minor Equipment</td>
<td>n/a</td>
</tr>
<tr>
<td>100000</td>
<td>Assets under Construction</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Creating an asset-Asset description

Make it as descriptive as possible

If the asset is not located in a university building [i.e. outside or at non-UT owned facility] indicate such in the description.

Use the 2\textsuperscript{nd} line of the description for additional information
Creating an asset-Cost center

ALWAYS begins with “M”!

<table>
<thead>
<tr>
<th>Asset</th>
<th>INTERN-00001</th>
<th>HP9040DN Laser Printer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>33660</td>
<td>Education/Scientific</td>
</tr>
</tbody>
</table>

**Create Asset: Master data**

- **Interval from 01/01/1999 to 12/31/9999**

<table>
<thead>
<tr>
<th>Cost Center</th>
<th>N010000001</th>
<th>KNOXVILLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resp. cost center</td>
<td>E011024</td>
<td>CHEMISTRY</td>
</tr>
</tbody>
</table>
Creating an asset-Responsible cost center

ALWAYS begins with “E”!

• Determines the department where the item shows up on inventory reports.
Creating an asset-Fund

• Can be either E or R

• Can be different than the Responsible Cost Center

• Determines who is charged for the asset’s expense
Creating an asset-Optional Information

- Serial Number
- Inventory [tag] Number
- Building/Room Number
  - must be valid in IRIS Real Estate module
  - If outside or in non-UT owned facility, use responsible person’s office
- Distribution Code
DOES ITEM MEET THE DEFINITION OF MOVEABLE EQUIPMENT?

YES

Create an Asset?

NO

Pay as Supplies – G/L 439100 or Other

How much does it cost?

SELECT ASSET CLASS BETWEEN 30,000 – 50,000

< $5,000

Includes Freight & Cost to put into service

YES

Does it cost $1500 - $4999.99?

YES

SELECT ASSET CLASS 80,000

NO

Pay as Supplies – G/L 439100 or Other

$5,000 +

YES

Is it on the SME list?

NO

Pay as Supplies – G/L 439100 or Other

YES

Pay as Supplies – G/L 439100 or Other
Creating an asset-Sub-asset

• IRIS transaction AS11

• When is a sub-asset necessary?
  - Multiple funding sources
  - Cost split between depts
  - Cost-sharing on G&C

• Determines who is charged for the asset’s expense
Creating an asset-Sub-asset

• 3 items must remain the same as the main asset number
  ➢ Main asset text
  ➢ Responsible Cost Center
  ➢ Distribution Code

• Other data may be different
Creating an asset-Sub-asset

Accounting ➔ Financial Accounting ➔ Fixed Assets ➔ Asset ➔ Create ➔ Sub-number ➔ Asset
Practice time!
[exercise 2]
General Guidelines

- Create Asset Master Shells
- Establish sub-numbers for assets funded with multiple funding sources [0 = default for one funding source]
- DO NOT enter anything in the Vendor fields of the Asset Master Shell fields (Origin Tab) unless the purchase is being made outside Accounts Payable (i.e. Gift, Bookstore Purchase, etc.)
General Guidelines (cont.)

- Establish one Asset Master Shell when purchasing a system
  [i.e. Computer with Standard Equipment]

- Create an Asset Master Shell for each and every asset
  [i.e. 5 Computers = 5 Asset Master Shells]

- Enter information that is known about each item
  [i.e. inventory#, serial #, building/room#, etc.]
Tips & Tricks

- create with Reference to an existing asset
especially useful when assets have been created in wrong class. For example: Asset Class 32,000 - *Computers and Peripherals* was used when it should have been created as 80,000 - *Sensitive Minor Equipment*
Changing an asset

After more information about the item is known, you can go back into AS02 and update the asset record with inventory#, serial #, building/room#, etc.

Displaying an asset

Transaction AS03. Use the drop-down to help find the asset, if you don’t know the asset number.
Practice time!
[exercise 3, 3-a & 4]
Purchase
Requisitions &
Assets
Purchase Requisitions

Covered from a Purchasing point of view in Purchasing & Asset Management class

Highlights:

- Use Account Assignment Category “K” for assets.
- Create the Asset Master before paying the invoice for the item using the MIR7 transaction.
- Fund will be automatically derived from the Asset Master.
Scenario:

Purchase 5 separate but identical items

5 items @ $10,000/ea = $50,000 total
Incorrect method:

Do not use the 140000 series of G/L accounts for assets on the purchase requisition.
Correct method:

Use expenditure G/L accounts for assets on the purchase requisition: 439400 for Sensitive Minor Equipment and the 461000 series for other types of equipment.
Accounts Payable & Assets

Covered from the A/P standpoint in Invoices & Internal Transfers Class!

Key Point:

In ZAP_ENTRY, use “Complex Posting” for assets.
Other methods of acquiring assets

**Bookstore:** Contact Controller’s Office with asset # and IRIS document # so it can be capitalized

**Gift:** Certain information comes through Advancement Services, but should still contact Controller’s Office with asset #.

**P-card:** Use complex posting during distribution of charges for Sensitive Minor Equipment items. Procurement cards may not be used to purchase other types of equipment.

**NOTE:** See the lesson “Procurement Card 5 – Distribute Procurement Cards” for detailed instructions on the complex posting process.
Key point

Asset master shells can be created at will, but they will NOT show up on the inventory until a document is posted against them!!!

Documents in IRIS mean KN, RN, SA, and less often AA.
How do I know if a particular asset will show up on my inventory???

• Asset must be capitalized

• Asset must not be retired
Asset must be capitalized

Cap date is filled in
Asset must not be retired

Deactivation on date is NOT filled in
Exercise:

Can you find an asset on your Responsible Cost Center that is:

Capitalized?

Retired?

Has never been capitalized? [Un-posted]

**Hint:** Use transaction **AS03** and the drop-down
Drill down to the asset’s values to find IRIS documents
Can drill down on the PO, if one is available.
Or, another way to find a PO
We will focus on:

ZAM_EQUIP_VERIFY – UT Annual Equipment Inventory Verification Report

S_ALR_87011963 – by Asset Number
ZAM_EQUIP_VERIFY – UT Equipment Inventory Report

• Newest report

• Easy to use

• Easy to re-sort; default is in Asset # order

• Can drill down to the asset master records & related documents to transaction AS03 – Change Asset

• Use variants to select un-capitalized, retired, etc

• Default variant should equate to the University’s “official” inventory

• Shows Acquisition values
• Standard report

• Easy to use? Maybe. Must use dynamic selections to select the assets you are probably interested in

• Easy to re-sort; default is tag number order

• Can drill down to the asset master records & related documents

• Only contains current, capitalized assets, therefore it equates to the university’s “official” inventory

• Has Acquisition values
Easy to use? Maybe.

Must remember to either click List assets or main numbers only.

“…or main numbers” rolls the sub-assets up together, so it is a good choice or reports
Easy to use? Maybe.

Need to use dynamic selections to narrow down the report.

Many dynamic selections are available.
Works like S_ALR_87011963, but includes only un-capitalized assets.

Run this report periodically or at least at inventory time to find assets that should be on your inventory but are not

Contact the Controller’s Office for assistance if you find assets that belong on your inventory.
IRIS transactions we covered:

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Process Path</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS01 – Create Asset</td>
<td>Accounting → Financial Accounting → Fixed Assets → Asset → Create → Asset</td>
</tr>
<tr>
<td>AS02 – Change Asset</td>
<td>Accounting → Financial Accounting → Fixed Assets → Asset → Change → Asset</td>
</tr>
<tr>
<td>AS03 – Display Asset</td>
<td>Accounting → Financial Accounting → Fixed Assets → Asset → Display → Asset</td>
</tr>
<tr>
<td>AW01N – Asset Explorer</td>
<td>Accounting → Financial Accounting → Fixed Assets → Asset → Asset Explorer</td>
</tr>
<tr>
<td>AS11 – Create Sub-Asset</td>
<td>Accounting → Financial Accounting → Fixed Assets → Asset → Create → Sub-number → Asset</td>
</tr>
</tbody>
</table>
IRIS reports we covered:

IRIS Reporting → Financial → Asset Management

S_ALR_87011963 – Asset Balances
... by asset number

S_ALR_87012056 – Directory of Unposted Assets

ZAM_EQUIP_VERIFY – UT Annual Equipment Inventory Verification Report
News & Announcements

- New Form to Create/Change HR Organizational Units (9/26/2012)
- New Procurement Card (1/30/2012)
- Requesting IRIS Access for Applicant Tracking System (1/20/2012)
- New TN Sales Tax Exemption Certificate (7/1/11)
- Printing Online Pay Statement with Adobe 10 (Adobe X) (4/19/2011)
- Previously Announced Items
Questions?

IRIS Help Desk

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