End of Year Process for Capital Assets in EERP

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Procedures

1. Do NOT post assets purchased or retired after June 30th until the prior fiscal year end process and audit has been completed. New assets purchased after June 30th can be entered but NOT posted. Once the audit is completed you may then proceed to post (Output/Post) the new assets for the new fiscal year.

2. Enter and post all new assets and identify donated assets received for the year.

3. Retire assets removed or junked during the year using appropriate effective dates of 7/1/xx to 6/30/xy. (xx equals the beginning of the last fiscal year and xy the end of the last fiscal year)

   NOTE: Enterprise ERP calculates the final depreciation through the **retirement date**. Use 6/30/20XX (prior fiscal year), for removing assets posted in error or assets that should have been retired before the current fiscal year (for example if this is FY 2025, use 6/30/2024). Otherwise, use the actual retirement date of the asset to calculate depreciation during the active life of the asset.

4. Verify that all pending transactions have been deleted or posted.

   Select: *Financials > Capital Assets > Capital Assets Processing > Capital Asset Transaction Entry Post*

   a. Select each transaction type and **Search** for possible pending transactions.

   b. Output & Post or Delete each transaction.

5. Run the ***Discrepancy Report*** and make necessary corrections. Directions can be found in a separate document titled "Capital Asset Discrepancy Report". Districts should generate this report quarterly so any errors can be corrected. This report can be extremely helpful in identifying discrepancies with capital asset postings. Some discrepancies may be rather old or not material. It is up to the individual district's discretion to determine if the discrepancy should be corrected.

6. Process depreciation through period 12. (See the separate document titled "Depreciating Capital Assets".)

7. Reconcile capital assets ending balances to the general ledger balances. The Capital Assets totals should equal the General Ledger totals.

Generating a Capital Asset History Report

Capital Asset History Report for Total Acquisition Cost

Select: *Financials > Capital Assets > Inquiries and Reports > Asset History by GL Account*

1. Select **Segment Find**
   a) In the <u>Object</u> field enter **62?1|62?5** and select **Accept**.
2. Select **Define**
   a) In <u>Year/period </u>field enter 2002/01-20XX/13 (where XX=fiscal year reporting through)
   b) In the <u>Effective date</u> fields enter 07/01/2001 to CURRENT DATE
   c) In the <u>Status field</u>, select all boxes.
   d) In the <u>Type field</u>, select all boxes.
   e) Under <u>Report Options</u>, select:
      i) Sort by Org
      ii) Totals by account
      iii) Totals only

3. Select Excel output.

4. Calculate (in column H) the total Debit/Credit per org/object on the report.

5. Go to the GL Account Inquiry to find the GL balances as follows.

   Financials > General Ledger Menu > Inquiries and Reports > Account Inquiry

   a) Find on org=8* and object=62*
   b) Select **Accept**
   c) Key in or copy the GL Account Inquiry (memo field) balances per org/object into column I of the Excel spreadsheet produced in the previous step above.

6. Calculate the difference between column H and I in column J. Any differences should be investigated.

7. If you have a variance, run a Capital Assets ***Activity Report,*** and compare General Ledger totals per Journal Source type by Org/Object to the Capital Asset Activity Report. This method can help identify discrepancies if you find a variance between the Capital Assets and the General Ledger amounts. Instructions are included in Appendix A.

8. A ***Capital Asset Disclosure Report*** is needed to complete the MD&A. There are two different options available to you.

Capital Asset Disclosure Report

A report is available that pulls information from the Capital Asset module. *The report below can be exported in an EXCEL format and modified to include General Ledger adjustments.*

Select: *Financials >Capital Assets >Inquiries and Reports Menu > Asset Disclosure*

   a. Select **Set Function** and verify that "Segment number representing function" is set to 3.
   b. Select **Define** and enter the report year.
   c. Select the **Select** button to generate the report.
   d. Select a print option or Excel.

Disclosure Report from GL

Select: *Financials >Capital Assets >Inquiries and Reports Menu > Disclosure Report from GL*

a. Click **Set Funds** and verify funds are set properly for the report. Select **Update** to update the records if needed and select **Accept**.
Note: Make sure all your Asset Funds are set on this screen. This screen is an example only and does not include other asset funds.

Fund	Fund Description	Fund Type	Type Description
8	Governmental Assets	G	Governmental Fund
81	Food Service Assets	P	Proprietary Fund
82	Day Care Assets	P	Proprietary Fund
84	Adult Education Assets	P	Proprietary Fund

b. Select **Set Function** and verify that "Segment number representing function" is set to 3.

c. Select **Set Objects** and verify the objects associated with capital assets are set. Four new object codes were added in FY 2023 (6245, 6246, 6255, 6256) and the report settings should be reviewed. An example follows:

Object	Object Description	Type	Type Description
0740	DEPRECIATION EXPENSE	EXP	DEPR EXPENSE OBJECT
6201	LAND	ACQ	ACQUISITION OBJECT
6202	ACCUM DEP - LAND	DEPR	ACCUM DEPR OBJECT
6211	LAND IMPROVEMENTS	ACQ	ACQUISITION OBJECT
6212	ACCUM DEP - LAND IMPROVEMENTS	DEPR	ACCUM DEPR OBJECT
6221	BUILDING & BUILDING IMPROVEMTS	ACQ	ACQUISITION OBJECT
6222	ACCUM DEP - BUILDING & IMPROVE	DEPR	ACCUM DEPR OBJECT
6231	TECHNOLOGY EQUIPMENT	ACQ	ACQUISITION OBJECT
6232	ACCUM DEP - TECHNOLOGY	DEPR	ACCUM DEPR OBJECT
6241	VEHICLES	ACQ	ACQUISITION OBJECT
6242	ACCUM DEP - VEHICLES	DEPR	ACCUM DEPR OBJECT
6245	LEASED VEHICLES	ACQ	ACQUISITION OBJECT
6246	ACCUM DEP - LEASED VEHICLES	DEPR	ACCUM DEPR OBJECT
6251	GENERAL EQUIPMENT	ACQ	ACQUISITION OBJECT
6252	ACCUM DEP - GENERAL EQUIPMENT	DEPR	ACCUM DEPR OBJECT
6255	LEASED MACHINERY AND EQUIPMENT	ACQ	ACQUISITION OBJECT
6256	ACCUM DEP - LEASED MACHINERY	DEPR	ACCUM DEPR OBJECT
6261	CONSTRUCTION WORK IN PROGRESS	ACQ	ACQUISITION OBJECT
6262	ACCUM DEP - CONST IN PROGRESS	DEPR	ACCUM DEPR OBJECT
6271	INFRASTRUCTURE	ACQ	ACQUISITION OBJECT
6272	ACCUM DEP - INFRASTRUCTURE	DEPR	ACCUM DEPR OBJECT

d. Select **Define** and enter report year and mark funds to be reported. For Report Format, select Summary or Detail. An example follows:

Asset Disclosure Report from GL [KDE | TRAIN | 01/16] >

Report Options

Fiscal year: 2024

Fund Range: ___   to ___

Report Format: ● Summary
                   ○ Detail

Fund Options

	Fund Type	Fund Description	
✓	G	GOVERNMENTAL FUND	
✓	P	PROPRIETARY FUND	

e. Select **Accept**.

f. Select **Process**. Users will receive exceptions by selecting the **Exceptions** button. Exceptions on the following objects: 8710, 8711, and 1930 **can be ignored**.

g. Select a print option or Excel.

8. Generate a listing of assets added, retired, and depreciated for the year for the Auditor. Users can also select to run reports from Enterprise ERP as follows:

Select: *Financials > Capital Assets > Inquiries and Reports > Asset History by GL Account*

a. Select **Define** and enter report year and mark funds to be reported.
b. Select **Seg Find**
   i. Enter *62** in the Object code field
   ii. Select **Accept**.
c. Select **Define**
   i. Enter *20xx/01-20xy/13* in Yr/Period field. (xx equals the beginning of the last fiscal year and xy the end of the last fiscal year)
   ii. In the Effective Date field enter *07/01/20xx to the current date*. (xx equals the beginning of the last fiscal year)
   iii. Select *FAR* in the Journal Source field for retirements.
   iv. Sort by: Org
   v. Mark the boxes:
      1. Totals by Account
      2. Include subtotals by asset
      3. Totals Only
   vi. Select **Accept**
d. Select **Process**
e. Select **Excel** or the desired print option.
f. Label the report as Total Retirements for FY20xx.
g. Repeat the steps above but in step iii, select FAA for assets added for the year.
h. Repeat the steps above but in step iii, select FAD for a list of depreciated assets for the year.

9. Produce the following Capital Asset report that identifies the totals of Capital Asset Activity by Journal Entry source for the reporting year. Districts may use the Capital

Assets **Activity Report** demonstrated in [Appendix A](#). The auditors may also request the report option in detail.

       a. Total Capital Asset Additions
       b. Total Capital Asset Retirement
       c. Total Capital Asset Adjustments
       d. Total Capital Asset Depreciation
       e. Total Capital Asset Transfer
       f. Total Capital Asset General Journal

Appendix A

Run a *Capital Assets **Activity Report*** and compare GL totals per JE type by Org/Object to the Capital Asset Activity Report. This method can help identify discrepancies if you find a variance between the Capital Asset Master and the General Ledger amounts.

Select: *Financials > Capital Assets > Inquiries and Reports > Activity Report*

1. Select **Define** and enter the requested year.

2. For this reconciling activity, leave the Journal Source field blank to generate a report showing all activity. If needed, users may choose to run the report by journal source by selecting the drop-down box and choosing the journal source.

3. Select **Accept.**

   This report can be run in detail per transaction type for your auditor. Select Journal Source type and mark "Print detail by asset".

4. Select **Process**. Once complete select a print option or Excel. In this example, the Excel output will be used. Save the Excel file for later to balance between the Capital Assets and the GL.

5. Select **Account Inquiry** and enter an account number. (Example: Org: 80, Object: 6231)

6. Calculate totals posted by JE type per org/object to the Capital Asset Activity Report by clicking in the yellow folder to the right of the Actual (Memo) amount for the applicable fiscal year. This will display a detailed listing of transaction amounts by journal source type.

7. Click on **Excel** and select **Summary**. Proceed to find totals per source type to compare to the Asset Activity Report. This can be accomplished by creating a table on your exported information and filtering by SRC type or creating a pivot table.

8. Compare the GL Account Inquiry for totals posted by JE type (FAA, FAR, etc.) per org/object to the Capital Asset Activity Report.

GL Inquiry for Org/Object 80/6231 Example

	A	B	C	D	E	F	G	H	I	J	K	L	M
	ORG	OBJECT	PROJECT	ACCOUNT	DESCRIPTION	YEAR	PER	JOURNAL	EFF DATE	SRC	T	REFERENCE	AMOUNT
2	80	6231		8 -6231 -	TECHNOLOGY EQUIPMENT	2022	12	466	06/29/2022	FAA	1	ASSET ACQN	7,421.69
3	80	6231		8 -6231 -	TECHNOLOGY EQUIPMENT	2022	8	443	02/18/2022	FAA	1	ASSET ACQN	146,117.00
5	80	6231		8 -6231 -	TECHNOLOGY EQUIPMENT	2022	5	894	11/30/2021	FAA	1	ASSET ACQN	151,415.28
8	**Total**												**304,953.97**

Activity Report Example

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FUND	FUND DESCRIPTION	TYPE	ORG	OBJ	PROJ	ACCT DESCRIPTION	FAA	FAD	FAR	FAM	FAN	NET CHG
11	8	GOVERNMENTAL ASSETS	E	8882700	0740		DEPRECIATION EXPENSE	0.00	558,868.44	0.00	0.00	0.00	558,868.44
12	8	GOVERNMENTAL ASSETS	A	80	6211		LAND IMPROVEMENTS	365,707.84	0.00	0.00	0.00	0.00	365,707.84
13	8	GOVERNMENTAL ASSETS	A	80	6221		BUILDING AND IMPROVEMENTS	739,063.38	0.00	36,395.28	0.00	0.00	775,458.66
14	8	GOVERNMENTAL ASSETS	A	80	6231		TECHNOLOGY EQUIPMENT	304,953.97	0.00	(64,194.53)	0.00	0.00	240,759.44
15	8	GOVERNMENTAL ASSETS	A	80	6241		VEHICLES	165,200.37	0.00	(228,406.00)	0.00	0.00	(63,205.63)
16	8	GOVERNMENTAL ASSETS	A	80	6251		GENERAL EQUIPMENT	204,211.93	0.00	(38,198.20)	0.00	0.00	166,013.73