

# Asset Management

MANAGEMENT & DISPOSAL OF ASSETS  
FIXED ASSETS & NON-FIXED ASSETS

**Purpose:** To standardize processes of the creation, maintenance and disposal of an agency's inventory. Assets include an agency's equipment and furniture and consists of fixed assets and non-fixed assets. Neb. Rev. Stat. § 81-1118.01 gives the Materiel Administrator, under the authority of the Director of Administrative Services, complete control and all powers necessary to assure efficient utilization of state property. § 81-1118.04 describes the purposes of Materiel Division to include maximizing the utilization of and control the inventory of state-owned equipment. Processes detailed in this manual are established to accomplish this responsibility.

## SECTION 1: Definitions & General Information

### Agency

For the purposes of this manual all Agencies, Boards and Commissions that constitute the State of Nebraska, shall be referred to as an agency.

### Access to the EnterpriseOne (E1) System

Access to E1's fixed asset module is limited to agency representatives who have been authorized their agencies and approved by Materiel Division. This security is processed through each Agency's E1 Authorized Agent in accordance with established procedures. The level of access within the fixed asset module is granted in accordance with the E1 Role Descriptions found at <https://das.nebraska.gov/accounting/pay-fin/role-discriptions.html>. Materiel Division is responsible for approving the security role requests submitted.

The Authorized Agent should provide a description of the duties required to be performed by the individual for which security is requested. Each agency should ensure that adequate internal controls are established to ensure adequate separation of duties for personnel within their own agency.

### Fixed Asset Coordinator

Fixed Asset Coordinators are employees authorized by their employing agency to access the E1 Fixed Assets module.

### Equipment and Furniture – What Constitutes a Fixed Asset?

The Auditor of Public Accounts recommends the guidelines of the Accounting Division of Administrative Services be followed, that being, expenditures involving capital acquisitions or additions having a useful life of two or more years and for which the total costs for the item are \$5,000 or greater be inventoried. These expenditures are primarily classified within the 5800XX – 5869XX object account code series and depreciate over the expected life for such item.

Current guidance provides that all assets procured with a total cost of at least \$5,000.00 must be established as a fixed asset within the fixed asset module of E1. All firearms, regardless of cost, must be established as a fixed asset within the fixed asset module of E1.

Each agency has the authority to establish their own capitalization threshold lower than \$5,000.00 but cannot set a threshold greater than \$5,000.00. Agencies also have the authority to set exceptions to by making exceptions for specific types of equipment, not to exclude exception items already identified

by DAS guidance. Such differing thresholds and/or exceptions should be documented by the agency and include the approval of the Director. Such capitalization policy should be kept on file for future reference during audits.

Additional costs that extend the life of an existing asset are created as a new tag number, which has a child-parent relationship between the new costs and the existing fixed asset. See the State Accounting Manual for 'Capital Outlay' for additional information and guidance. **Note:** tag numbers for item codes 80 (Building Use) and 82 (Contents Insurance) are not scanned for annual inventory purposes.

## Fixed Assets

Personal property owned by the State of Nebraska that has been assigned a fixed asset tag number and is listed specifically within the E1 fixed asset module.

## Non-Fixed Assets

Personal property owned by the State of Nebraska that has not been assigned a fixed asset tag number and is not listed specifically within the E1 fixed asset module. Agencies may create their own "local tracking mechanisms" as appropriate to track non-fixed asset inventory.

## Tagging, Marking and/or Stamping Property Required

In accordance with Neb. Rev. Stat. § 81-1118.02 there is no distinction between capitalized (fixed) assets and non-capitalized (non-fixed) assets. This statute states, *"Each such executive, department, commission, or other state agency shall indelibly tag, mark, or stamp **all** such property [defined as all property, including furniture and equipment] belonging to the State of Nebraska, with the following: Property of the State of Nebraska."* (emphasis added). In considering various tagging options, it is important that permanency be the main criteria. Many agencies inscribe the identification number on the property as well as tagging in the event the tag is removed or falls off.

## Surplus Property

Surplus property is any item(s) owned by the State of Nebraska, excluding land and buildings, which have been deemed to be no longer needed by the agencies, boards and commissions responsible for those items. Per Neb. Rev. Stat. § 81-161.04, the Materiel Division shall be notified in writing when any using agency has surplus property, and only Materiel Division has authority to sell or dispose of such property by any method most advantageous to the State of Nebraska. Surplus property includes both fixed assets and non-fixed assets. Processes for such notification are detailed in this manual.

## Surplus Property Number (SPN)

An SPN is a 10-digit number assigned by the agency and used to identify asset(s) to be processed through a process for disposal/removal from E1. The first 4 digits significant the Agency and division,

the following two digits are the year of the disposal (e.g. 2018 = 18), followed by a 4-digit sequence designated by the Agency. Example shown below:

65 05 18 0001

## Tag Number

Fixed asset tax numbers are unique identifiers established by the owning agency. The fixed asset number format is:

- Two-digit agency number (first two characters);
- One to two letter division alpha identifier; and
- Up to 8-9 digits assigned by the agency

The maximum length is 12 alphanumeric characters. **Note:** A tag number is not the determining factor of which agency owns a particular asset. The responsible business unit should be referenced for this purpose.

## Items Added to E1 in Error

Fixed assets added to E1 in error can be deleted by the agency if costs have not been attached. If costs are attached, the asset can be removed by submitting an adjustment request (see Section 9).

## Items Replaced by Warranty or Exchange

A fixed asset under warranty or contract which provides for an exchange of an item for a like/replacement item at no additional cost (may include the inability to repair) should be removed from an agency's fixed asset listing by submitting an adjustment request (see Section 9). A new fixed asset record should be created for the newly received item. If an item is replaced at a discounted cost and involves a trade-in of the non-working item, this would likely be considered a trade-in. (See Section 10).

## Lost or Stolen Items

Lost or stolen items should be reported to the appropriate authorities as soon as possible for investigation. The equipment status of such asset should be changed to UL (Unable to Locate) during the investigatory period. Once all courses of action have been exhausted to locate and/or recover such items, Agencies can request removal of fixed assets records from E1 by submitting adjustment request (see Section 9).

## Items to be Traded-In

An agency wishing to trade-in state property (whether a fixed asset or a non-fixed asset) must receive authorization *prior* to completing the transaction. Pursuant to Neb. Rev. Stat. § 81-153 Material Division has the power and duty to initiate a trade-in when determined to be in the best interest of the state. (See Section 10).

## Items for Destruction

Items of surplus property that are in an unusable condition or cannot be sold should be destroyed and disposed by the surplus agency. Agencies should seek guidance on potential destruction of property by contacting Surplus Property. **No property in the possession of agencies is to be destroyed without proper authorization.** Destruction requests are submitted pursuant to Section 11.

## Transfer of Equipment and Furniture

The transfer of equipment and furniture within an agency (intra-agency) may be completed and documented by the Agency. Transfers between agencies are typically completed as a sale of surplus property pursuant to § 81-161.04 which states in part "...whenever an agency has any property for which it no longer has a need; it shall notify the Materiel Division in writing..." For questions regarding transfer of equipment and/or furniture, please email [as.fixedassets@nebraska.gov](mailto:as.fixedassets@nebraska.gov).

## Saleable Items

Generally, items with remaining value and useful life will be accepted by Surplus Property for sale. Items are first presented to other agencies as required by statute. If no offer is received from using agencies, the items will be disposed of by any method most advantageous to the State, including auction, sealed bid, private or public sale with priority given to other political subdivisions. Direct any questions to Surplus Property.

## SECTION 2: Authority

**§ 81-1118.01** of the Revised Reissued Statutes of the State of Nebraska states the Materiel Division Administrator shall have complete control of all furniture and equipment in the Capitol, state laboratory, Governor's Mansion, and other buildings owned or leased by the State, except telephone and communications equipment and equipment and furniture of the Legislature and the Supreme Court. The statute further provides the Materiel Division Administrator, under the authority of the Director of Administrative Services, shall have complete control and all powers necessary to assure efficient utilization of state property.

**§ 81-161.04** of the Revised Reissued Statutes of the State of Nebraska provides that the Materiel Division of the Department of Administrative Services is responsible for the processing and sale of items of surplus personal property owned by the State. Procedures for the processing of surplus items and the use of the E1 fixed asset module are detailed in this manual. Any questions pertaining to inventory management can be submitted to: [as.fixedassets@nebraska.gov](mailto:as.fixedassets@nebraska.gov).

## SECTION 3: EnterpriseOne (E1) Training Guides

Instructions and guides regarding creating and modifying asset master information, posting costs, inquiries, transferring assets intra-agency, disposing of assets through surplus processes and running reports can all be found on State Accounting's website under the Payroll and Financial Center Training Guides found at: <https://das.nebraska.gov/accounting/pay-fin.html> under Fixed Assets.

## SECTION 4: Creating Fixed Assets

Security access is required to enter/create fixed assets records in E1. Please contact your agency's Authorized Agent to submit the necessary security role request. Instructions and guides regarding creating/entering a fixed asset master, to include copying a master, revising a master, establishing parent-child relationships postings costs, and split coding as asset master, can all be found on State Accounting's website under the Payroll and Financial Center Training Guides found at: <https://das.nebraska.gov/accounting/pay-fin.html> under Fixed Assets.

Three steps are required:

- 1) Create the master asset record
- 2) Payment for the asset as an Accounts Payable function
- 3) Processing – posting dollars to the fixed asset ledgers (F1 & F2) as a fixed asset function

There are four (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 two (2) primary Fixed Asset Tables (tables hold information entered in E1):

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

When asset master records are created the following basic information is established for each asset:

- Unique tag number
- Serial Number (if applicable)
- Agency responsible for the asset
- Cost account for asset
- Date asset is acquired
- Category code description of asset class, etc.
- Equipment status
- Text description or remarks to describe asset
- Text description or remarks to locate asset

Tips:

- Process is easier if 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).
- An asset can be created after the invoice has been paid; **however**, a journal entry is required to attach costs to the asset record.
- Unposted Fixed Asset Transactions Report should be ran near the end of each month to identify transactions posted in the general ledger that have not yet been posted to a fixed

asset. If miscoding has occurred, communicate error to Accounts Payable area so correcting journal entries can be made.

- Process is easier if departments coordinate the posting of the Accounts Payable voucher and the Fixed Asset ledger within the same month.

Basic Information to be entered in the creation of a fixed asset master includes:

Asset Information Tab:

- Tag Number (see naming convention details above)
- Description (3 free-text fields available)
- Fund – associated with the business unit on the BU Master (visual assist is available)
- Responsible BU (business unit)
- Account Number – (fund.17XX00 – where XX is the item code)
  - During the invoice process 58XX00 – will be entered for the capital outlay – where XX is the item code)
  - When an optional account is utilized under the series from 58XX01 through 58XX99, type the header account number 17XX00 in the Account Number Field.
- Date Acquired
- Status of Equipment
- Serial Number (system does not allow for duplicates, thus must be researched to verify the record is not a duplicate. See guide for additional information.)

Location Tab:

- Location – Use Location Business Unit that begins with an “F” and Type is equal to “FA”
- Start Date (cannot be prior to the date acquired or after the present date)

Category Codes 1-10 Tab:

- Complete as fully as possible or necessary

Category Codes 11-20 Tab:

- Complete as fully as possible or necessary

Additional Info Tab:

- Location: Building/Room/Comments field – complete to identify location of asset
- New or Used Code – make appropriate selection
- Ownership/Master Lease – make appropriate selection

## **SECTION 5: Maintaining & Changing Information on Existing Fixed Assets Master Records**

During the lifetime of a fixed asset, data should be kept current. Revisions may include modifying the description, inserting a serial number, changing the equipment status, modifying the category codes, or updating location fields.

Instructions and guides regarding revising a fixed asset master record can be found on State Accounting's website under the Payroll and Financial Center Training Guides found at: <https://das.nebraska.gov/accounting/pay-fin.html> under Fixed Assets.

## **SECTION 6: Annual Inventory Reporting**

Neb. Rev. Stat. § 81-1118.02 requires each executive, department, commission, or other state agency, including the Supreme Court, the Board of Regents of the University of Nebraska, and the Board of Trustees of the Nebraska State Colleges to make or cause to be made inventory of all property, including furniture and equipment, belonging to the State of Nebraska and in the possession, custody or control same as of June 30 of each year. The inventory shall be completed and filed by August 31<sup>st</sup> of each year with the Materiel Administrator.

A Barcode Scanning process integrating the use of barcode scanners with E1 is an available method to complete such inventory. If this method is used, Materiel Division recommends using the Auditor F/A Listing Report (R5509273) generated in E1. Instructions and guides on how to run this report as well as alien asset verification and scanned fixed asset inquiries can be found on State Accounting's website under the Payroll and Financial Center Training Guides found at: <https://das.nebraska.gov/accounting/pay-fin.html> under Fixed Assets.

Agencies may conduct and provide their inventory in the method and format that works best for the agency. Additional information is contained in the annual Fixed Asset Memo issued by the Materiel Division which can be found at <https://das.nebraska.gov/forms/index.html#mat> under Surplus/Asset Management.

Any questions or concerns can be directed to [as.fixedassets@nebraska.gov](mailto:as.fixedassets@nebraska.gov).

## **SECTION 7: Fixed Assets Barcoding Manual**

The Barcoding Manual which includes information regarding the Barcode Scanner Loaner Program can be found at <https://das.nebraska.gov/forms/index.html#mat> under Surplus/Asset Management. Any questions or concerns can be directed to [as.fixedassets@nebraska.gov](mailto:as.fixedassets@nebraska.gov).

## **SECTION 8: Disposal by Adjustment Request**

The Materiel Division is the sole authority for approving all adjustments (removal) of fixed assets from the E1 fixed asset module.

Agencies are responsible for ensuring all required documentation (identified in the process below) is provided to the Materiel Division and the requested action meets guidelines/policies/applicable statute.

Adjustment requests and required documentation are to be uploaded into ECM/Hyland OnBase software platform using the DASSURPLUS ECM solution, which will move the request through an approval workflow and finally the disposal process, should such request be approved.

Adjustments are only applicable to fixed assets and may be requested for a variety of reasons, including, but not limited to:

- Warranty or Exchange (see additional info above).
- If a cost is involved, it may be that a trade-in option is more appropriate. Please contact Materiel Division for guidance.
- Entry Error (see additional info above).
- Lost/Stolen (see additional info above).
- Doesn't Meet Capitalization Requirements - The agency has changed their capitalization policy and the asset no longer meets the current requirements.

Documents to be submitted in ECM for an adjustment request consists of:

- SPN Form
- A memo description the reason for the adjustment request
- A copy of any additional supporting documentation (e.g. police report, if stolen)

Through the ECM/OnBase Solution, the agency will be notified that either the adjustment has been approved or additional information is needed.

## Adjustment Request – Step-by-Step:

### STEP 1 -

Prepare SPN Form in EnterpriseOne using the Guides referenced above. Multiple assets can be included on the same SPN assuming all items are being adjusted for the same reason. (e.g., multiple assets were added in error or multiple assets are now below the current capitalization threshold.) All asset records will need to be updated with the applicable SPN number and changed to a "PA" status (Pending Adjustment). [The SPN Form can either be printed or saved in PDF format for later upload into ECM/OnBase.]

## STEP 2

Prepare memorandum describing circumstances surrounding the adjustment request. Attach documentation that supports the request. (e.g. supporting documentation of the exchange for a like item and/or warranty, police reports for lost items, documentation of agency efforts to locate and/or recover item(s), or in cases of capitalization threshold changes, a copy of the agency's policy memorandum.)

## STEP 3

Uploads SPN Form, memorandum and any supporting documentation into ECM/OnBase using the DASSURPLUS Solution. (see separate DASSURPLUS ECM instructions) and forward for review.

## STEP 4

The Materiel Administrative Manager will review the adjustment request for completeness. If inconsistencies or lack of information are found, the adjustment request will be returned with additional instruction.

## STEP 5

Materiel Administrative Manager will approve Once all information is obtained. The Agency will receive a system notification of such approval.

## STEP 6

The Materiel Administrative Manager will process the disposal in E1, by updating the fixed asset record(s) with the disposed equipment status (DA) as well as remove the item(s) from the general ledger and additional ledgers, as appropriate. The agency will receive e-mail notifications of the progress of the request.

## SECTION 9: Disposal by Trade-In / Trade-In Requests

Pursuant to Neb. Rev. Stat. § 81-161.04, the Materiel Division of the Department of Administrative Services has the responsibility for the processing and sale of items of surplus personal property (personal property for which it no longer has any need or use) owned by the State. This process is applicable for ALL items regardless of value.

As the method of disposal must be approved by Materiel Division, any purchase involving the trade-in of state property **MUST BE APPROVED IN ADVANCE** by AS Materiel Division - State Purchasing Bureau as well as Surplus Property, by following the steps outlined below.

The following information, in addition to the below documentation, is needed in order to make an informed decision about the feasibility of any trade-in and whether it is in the best interests of the State of Nebraska: (1) age of the property being traded in; (2) an assessment of the equipment being offered as a trade-in, which may include, but not be limited to the condition of the item, a description of any problems or issues that may exist with the equipment, etc.; and (3) monetary amount being offered for the property being traded in (a quote\*).

Any questions about the trade-in process or documentation required should be addressed to the Materiel Division or State Purchasing Bureau.

## Trade-In Request – Step-by-Step:

### STEP 1

Prepare the appropriate SPN Form. For fixed assets generate the SPN from E1 using the Guides referenced above. For non-fixed assets use the SPN Form for Non-Fixed Assets located at <https://das.nebraska.gov/forms/index.html#mat>. Fixed Asset Master Records should be updated to reflect the status as "PT" (Pending Trade), as well the assigned SPN number. [The SPN Form can either be printed or saved in PDF format for later upload into ECM/OnBase.]

### STEP 2

Submit an OW (document type) requisition in E1. This document type is used to ensure the requisition is routed to State Purchasing Bureau (SPB).

Attach as an "Order Header Attachment" a copy of the SPN Form, the proposed bids for the new equipment (or quote\*) and vendor information as applicable. If the agency does not have the capability to create/attach these documents, contact SPB for guidance.

SPB will ensure that all necessary documentation is in order, and will await notification of the approval of the trade-in.

### STEP 3

Upload the SPN Form, copy of the OW requisition, and supporting documentation (quote\*) into ECM/OnBase using the DASSURPLUS Solution. (see separate DASSURPLUS ECM instructions) and forward for review and recommendation for approval/disapproval.

### STEP 4

Surplus Property will provide recommend approval or disapproval and forward the request through the trade-in workflow queues within ECM. Once approved, the SPB buyer will be notified to move forward with the requisition. If disapproved, the request will be returned to the requestor within ECM and the SPB buyer will be notified.

### STEP 5

SPB buyer will proceed with the procurement as appropriate.

### STEP 6

If the traded item is a fixed asset, the Materiel Administrative Manager will process the disposal in E1 by updating the fixed asset record(s) with the disposed equipment status (DT) as well as remove the item(s) from the general lodger and additional lodgers, as appropriate. The agency will receive e-mail notifications of the progress of the request.

\*Trade-ins involving weapons/firearms: Quotes involving weapon/firearm trade-ins are to identify the asset(s) being traded-in by description and serial number for accurate documentation and confirmation.

## SECTION 10: Disposal by Destruction

When property that is no longer needed is no longer serviceable or operational, permission to destroy such item may be requested. There are instances where serviceable property that has no value to the State of Nebraska may be authorized for destruction. This determination can only be made by Surplus Property. Property **should not be destroyed, scrapped or cannibalized prior to receiving authorization** from Surplus Property.

### Exception Items:

**Communications equipment** (desk phones, CCTV's, network assets, etc.) should not be processed for destruction without confirming whether such property is under the authority of the Division of Communications (OCIO). Separate statutes govern communications equipment and the Division of Communications is the only authorized organization to initiate disposal of same. Questions about disposing of any type of communication equipment should be referred to the Division of Communications. Requests/SPN's that are received from organizations other than Division of Communications will have the request returned to them without action and be referred to the Division of Communications.

**Records Management equipment** is similarly the responsibility of the Records Management Division of the Office of the Secretary of State. Questions regarding disposing of this type of equipment should be referred to such Division.

Any **micrographic equipment or system** owned by the State belongs to the State Records Administrator pursuant to Neb. Rev. Stat. 84-1222. Thus, no agency should be processing requests for disposition of this type of equipment. Questions regarding disposing of any type of equipment should be referred to the Records Management Division of the Secretary of State.

### Destruction Request – Step-by-Step:

#### STEP 1

Prepare the appropriate SPN Form. For fixed assets generate the SPN from E1 using the Guides referenced above. For non-fixed assets use the SPN Form for Non-Fixed Assets located at <https://das.nebraska.gov/forms/index.html#mat>. Fixed Asset Master Records should be updated to reflect the status as "PD" (Pending Destruct), as well the assigned SPN number. [The SPN Form can either be printed or saved in PDF format for later upload into ECM/OnBase.]

Multiple assets can be included on the same SPN Form if the "same circumstances" apply to all assets.

## STEP 2

Prepare memorandum, if appropriate, describing the circumstances surrounding the requested destruction and the reason for such request. Pictures are often helpful in viewing the condition of the item(s). Options for destruction include (1) DND - Destroy and Dispose; (2) PRT - Cannibalize for Parts; (3) HAZ - Hazardous Material; (4) DNR - Destroy and Recycle.

## STEP 3

Upload the SPN Form, any memorandum or photos into ECM/OnBase using the DASSURPLUS Solution. (see separate DASSURPLUS ECM instructions) and forward for review.

## STEP 4

Surplus Property will review the destruction request and determine if destruction is in the best interests of the State. If approved, the request will be returned to the agency (within the ECM/OnBase workflow) for the next step in the destruction process.

## STEP 5

The agency receives the ECM notification that the request is approved by Surplus Property. The agency now has the responsibility and authority to proceed with the destruction action. **Note:** If the method of destruction is to recycle, provide the SPN number to the recycling vendor.

## STEP 6

Upon completion of the approved destruction action, the agency creates a "Discussion" in ECM/OnBase documenting the date and the individual completing the destruction, as well as a witness of such destruction. The destruction SPN is then forwarded to Surplus Property in ECM/OnBase.

## STEP 7

Surplus Property completes a final review of the destruction for compliance and then forwards the SPN to the Materiel Administrative Manager to complete the disposal process in E1, if appropriate.

## STEP 8

The Materiel Administrative Manager will process the disposal in E1, by updating the fixed asset record(s) with the disposed equipment status (DD) as well as remove the item(s) from the general ledger and additional ledgers, as appropriate. The agency will receive e-mail notifications of the progress of the request.

## SECTION 11: Disposal by Sale

Surplus Property will determine the best method to auction or sell items of value. For guidance contact Surplus Property for appropriate disposal methods. Additional information can be found in the separate State of Nebraska Surplus Property Manual.

### STEP 1

Prepare the appropriate SPN Form. For fixed assets generate the SPN from E1 using the Guides referenced above. For non-fixed assets use the SPN Form for Non-Fixed Assets located at <https://das.nebraska.gov/forms/index.html#mat>. Fixed Asset Master Records should be updated to reflect the status as "PS" (Pending Destruct), as well the assigned SPN number. [The SPN Form can either be printed or saved in PDF format for later upload into ECM/OnBase.]

### STEP 2

All items should have any tag numbers and Property of the State of Nebraska stickers removed and marked with the appropriate SPN number.

### STEP 3

Surplus Property will provide guidance on next steps.

### STEP 4

Surplus Property will upload the SPN documents into ECM/OnBase for documentation purposes and forward the SPN(s) to the Materiel Administrative Manager once items are sold for the disposal process to be completed in E1, if appropriate.

### STEP 5

The Materiel Administrative Manager will process the disposal in E1 by updating the fixed asset record(s) with the disposed equipment status (DS) and sale date, as well as remove the item from the general ledger and additional ledgers, as appropriate.