Adding Capital Assets

Office of Education Technology: Division of School Technology Services Questions: <u>munis@education.ky.gov</u>

Introduction

For information on the general processing of fixed assets please refer to Tyler Search found via the Tyler support site. The Enterprise ERP Capital Assets Procedures Version 2021 guide is good resource and can also be found via Tyler Search. Before creating any new assets an update to the Sub-class codes is required. Review Appendix A in this document for more information.

Adding assets

New assets can be added three different ways:

- Manually through the New Asset program
- Importing through the Capital Asset Work File Maintenance program from Purchase
 Orders
- Importing an ASCII file through the Import/Export to ASCII process.

Posting assets correctly creates a fixed asset history transaction through the Capital Asset Activation Journal Entry (FAA).

Depreciation Flag

If the asset is Land (Sub-Class 110) or Construction Work in Progress (Sub-Class 610), select the Additional tab and change the Depreciation flag to N.

Leased items would only be depreciated if the asset is to be owned by the district at the end of the lease. Because of this, it is suggested to NOT flag these subclasses to depreciate in the Capital Asset Sub-class Codes program. Assets can however be individually flagged to depreciate when added to Munis should they qualify to be depreciated.

Refer to Appendix A for more information on updating the depreciation flag.

Applying Asset GL Accounts

After new assets are created, they may be found in the New Assets program. Each asset is required to have five capital asset GL accounts for posting asset transactions to the General Ledger. When creating New Assets manually users will see a warning "This asset will require account types 1, 2, 5, and 6 for activation. Enter them now?" Users should select No. The steps listed below will apply accounts based on the KDE chart of accounts.

Run the below utility to automatically apply the accounts to all assets with a status of New.

To post accounts to new assets go to:

System Administration >Miscellaneous Admin >System Update

- 1. Select Define Update Options.
- Enter faactimp (<u>fixed asset ac</u>count <u>imp</u>ort) into the Utility/Program ID field as shown below:

System update options						
Utility / Program ID *	faactimp					

- 3. Select Run System Update and Select Yes.
- 4. Select **Define** and enter the below in the Input file field. It is suggested to copy and paste the file path from this document.

Input File Path: \\fms\mu_sys\import_KDE\faassign.txt

If you have errors when entering this file path, please double-check check the file path was entered correctly. When users copy and paste the file path, it often leaves a blank character in front of the file path causing an error.

- 5. Select Import.
- 6. Select **Ok** to the prompt "Import successful".
 - a. If a report is generated with the error "Not in import file", there is a new status asset that has an incorrect combination of Asset Type (Governmental or Propriety), Subclass, and Department Code. Locate the New Asset and update those fields to the correct combination and repeat steps 1 – 5.

CA GL ACCOUNT IMPORT ERRORS								
ASSET	TYPE	SUBCLASS	DEPT	CODE	ERROR			
G		422	2800		Not ir	n import file		

7. Proceed to post the assets to the general ledger in the New Assets program.

Note: New assets for the new fiscal year can be entered but NOT posted until the audit for the prior fiscal year is completed. Once the audit is completed you may then proceed to posting the new assets for the new fiscal year.

Posting New Assets

- 1. From the New Assets program, Search for the asset or assets to be posted.
- 2. Select the Transactions button.
- 3. Select **Activate Assets.** If more than one asset is in the found set, the following message appears. Select the appropriate option.

New Capital Assets							
'Activate Assets' for all records or for the current record only?							
All records Current record only							

- 4. Select **Update** and **Accept.** (Active non-capitalized assets should be marked)
- 5. Select the assets to be posted (Select All button or individually select)
- Enter the appropriate effective date, year, and period are entered for each asset.
 <u>Double-check check the assets are being posted to the correct year and period.</u>
 Optionally, there is an Update All Effective Dates button that will allow you to update the effective date on all assets being posted.
- 7. Select Accept and continue the Output/Post process.

\$ A	Activate Assets [KDE TRAIN 02/16]								
← Back	Update	Dutput Print Display PDF Sa	ve Email	C) Schedule	Output/Post				
New Capit	New Capital Assets [KDE TRAIN 02/16] > Activate Assets [KDE TRAIN 02/16]								
Activation									
Activa	ate non-capitalize	ed assets							
Use b	ook value for ass	ets with prior depreciation							
Capital Assets									
Select	Asset	Description	Class	Sub-class	Location	Department		Amount Effective date	Year Per
	10984	test	30	310	010	1100		5,000.00 02/21/2024	2024 8

Required General Ledger Accounts

Gain/Loss accounts will automatically be assigned to assets when running the faactimp program using the faassign.txt file. For the faactimp program to work correctly, the following general ledger accounts are required in Munis.

Required/ Optional	ACCT TYPE	ORG	OBJ	ACCOUNT DESCRIPTION
Required	R	880	5311	Sale Proceeds/Loss (Land and/or Improvements)
Required	R	880	5331	Sale Proceeds/Loss (Buildings)
Required	R	880	5341	Sale Proceeds/Loss (Machinery, Equipment, Furniture & Fixtures)
Required	R	810	1930	Gain/Loss on Sale of Assets (Food Service)
Optional*	R	820	1930	Gain/Loss on Sale of Assets (Day Care Assets)
Optional*	R	840	1930	Gain/Loss on Sale of Assets (Adult Education)

*Only applicable to districts that use Day Care or Adult Education Funds.

Appendix A

Tyler added increased functionality in Munis v2019.1 to the Sub-Class Codes used in Capital Assets, formally known as Fixed Assets. In older versions of Enterprise ERP, the 'Depreciate' flag field was blank for all classes except for Land (10). The depreciate fields all defaulted to 'N' during the v2019 upgrade and should be updated to 'Y'.

Only New Assets that are manually entered, versus Capital Asset Work File Maintenance, are impacted by this change. When entering a New Asset manually the user will receive the following pop-up message:

Vew Capital Assets							
Subclass 310 has a default depreciate value of 'N' which differs from the current depreciate value of 'Y'. Overwrite the current depreciate value with the default depreciate value?							
	Yes, Overwrite	No					

An update is required to those sub-class codes to ensure all classes except for 'Land', 'Construction Work in Progress', and 'Leased' have their depreciation flag set to 'Y'.

Update Sub-Class Codes

Select: Financials > Capital Assets > Setup > Sub-Class Codes

- 1. Select **Search** and **Accept** to view all codes.
- 2. Using the list below, all codes in EERP except for 'Land' and 'Construction Work in Progress' must be updated.
- 3. Select **Update** and mark the 'Depreciate' box.
- 4. Select Accept to Save.

Class	Code	Description
(20) BUILDINGS & BUILDING IMPROVEME	210	BUILDINGS
(20) BUILDINGS & BUILDING IMPROVEME	220	PORTABLE BUILDINGS
(20) BUILDINGS & BUILDING IMPROVEME	230	BUILDING IMPROVEMENTS
(20) BUILDINGS & BUILDING IMPROVEME	240	CARPET/TILE REPLACEMENT
(30) TECHNOLOGY EQUIPMENT	310	KETS TECHNOLOGY
(30) TECHNOLOGY EQUIPMENT	320	NON-KETS TECHNOLOGY
(30) TECHNOLOGY EQUIPMENT	330	COPIERS
(40) VEHICLES	410	SCHOOL BUSES
(40) VEHICLES	420	OTHER VEHICLES
(41) LEASED VEHICLES	421	LEASED VEHICLES

Class	Code	Description
(41) LEASED VEHICLES	422	LEASED SCHOOL BUSES
(50) GENERAL EQUIPMENT	510	ROLLING STOCK
(50) GENERAL EQUIPMENT	520	FOOD SERVICE
(50) GENERAL EQUIPMENT	530	FURNITURE & FIXTURES
(50) GENERAL EQUIPMENT	540	AUDIO-VISUAL EQUIPMENT
(50) GENERAL EQUIPMENT	550	OTHER GENERAL EQUIPMENT
(51) LEASED EQUIPMENT	551	LEASED EQUIPMENT

Capital /	Asset S	ubclas	ses [KI	DE TR	AIN 02	/16]					
X Q Close Search	Browse	+ Add	Update	D elete	→ Output	rint	O Display	PDF PDF	B Save	E mail	C Schedule
Capital Asset Subclasses [KDE TRAIN 02/16] Subclass											
Class * Subclass * Description * Short description *	Class * (20) BUILDINGS & BUILDING IMPROVEME Subclass * 240 Carpet/TILE REPLACEMENT Short description * CRP/TILE										
Depreciation Composite rate of depreciation Depreciation basis * Remaining Value						Year End Replacement cost factor 0.00000 Insured value factor 0.00000					
Depreciation Conventio	Depreciation Convention Standard Capital Asset Defaults										
Attributes Commodity Location GIS layer name Useful life Salvage percentage Depreciate	GL Acc	ounts	00000					•			

Appendix B - New Class and Sub-Class Codes in FY 2023

Overview

The Kentucky Department of Education added new object codes to the chart of accounts starting in fiscal year 2023. For those object codes and accounts to be associated with assets in the Capital/Fixed Assets module in EERP, the following items must be added.

Add New Asset Class Codes

Navigate: Financials > Capital Assets > Set Up > Capital Asset Miscellaneous Codes

Select Add and add the two new class codes. The Code Type should be 'CLAS - CLASS CODE'.

Code Type Code		Description	Short Desc		
CLAS - CLASS CODE	41	LEASED VEHICLES	LEASED VEH		
CLAS - CLASS CODE	51	LEASED EQUIPMENT	LEASED EQU		

Example:

\$~ ·	Capita	Asset	Miscel	laneou	s Code	s [KDE]	
E Back	Q Search	Browse	+ Add	Update	X Delete	Dutput	🖶 Print
Miscellane	ous code	detail					
Code type * CLAS - CLASS CODE					•		
Code *	51						
Description	n* LEASED	EQUIPMEN	Г				
Short desc	* LEASED	EQU					

Add New Subclass Codes

Navigate: Financials > Capital Assets > Set Up > Sub-Class Codes

Select **Add** and add the three new sub-class codes making sure to assign them to the proper class code. Add the Useful Life to the attributes at the bottom of the record.

Class	Subclass	Description	Useful Life
(41) LEASED VEHICLES	421	LEASED VEHICLES	5
(41) LEASED VEHICLES	422	LEASED SCHOOL BUSES	10
(51) LEASED EQUIPMENT	551	LEASED EQUIPMENT	10

*Leased items would only be depreciated if the asset is to be owned by the district at the end of the lease. Because of this, it is suggested to NOT flag these subclasses to depreciate in the Capital Asset Sub-class Codes program. Assets can however be individually flagged to depreciate when added to Munis should they qualify to be depreciated.

Exampto.												
🔆 Capital	Asset S	ubclas	ses [KI	DE TR	RAIN 02	2/16]						٠
X Q Close Search	Browse	+ Add	Update	D elete	Output	P rint	O Display	PDF	Save	Email	C) Schedule	Audit
Capital Asset Subcla	asses [KDE	TRAIN	02/16]									
Subclass												
Class *	(41) LEAS	SED VEHI	CLES			•						
Subclass *	421											
Description *	LEASED \	/EHICLES	\$									
Short description *	LEASED \	/EH										
Depreciation							Ye	ar End				
Composite rate of dep	reciation	0.00000			Replacement cost factor			0.00000				
Depreciation basis *		Remain	ing Value				 Ins 	ured value	factor		0.00000	
Depreciation Conventi	on	Standar	d 🔻	·								
Capital Asset Defau	lts											
Attributes	GL Acc	ounts										
Commodity												
Location								-				
GIS laver name												-
Useful life		5										
Salvage percentage		0.0	00000									
Depreciate		0.										
Depresiate												

Example:

Add New Object Codes

The following object codes should be added via the Chart of Account Segments program.

Navigate: Financials > General Ledger Menu> Set Up/Chart of Accounts > Chart of Accounts Segments

Object	Туре	Description	Short Desc
6245	BA	LEASED VEHICLES	LEASED VEH
6246	BL	ACCUM DEP - LEASED VEHICLES	ACDEP LVEH
6255	BA	LEASED MACHINERY AND EQUIPMENT	LEASED MAC
6256	BL	ACCUM DEP - LEASED MACHINERY	ACDEP LMAC

Add New Accounts

The following accounts should be added via the Account Master program. The program that assigns GL accounts to New status assets (faactimp) will not assign accounts to leased assets until the below accounts are added.

Navigata	Financials >	General Ledger	Manus Sat	IIn/Chart of /	Accountes A	ccount Mastar
Navigate.	rillaliciais -	General Leuger	rienu~ Set	υμ/ σπαι τ υι κ	1000ums- A	CCOunt master

Required/Optional	Account Type	Org	Object	Description
Required	Balance	80	6245	LEASED VEHICLES
Required	Balance	81	6245	LEASED VEHICLES
Required	Balance	80	6246	ACCUM DEP - LEASED VEHICLES
Required	Balance	81	6246	ACCUM DEP - LEASED VEHICLES
Required	Balance	80	6255	LEASED MACHINERY AND EQUIPMENT
Required	Balance	81	6255	LEASED MACHINERY AND EQUIPMENT
Required	Balance	80	6256	ACCUM DEP - LEASED MACHINERY
Required	Balance	81	6256	ACCUM DEP - LEASED MACHINERY
Optional*	Balance	82	6245	LEASED VEHICLES
Optional*	Balance	84	6245	LEASED VEHICLES
Optional*	Balance	82	6246	ACCUM DEP - LEASED VEHICLES
Optional*	Balance	84	6246	ACCUM DEP - LEASED VEHICLES
Optional*	Balance	82	6255	LEASED MACHINERY AND EQUIPMENT
Optional*	Balance	84	6255	LEASED MACHINERY AND EQUIPMENT
Optional*	Balance	82	6256	ACCUM DEP - LEASED MACHINERY
Optional*	Balance	84	6256	ACCUM DEP - LEASED MACHINERY

*Only applicable to districts that use Day Care or Adult Education Funds.

Depreciation

Leased items would only be depreciated if the asset is to be owned by the district at the end of the lease. When adding a New Asset and the sub-class is not marked to depreciate, the following message will appear:

New Capital Assets	
Subclass 422 has a default depreciate value of 'N' which differs from the current depreciate value of 'Y'. Overwrite the current depreciate value with the default depreciate value	?
Yes, Overwrite No	

Selecting 'Yes, Overwrite' will set the asset to NOT depreciate. If you wish to depreciate the asset, you will select 'No'.

On the New Asset record, the Depreciate flag can be found on the Financials Tab and then under Summary:

New Capital Asse	ets [KDE TRAIN 0	02/16]					
Capital Asset							
Number *	20300477						
Status	New	-		Description *	LEASED SCHOOL BUS	SES	
Class *	41	LEASED VEHICLES		Parent			
Subclass *	422	LEASED SCHOOL BUSES		Type *	Governmental	~	
Commodity				Tag number	20300477		
				Serial/Parcel			
	anacations						
Dending to:	ansactions						2
Pending tra							*0
Attributes	Financial	Maintenance/Insurance	e Memos	Image Subsidiary	Assets EAM	Work Orders	*0
Attributes	Financial	Maintenance/Insurance	e Memos	Image Subsidiary	Assets EAM	Work Orders	
Attributes	Financial	Maintenance/Insurance	e Memos urces	Image Subsidiary	Assets EAM	Work Orders	-0
Attributes	Financial	Maintenance/Insurance	e Memos urces	lmage Subsidiary	Assets EAM	Work Orders	-0
C Pending tra Attributes Summary Life Cycle	Financial	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation	Assets EAM	Work Orders	
Pending tra Attributes Summary Life Cycle Acquisition method	Financial Accounts	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation Last appraisal value	Assets EAM	Work Orders	~
Pending tra Attributes Summary Life Cycle Acquisition metho Acquisition date	Financial Accounts	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation Last appraisal value Start of year value	Assets EAM	Work Orders	~
Pending tra Attributes Summary Life Cycle Acquisition metho Acquisition fiscal	Financial Accounts od I year	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation Last appraisal value Start of year value Current book value	Assets EAM	Work Orders	~
Pending tra Attributes Summary Life Cycle Acquisition metho Acquisition fiscal Acquisition cost	Financial Accounts od	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation Last appraisal value Start of year value Current book value Estimated salvage value	Assets EAM	Work Orders	~
Life Cycle Acquisition metho Acquisition fiscal Acquisition cost Quantity	Financial Accounts od I year	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation Last appraisal value Start of year value Current book value Estimated salvage va Replacement cost	Assets EAM	Work Orders	~
Pending tra Attributes Summary Life Cycle Acquisition method Acquisition fiscal Acquisition cost Quantity Unit of measure	Financial Accounts od I year	Maintenance/Insurance	e Memos urces	Image Subsidiary Valuation Last appraisal value Start of year value Current book value Estimated salvage va Replacement cost	Assets EAM	Work Orders	~
Pending tra Attributes Summary Life Cycle Acquisition methh Acquisition fiscal Acquisition cost Quantity Unit of measure Unit cost	Accounts od	Maintenance/Insurance	e Memos urces 100,000.00 1 .00	Image Subsidiary Valuation Last appraisal value Start of year value Current book value Estimated salvage va Replacement cost Depreciate	Assets EAM	Work Orders	
Pending tra Attributes Summary Life Cycle Acquisition methh Acquisition fiscal Acquisition fiscal Acquisition cost Quantity Unit of measure Unit cost Capitalize	Accounts od	Maintenance/Insurance	e Memos urces 100,000.00 1 .00	Image Subsidiary Valuation Last appraisal value Start of year value Current book value Estimated salvage va Replacement cost Depreciate Depreciation method	Assets EAM	Work Orders	~