

## **Master Lease Purchases**

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## SYSTEM POLICIES

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.

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## Master Lease Purchases

### Master Lease Information

This program may be utilized to lease/purchase data processing, telecommunications, laboratory, motor vehicle and other essential equipment.

Note: For more information on the Master Lease Purchase Program, please refer to the State Accounting Manual (under Lease/Purchase Agreements) on the State Accounting Website.

1. The agency enters a Purchase Order into the system.

- The purchase order can be entered using any of the following methods:

Generate Purchase Order from Contract (please see the work instructions for Generating a Purchase Order from an Existing Commodity Contract)  
Generate Purchase Order from Requisition (please see the work instructions for Generating a Purchase Order from a Purchase Requisition), or  
Enter Purchase Order directly (please see the work instructions for Entering a Purchase Order Direct)

**Note:** Create an attachment to the Purchase Order indicating the purchase is a Master Lease purchase.

**Note:** Must use object code 580300 – 586999 as a capital outlay.

2. After printing the Purchase Order for the vendor, cancel the Purchase Order to un-encumber the funds (please see the work instructions for Revising a Procurement Document – step 7). The Purchase order will never be received in the system because the item(s) will be paid for by the Master Lease.

3. Add the master leased asset to the system by entering an asset master for each item being leased. Please see the work instruction for Entering an Asset Master.

- When setting up the asset master for master leased items:

Enter the Master Lease number on Description Line 3 on the Asset Information tab,  
Enter “M” in the Ownership field on the Additional Info tab.

4. Once the asset master is setup, apply cost by creating a journal entry. Please see the work instructions for Entering Journal Entries in Debit/Credit Format.

- Debit the business unit used on the asset master and a 58XX00 object code (where XX = item code).
- Credit the business unit used on the asset master and object account 587400- Master Lease.
- The debit and the credit amounts are equal to the purchase price of the item. The purchase price should equal the total cost of the item, not including interest or financing costs.

# Training Guide

## Master Lease Purchases



- Enter the tag number in the tag number field of the journal entry.
- Approve and Post the Journal Entry.

5. After Journal Entry posts, post the asset to the fixed asset ledger. Please see the steps for Posting to a Fixed Asset Ledger in the Processing a Fixed Asset Transaction work instructions.

- Post the debit

If the period of the master lease is longer than the default depreciation period in the system (see default depreciation periods below), contact State Accounting to change the depreciable life for the master leased asset to the period of the master lease. Contact State Accounting through their mail in database link for fixed assets at <http://www.das.state.ne.us/accounting/nis/contacts.htm>. Include Tag Number and what the depreciation period should be in your email. If the period of the master lease is shorter or the same as the default depreciation period, the asset can depreciate using the default depreciation period. There is no need to contact State Accounting.

The system default depreciation periods are:

<u>Item Code</u>	<u>Description</u>	<u>Default Depreciation Period</u>
03	Land	None
09	Infrastructure	240 months / 20 years
12	Buildings	480 months / 40 years
15	Improvements to Buildings	480 months / 40 years
18	Plant Equipment	240 months / 20 years
21	Heavy Equipment	120 months / 10 years
24	Machine & Equipment	120 months / 10 years
27	Law Enforcement & Security Equipment	120 months / 10 years
30	Furniture & Office Equipment	120 months / 10 years
33	Computer Hardware Equipment	36 months / 3 years
36	Communications & Electronic Equipment	60 months / 5 years
39	Fixed Site Wireless Communication Equipment	120 months / 10 years
42	Vehicles	60 months / 5 years