Understanding Fixed Assets

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The tasks in this documentation provide end users with the tools to enter data and collect data in system. It is the responsibility of the agencies to comply with State Statutes, Federal Rules and Regulations, and State policies. For further information concerning State Statutes and policies, please refer to both internal agency resources and the Department of Administrative Services website.

Table of Contents

Understanding Fixed Assets..... 1

Understanding Fixed Assets

Overview

You must create an asset master for every asset that you want to manage in the Fixed Assets system. The decision to create assets in the system should be consistent with the agency's capitalization policy. When you create asset master records, you establish the following basic information about each asset:

- Tag Numbers to uniquely identify the asset
- The agency that is responsible for the asset
- The cost account for the asset
- The date you acquired the asset
- User defined category code descriptions of asset status, class, etc.
- Text descriptions or remarks to help locate the asset

Three Steps Required

- Create the master asset
- Payment for the asset as an Accounts Payable function
- Processing - Posting Dollars to the Fixed Asset Ledgers (F1 & F2) as a fixed asset function

This will require cooperation and communication between the individuals doing the fixed asset management and those doing the accounting process.

Fixed Asset Account Information

There are 4 primary Fixed Asset accounts: XX = Item Code

- 17XX00 = Asset Cost Account
- 18XX00 = Accumulated Depreciation Account
- 56XX00 = Depreciation Expense Account
- 58XX00 = Expenditure Cost Account (account under which the asset is purchased)

There are 2 primary Fixed Asset Tables (tables hold information entered in EDGE):

- F1201 = Asset Master Information
- F1202 = Asset Cost Information

Facts you should know

- The process is easier if the tag number is created early in the process and is included in the appropriate field at voucher entry (if paying an invoice for a voucher without PO), purchase order, or receipt entry (during 3-way match process).
- You can add an asset even after the invoice has been paid.
- You can delete an asset and reuse the asset tag number if it does not have cost attached.

- The Unposted Fixed Asset Transactions Report should be run near the end of each month. This report will identify transactions that have been posted in the General Ledger, but have not yet been posted to a fixed asset. If miscoding has occurred it should be communicated to the Accounts Payable area so the correcting journal entries may be made.
- The process is easier if departments coordinate the posting of the Accounts Payable Voucher and the Fixed Asset ledger within the same month.