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.
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 $1000 and $4,999.99.

Not intended to be a complete list!!!
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
Creating an asset-Asset class

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>Description</th>
<th>Value</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 41,000</td>
<td></td>
</tr>
<tr>
<td>Software costing $5,000 &gt;</td>
<td>50,000</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 Land</td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td>11000 Land Improvements</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>20000 Buildings</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>21000 Infrastructure</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>30000 Furniture</td>
<td></td>
<td>&lt;= 10</td>
</tr>
<tr>
<td>31000 Office Machines</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>32000 Computers &amp; Peripherals</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>33000 Education &amp; Scientific Equipment</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>34000 Works of Art &amp; Historical Treasures</td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td>40000 Vehicles</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>41000 Heavy Equipment</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>50000 Software</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>80000 Sensitive Minor Equipment</td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td>100000 Assets under Construction</td>
<td></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”!
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
Practice time!
[exercises 1 & 1-a]
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 outside of the Purchase Requisition

- 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

- 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]
Tips & Tricks

- create with reference to an existing asset
especially useful when assets have been created in wrong class. For example, 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, go back into **AS02** and update the asset record with tag#, 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:

- Create the Asset Master before starting the Purchase Requisition.
- Use Account Assignment Category “A” for assets.
- Fund will be automatically derived from the Asset Master.
The Controller’s Office reviews all requisitions with Account Assignment “A” for correctness. If we conclude the wrong asset class has been used, we will reject it and provide instructions on how to correct and resubmit.
Scenario:

Purchase 5 separate but identical items

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

Incorrect -- all 5 items are being assigned to ONE asset!
Correct method:

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Quantity</th>
<th>Price</th>
<th>Val. Acct.</th>
<th>Asset</th>
<th>Site</th>
<th>Plant</th>
<th>Material</th>
<th>Quantity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100</td>
<td>25.00</td>
<td>146386</td>
<td>538256643</td>
<td>8</td>
<td>000025</td>
<td>000000</td>
<td>28.0</td>
<td>Asset Purchases</td>
</tr>
<tr>
<td>2</td>
<td>100</td>
<td>25.00</td>
<td>146386</td>
<td>538256644</td>
<td>8</td>
<td>000025</td>
<td>000000</td>
<td>28.0</td>
<td>Asset Purchases</td>
</tr>
<tr>
<td>3</td>
<td>100</td>
<td>25.00</td>
<td>146386</td>
<td>538256645</td>
<td>8</td>
<td>000025</td>
<td>000000</td>
<td>28.0</td>
<td>Asset Purchases</td>
</tr>
<tr>
<td>4</td>
<td>100</td>
<td>25.00</td>
<td>146386</td>
<td>538256646</td>
<td>8</td>
<td>000025</td>
<td>000000</td>
<td>28.0</td>
<td>Asset Purchases</td>
</tr>
<tr>
<td>5</td>
<td>100</td>
<td>25.00</td>
<td>146386</td>
<td>538256647</td>
<td>8</td>
<td>000025</td>
<td>000000</td>
<td>28.0</td>
<td>Asset Purchases</td>
</tr>
</tbody>
</table>
Accounts Payable & Assets

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

Key Point:
In FB60, must 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:

Don’t!
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

**Display Asset: Master data**

- **Asset number**: 4114189
- **Class**: 80000
- **Description**: WM Com Vantage Server
- **Serial number**: 8830
- **Posting information**:
  - **Capitalized on**: 01/22/2010
  - **Acquisition year**: 2010

The 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 the PO
We will focus on:

ZAM_EQUIP_INVENTORY – UT Equipment Inventory Report

S_ALR_87011963 – by Asset Number
ZAM_EQUIP_INVENTORY – UT Equipment Inventory Report

• Newest report

• Easy to use

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

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

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

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

• No values
S_ALR_87011963 – by Asset Number

• 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 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.
S_ALR_87012056 – Directory of Unposted Assets

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>Description</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>AS02 – 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_INVENTORY
Y – UT Equipment Inventory Report
Training

- **Training Materials**

- **Training Registration Contacts**
  - Chattanooga
    - Melanie Sadler
    - 423-755-4729
  - Institute for Public Service
    - Ron Loewen
    - 865-974-0968
  - Knoxville Area
    - Employee & Organizational Development
    - 865-974-6657
  - Martin
    - Debbie Mount
    - 731-881-7104
  - Memphis
    - Marion Grinston
    - 901-448-5523
  - Tullahoma
    - Charlotte Henley
    - 931-393-7205
Questions?

IRIS Help Desk

irishelpdesk@tennessee.edu