



Capital Asset SOP: Capital Edit tab, Purchasing: Requisition and Procurement Card (PCard)

SOP Owner: Cost and Capital Assets Manager

Version Number, Date Revised: #2, 9/19/2014

Date Implemented:

Approval(s):

Standard Operating Procedure

1. Purpose

The Capital Edit tab is included on the following e-docs: Requisition (REQS), and Procurement Card (PCDO) financial transactions. **Note:** capital purchases are not allowed on PCDO transactions (except for the Libraries acquiring catalogued books), and capital asset object codes are not allowed as part of PCard default. At this time procedures for PCDO transactions (*page 8*) is for informational purposes, only.

The Capital Edit tab allows users to create a new asset or update information about an existing asset to which this transaction applies. Information is required in this tab when the Accounting Lines tab contains a capital object code, as listed below:

Note: Neither books nor artwork require completion of the Capital Edit tab. (Libraries and the Johnson Museum are responsible for cataloguing and tracking.)

KFS Capital Object Codes		
<i>Expense Object Code</i>	<i>Expense Object Name</i>	<i>Expense Object Sub-Type Code</i>
3600**	Capital Acq-Library Books	BK
3605**	Capital Acq-Rare Books	BK
3610**	Capital Acq-Art & Collections	AC
3620	Capital Acq-Fixed Equipment	BE
3630	Capital Acq-Movable Equipment	CM
3635 *	Capital Acq-Gov't Owned Equip	CF
3640	Capital Acq-Vehicles	CV
3650	Capital Acq-Computer Equipment	CT
3660	Capital Acq-Computer Software	CS
3670**	Capital Acq-Equip Found	CM
3710	Capital Acq-Buildings	BD
3715 *	Capital Acq-Gov't Owned Bldg	BF
3750**	Capital Acq-Lease Purchase	CL
3800**	Capital Equip-Fabricated	UC
3810 *	Capital Equip-Fabricated Gov't Owned	UF
6395	Gain / Loss Disposition Assets	DR
7065	Transfer of Funds-Capital	TN
7099	Capital Equip-Trade In	DR

* Gov't Owned expense object codes will only be used when the university does not expect to receive title of the equipment even after the sponsored award is closed.

** KFS Capital Object Code Business Rules



- If capitalizing freight or other charges, you must use a capital object code on the appropriate accounting line(s) on the REQS. (*See Requisition to PO Process SOP for additional information.*)
- Full order discount will automatically subtract dollar amounts based on the costs of the REQS line items.
- Object code 3670 should not be used on a Purchasing or Financial Processing e-doc. This object code is used to record capital assets that have been retired in error.
- When choosing 3750 on the REQS, you must choose “lease” from the pull-down list, and on the Payment Info tab, choose: recurring payment. (The e-doc must be set to recurring payment.)
- When choosing object code 3800 on a REQS, you should choose “Fabricated” on the pull-down menu.
- Only the Libraries are allowed to use object codes 3600 and 3605. Only the Johnson Art Museum is allowed to use object code 3610. Other units should use object code 3630.

2. **Scope**

The intended audience is:

- Business Service Centers / Financial Transaction Centers (old: BSCs; new: FTCs—note: the two administrative BSCs will still be called BSCs)
- Fiscal Officers (FO) (**Note:** any reference to FOs in an SOP is understood to include primary and secondary delegates.)
- Unit capital asset administrators will have a Capital Asset Processor role.

3. **Prerequisites** (Forms / Tools)

- KFS access
- KFS training

4. **University Policy**

- 3.9 [Capital Assets Policy](#)
- 3.7 [Accounting: System Structure and Transactions](#)
- 3.10 [Recharge Operations and Service Facilities](#)
- 3.14 [Business Expenses](#)
- 4.2 [Transaction Authority and Payment Approval](#)

5. **Responsibilities**

Personnel in the following roles / positions:

- Initiator
- Fiscal Officer
- Capital Asset Processor (will be responsible for updating asset information including bar code and serial number)



6. Procedure

Note: asset number is the system-generated number; it is **not** the barcode tag.

- A. Requisition e-doc (REQS) Capital Edit tab (see Procedure **B** on page 8 for information on the PCDO Capital Edit tab)

Note: See the Purchasing SOP: *Requisition to PO Process* for additional information and best practice recommendations.

Figure 1 – Requisition e-doc, Capital Asset tab

Table 1 Capital Asset tab: field definitions

Field Name	Description (* indicates a required field)
System Selection, Capital Asset System Type	Select the type of system that the capital asset belongs to.
System Selection, Capital Asset System State	Select the system state from the drop-down list; for example, the user may choose to modify an existing system by adding items from this REQS, or use this REQS to start a new system.
Action	Click select button to identify the items in this REQS as capital assets. Note: Both of the above fields are required in order for the select button to work.



When there are qualifying items on the REQS, clicking the select button in the Action field displays a Capital Asset Items section in the Capital Asset tab. When using a capital object code, the total amount of an item needs to meet the capital threshold of \$5,000.00; however, you are allowed to use a capital object code if the line item is under \$5,000.00 as long as the total asset will meet the capitalization threshold. (The capital threshold for software is \$100,000.)

Initially the items are listed in this section with the detail fields hidden. Clicking the show button expands the display to show the available fields.

System Selection	
Capital Asset System Type:	Individual Assets
Capital Asset System State:	New System
Action:	change update view

Figure 2 – System Selection, Capital Asset tab

Capital Asset System Type, drop-down list options are:

- Individual assets: each capital line item will be a new asset
- Multiple system: combines multiple capital line items into two or more systems
- One system: all capital line items will create one asset

Capital Asset System State, drop-down list options are:

- Modify existing system: adding to an existing capital asset
- New system: creation of a new capital asset

Two new buttons are displayed in the Action field of the System Selection section—change and update view. The change button displays a new screen asking, “If you continue, the Capital Asset System State, System Type, and all information in the Capital Asset tab will be cleared. Do you want to continue?” Yes and No buttons follow. **No** returns the user to the REQS. **Yes** clears the Capital Asset tab and then returns you to the REQS.

The update view button refreshes the Capital Asset tab. If, for example, you went back to the Requisition Items tab to add another capital item to the REQS, update view button would cause the new item to be displayed in the Capital Asset Items section of the Capital Asset tab as well.



Capital Asset ▼ hide

System Selection

Capital Asset System Type: One System
 Capital Asset System State: New System
 Action: [change](#) [update view](#)

System Detail

Capital Asset Note Text:	<input type="text"/>	Capital Asset System Description:	<input type="text"/>
Receiving Outside of Current Fiscal Year:	No <input type="button" value="select"/>	Manufacturer:	<input type="text"/> <input type="button" value="same as vendor"/>
Asset Type:	<input type="text"/>	Model Number:	<input type="text"/>
How Many Assets?:	<input type="text"/>		

Location

Item Quantity:	<input type="text"/>		
Campus:	IT <input type="button" value="lookup"/>		City:
Building:	<input type="text"/> <input type="button" value="off campus"/>		State:
Address:	<input type="text"/>		Postal Code:
Room:	<input type="text"/>		Country:

Capital Asset Items

Item Line #	Item Type	Quantity	UOM	Catalog #	Commodity Code	Description	Unit Cost	Extended Cost	Restricted
1	Qty	1.00	EA		Coping machines	Copying Machines	4000.00	4000.00	No
	▼ hide Capital Asset Capital Asset Transaction Type: <input type="text"/>								
2	Qty	1.00	EA		Centrifuges	Centrifuges	7000.00	7000.00	No
	▼ hide Capital Asset Capital Asset Transaction Type: <input type="text"/>								

Figure 3 – Capital Asset tab, REQS

Table 2 System Detail section: field definitions

Field Name	Description (* indicates a required field)
Capital Asset Note Text	Enter text specific to this asset.
Receiving Outside of Current Fiscal Year	Defaults to No , with a select button available. Clicking the select button toggles this field to Yes , changes the button to clear , and fixes the Asset Type Code field below to 40004 (Movable Assets that will not be received or placed into service during the current fiscal year). Clicking the clear button reverses the select .
Asset Type Code	Asset Type is not required on a REQS. Asset type code will drive the number of depreciation years. Enter the asset type code, or use the lookup to populate this information.
How Many Assets	Enter the number of assets that are being created.
Manufacturer	Enter the name of the manufacturer. Clicking the same as vendor button populates the field with the vendor name on the Vendor tab of the e-doc.
Model Number	Enter the model number of the asset.

Table 3 Location section: field definitions



It is recommended that you populate the location information on the REQS. You can enter either:

- the building and room code, or
- choose off-campus option. If you choose off campus, you are required to complete the address information in this tab.

If the asset is outdoors, you can use Y&O (Yard and Outdoor) for the room number.

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Item Quantity	Enter the quantity of the item to be stored at this location.
Campus	Choose IT.
Building	May be populated by searching for the building code with the lookup. This action also fills in all address fields for the selected building. Note: the off campus button clears Building field and all address fields.
Address	The address field will populate based on the building selected.
Room	Enter the room for this location.
City	The city field will populate based on the building selected.
State	The state field will populate based on the building selected.
Postal Code	The postal code field will populate based on the building selected.
Country	The country field will populate based on the building selected.

Note: the **add** button at the bottom of this section applies only to the Location section. Adding a location creates a section for that address showing only the heading line with a **show** button that expands the address detail below the Location section. You may enter additional locations as needed, each with a specified item quantity.

In order to save the location information, select **add** button. While location information is not required on the REQS, *best practice recommendation* is to add it.

Capital Asset Items Section

All display-only line item information in this section is from the PO line item. Only line items that qualify as capital assets are displayed here.

Table 4 Capital Asset Items section: field definitions

<i>Field Name</i>	<i>Description (* indicates a required field)</i>
Capital Asset Transaction Type	This defines asset transaction type. On movable equipment purchases the Capital Asset Transaction Type is used to identify the asset category (for example: installation, fabrication, capital lease).



Capital Asset																												
System Selection																												
Capital Asset System Type:		One System																										
Capital Asset System State:		New System																										
System Detail																												
Capital Asset Note Text:			Capital Asset System Description: Capital Asset system Description here.																									
Receiving Outside of Current Fiscal Year: No			Manufacturer: Entegris Inc																									
Asset Type:			Model Number: 1234																									
How Many Assets?: 1																												
Capital Asset Items																												
Item Line #	Item Type	Quantity	UOM	Catalog #	Commodity Code	Description	Unit Cost	Extended Cost	Restricted																			
1	Qty	1.00	EA		Coping machines	Copying Machines	4000.00	4000.00	No																			
	<table border="1"> <tr> <td colspan="10">Capital Asset</td> </tr> <tr> <td colspan="2">Capital Asset Transaction Type:</td> <td colspan="8">New</td> </tr> </table>									Capital Asset										Capital Asset Transaction Type:		New						
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Figure 4 – Capital Asset tab, REQS, example

Business Rules (REQS Capital Edit tab)

- (See KFS Object Code Business Rules on page 2)
- If ordering capital items (on a REQS), you must check the “Receiving Required” check box.
- When modifying existing asset records, the asset number entered must identify an active, valid asset. Active assets have an inventory status code of **a** (active), **c** (active and non-accessible), **s** (surplus), **t** (storage), or **u** (under construction).
- The asset number entered is locked until the submitted e-doc is approved, canceled, or disapproved.
- For e-doc types with only one section in the Accounting Lines tab, such as the REQS, the e-docs themselves may also be used to modify assets.

Document Overview	
Document Overview	
* Description: Test Req - see Receiving Required Box	Explanation:
Org. Doc. #:	
Financial Document Detail	
* Year: 2011	Total Amount:
Requisition Detail	
Chart/Org: JT / 2500	* Funding Source: INSTITUTION ACCOUNT
Receiving Required: <input checked="" type="checkbox"/>	Payment Request Positive Approval Required: <input type="checkbox"/>

Figure 5 – Requisition Detail, Receiving Required check box



B. Procurement Card e-doc (PCDO)

PCDO Capital Edit tab (**Note:** For informational purposes only.)

The Capital Edit tab may be used to either create a new asset record in the Create New Assets section or an modify an existing asset record in the Retrieve Asset to be Updated section. In both cases, the

Accounting Lines tab specifies the account(s) and object code(s) to which the expense is being moved. The tab does not display the number of the clearing account from which the expense is being moved.

Figure 6 – PCDO e-doc, Capital Edit tab (**Note:** will be replaced with updated screenshot, when available.)

Table 5 PCDO Capital Edit tab: field definitions

Section	Field Name	Description (* indicates a required field)
Retrieve Asset to be Updated	Asset Number	Required when making changes to information for an asset that has already been added to the database. Enter the asset number, or use the lookup.
Create New Assets	Asset Quantity	Enter a number to indicate how many assets will be created in the database.
	Asset Type	Enter the asset type, or use the lookup.
	Vendor Name	The name of the vendor from which the goods were purchased.
	Manufacturer	The name of the person or company that manufactured the asset. This field is not validated.
	Model Number	The number assigned by the manufacturer to identify the asset model. This field is not validated.
	Asset Description	Free-form text that describes the asset in detail.

Business Rules (PCDO Capital Edit tab)

- The asset number entered must identify an active valid asset. Active assets have an inventory status code of **a** (active), **c** (active and non-accessible), **s** (surplus), **t** (storage), or **u** (under construction).
- The asset number entered is locked until the submitted e-doc is approved, canceled, or disapproved.



- For e-doc types with only one section in the Accounting Lines tab, such as the PCDO, the e-docs themselves may also be used to modify assets.

7. **Definitions**

[KFS at Cornell Glossary](#)

[COA Old World-New World](#) (a comparison of Legacy / KFS)

[KFS Acronym Glossary](#)

8. **References**

[KFS at CU: Chart of Accounts](#) (includes valid values)

Purchasing Overview SOP

Financial Processing Overview SOP

Requisition e-doc SOP

Procurement Card e-doc SOP