

2017

TANGIBLE CAPITAL ASSET HANDBOOK

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1.0 INTRODUCTION

This handbook, administered by Financial and Administrative Services, supports the Tangible Capital Asset program at Memorial University. It is a supplementary document to Memorial's *Tangible Asset Administration* policy and applicable procedures and must be read in conjunction with those, which are available here: <http://www.mun.ca/policy/site/policy.php?id=314>

Its purpose is to provide detail on using BANNER Finance for support of the University's Tangible Capital Asset program.

2.0 DEFINITIONS

In addition to the definitions within the *Tangible Asset Administration* policy the following definitions shall apply.

Attachment	An item that is an integral part of the primary asset and cannot be used without the primary asset.
Commodity Accounting	A process whereby an expense account is assigned to each individual item on a purchase order.
Component	A tangible capital asset that has an association with a primary asset and has its own permanent tag. The component may be used as a standalone item.
Origination Tag	A temporary tangible capital asset number created by Banner. This number is used to reference the tangible capital asset only until a permanent tag number is assigned by FAS.
Primary Asset	A tangible capital asset that is also a parent asset of other components and/or attachments.

3.0 PURCHASING TANGIBLE CAPITAL ASSETS

3.1 How to purchase a tangible capital asset.

Tangible capital assets must be purchased in accordance with *Asset Administration* policy and the *Procedure for Purchase Orders*, *Procedure for Public Tender* (if applicable) and the *Procedure for Purchasing Tangible Capital Assets*.

3.2 Tangible capital asset purchase order details.

The information included in the description in the commodity section of the PO is the information seen as the description on the Tangible Capital Asset Property Report. It is important to use a description that will easily identify the asset. The expense must be coded to

a 790xx account. See Appendix A for a list of appropriate accounts.

3.3 Special Situations

3.3.1 Purchasing multiple units of the same asset.

When ordering more than one of the same item on a PO, always use the quantity field to indicate the total number of items. For example, if three of the same unit is ordered for \$5,000 each, the PO should be keyed as three units at \$5,000 each for a total commitment of \$15,000. See example Figure 1. This will prompt three tangible capital asset tag numbers to be produced. If a single quantity price of \$15,000 was used for the three items, then only one tag number would be issued.

The screenshot shows the Oracle Fusion Middleware Forms Services interface for a Purchase Order Entry. The window title is "Oracle Fusion Middleware Forms Services: Open > FPAPURR". The main title bar reads "Purchase Order Entry: Commodity/Accounting FPAPURR 8.9.1.2M (munfy)".

Purchase Order Details:

- Purchase Order: P0137386
- Order Date: 29-MAY-2017
- Delivery Date: 15-JUN-2017
- Commodity Total: 17,250.00
- Blanket Order: (dropdown)
- Transaction Date: 29-MAY-2017
- Accounting Total: (empty)
- Order Type: Regular
- In Suspense
- Document Text
- Document Level Accounting

Document Information | Requestor/Delivery Information | Vendor Information | **Commodity/Accounting** | Balancing/Completion

Item 1 of 1

U/M	Tax Group	Quantity	Unit Price	Extended
EA	HH	3.00 x	5,000.0000	15,000.00

Commodity Description: Dell computer

Financial Summary:

- Discount: 0.00
- Additional: 0.00
- Tax: 2,250.00
- Commodity Line Total: 17,250.00
- Document Commodity Total: 17,250.00

FOAPAL of Remaining Commodity Amount: 17,250.00

NSF Override NSF Suspense

COA Yr	Index	Fund	Orgn	Acct	Prog	Actv	Locn	Proj	Pfx	Work Order #	Extended	Discount	Additional	Tax	FOAPAL Total	Doc Acct Total
M	18	100001	63002	79006	4103						15,000.00	0.00	0.00	2,250.00	17,250.00	

Enter Unit of Measure code
Record: 1/1 ... List of Valu... <OSC>

Figure 1: Purchasing multiple units of the same asset

3.3.2 Purchasing tangible capital and non-capital assets on the same PO.

If you are purchasing tangible capital assets and non-capital assets on the same PO, you must use commodity accounting. This means that you must uncheck the Document Level Accounting box on the Requisition / Delivery page of the PO screen. As you enter each line item you will be prompted for a FOAPAL before you continue to the next item. Ensure only the tangible capital asset is coded to a 790xx account (Appendix A).

3.3.3 Creating a tangible capital asset PO that is paid in percentages.

If the PO is to be paid in percentages, make each progress payment a separate line item. If you use only one line item, an origination tag will never be created.

For example if you have three progress payments (at 25%, 50% and 25%) and only one entry on the PO, your receiving for the first payment will be .25 of the total purchase. Banner Capital Assets does not recognize anything less than 1 unit. If you have each progress payment as a line item the first 25% payment will be 1 unit received, etc. See example Figure 2.

The screenshot shows the Oracle Fusion Middleware Forms Services interface for a Purchase Order Entry. The window title is "Oracle Fusion Middleware Forms Services: Open > FPAPURR". The main menu includes File, Edit, Options, Block, Item, Record, Query, Tools, and Help. The current page is "Purchase Order Entry: Commodity/Accounting FPAPURR 8.9.1.2M (munfy)".

Key fields and values:

- Purchase Order:** P0137386
- Order Date:** 29-MAY-2017
- Delivery Date:** 15-JUN-2017
- Commodity Total:** 17,250.00
- Blanket Order:** (empty)
- Transaction Date:** 29-MAY-2017
- Accounting Total:** 17,250.00
- Order Type:** Regular
- Document Level Accounting:**

The "Commodity/Accounting" tab is active, showing a table of commodity lines:

Item	U/M	Tax Group	Quantity	Unit Price	Extended
1 of 3	EA	HH	1.00	3,750.0000	3,750.00

Below the table, there are checkboxes for "Commodity Text", "Item Text", "Add Commodity", and "Distribute". The "Distribute" checkbox is checked.

Summary values on the right:

- Extended:** 3,750.00
- Discount:** 0.00
- Additional:** 0.00
- Tax:** 562.50
- Commodity Line Total:** 4,312.50
- Document Commodity Total:** 17,250.00

At the bottom, there is a section for "FOAPAL" (1 of 1) and "Remaining Commodity Amount" (0.00). A table of account codes is visible:

COA Yr	Index	Fund	Orgn	Acct	Prog	Actv	Locn	Proj	Pfx	Work Order #
M	18	100001	63002	79006	4103					

Summary values at the bottom right:

- Extended:** 15,000.00
- Discount:** 0.00
- Additional:** 0.00
- Tax:** 2,250.00
- FOAPAL Total:** 17,250.00
- Doc Acct Total:** 17,250.00

Figure 2: Tangible capital asset PO paid in percentages

3.3.4 Purchasing leased tangible capital assets.

The account number of the FOAPAL must be coded to 793xx. No Tangible Capital Asset Addition Form is required for this purchase and the capitalization process is completed manually by FAS.

3.3.5 Purchasing tangible capital assets using PDTER funds.

Items purchased with PDTER funds must be submitted on a travel expense claim form and coded to 790xx account (Appendix A). A Tangible Capital Asset Addition Form (Appendix B) must accompany the travel expense claim. The form must be fully completed including a description, serial number, color etc. It is important, for future reference and identification, to include as much information as possible on this form. A copy should be retained by the Unit.

The Travel Accounting Clerk will forward the addition form to appropriate personnel in FAS for updating of the Tangible Asset Property Report.

4.0 TANGIBLE CAPITAL ASSET UPDATES

4.1 Transfer/Change/Delete

See *Procedure for Administering Tangible Capital Asset Update* [insert hyperlink]

Instructions for completing the form:

In all cases a Transfer Capital Asset Transfer/Change/Delete Form (Appendix B) is completed by the Unit's Asset Administrator. For each request the form requires you to include the name of the unit, the date, the permanent tag number and the description (from the Property Report).

For a transfer or change you also have to complete the applicable details in the "Transfer / Change to" section of the form. Here you would include the revised information that should be on the Capital Asset Property Report. For example if the serial number was entered incorrectly you would have to include the correct serial number.

For a delete you also have to complete the "Delete" section of the form which asks for the reason for deleting this asset from your Property Report.

The form must be signed by the Unit head and sent to FAS. FAS ensures the necessary adjustments are entered into Banner Capital Asset Module to reflect the new information and signs and returns the form to the Unit. In the case of a transfer the form is sent to both the receiving and transferring Units.

4.2 Exceptions to the tangible capital asset update process

In the case of tangible capital assets purchased with research or grant funds these guidelines still apply. There may be specific conditions imposed by the granting agency at the time the grant or funding was awarded. If you have any questions concerning the grant or contract, contact the Research Accounting section of FAS.

Tangible capital assets are not to be purchased from a trust fund. A trust fund can be recognized by the Fund number beginning with 4xxxxx, 5xxxxx, 6xxxxx or 7xxxxx. If the terms and conditions of a particular non-endowed fund allow purchases of tangible capital assets, they must be purchased under the Operating Fund and the money transferred from the Trust Fund to the Operating Fund.

This is in agreement with the Trust Funds Policy which states that “no continuing commitments are to be made from these funds”. A tangible capital asset is amortized over the asset’s useful life and this amortization would be a continuing commitment.

5.0 CAPITAL ASSET REPORTS AND INQUIRIES

5.1 Capital asset reports and inquiries in Banner Finance.

<u>Report Name</u>	<u>Query Screen</u>
FWRPROP (Property Report)	Not Applicable
FFRMAST (Capital Asset Master Report)	FFIMAST (Capital Asset Master File)
FFRPROC (Capital Asset Procurement Report)	FFIPROC (Capital Asset Procurement Inquiry)

5.2 How to view the Capital Asset Property Report.

On an annual basis FAS will send (by June 30th) a Capital Asset Property Report for the previous year end to the Tangible Capital Asset Administrator for review and confirmation.

If the administrator wishes to view this report at another time during the year, he/she can do so in Banner Finance using the process FWRPROP. For details on how run this report, see Appendix C.

5.3 Information provided by reports and inquiry screens.

FFIMAST - Capital Asset Master Query form contains all the data related to each tangible capital asset. The user can inquire on a tangible capital asset tag number (either Origination Tag or Permanent Tag)

FFRMAST - Capital Asset Master Report allows the user to enter parameters to narrow the search on a particular group of tangible capital assets. Parameters include Status of Asset (disposed, received, invoiced, gift or cancelled), responsible organization, location and asset type (furniture/equipment, computers, vehicles). The search criteria will bring back a detailed report of the tangible capital assets that were specified in the parameters including acquisition data, funding source data, capitalization data and amortization data.

FFIPROC/FFRPROC - Capital Asset Procurement Query/Report will provide access to PO's, invoicing, and receiving data for tangible capital assets. The user can search by the document, vendor or fund number.

6.0 CONTACTS

Department of Financial and Administrative Services contacts for questions related to the Tangible Asset Administration policy and instructions within this handbook:

Michele Pike	Accounting Clerk – Financial Reporting and Analysis	864-7557
Jennifer Friesen	Staff Accountant – Financial Reporting and Analysis	864-8985
Peter Mooney	Manager	864-2174

APPENDIX A
Tangible Capital Asset Account Numbers
Refer to Banner Report FTVACCT for updates

Number	Account Description
79000	Audio Visual Equipment
79001	Furniture and Equipment
79002	Library Equipment
79003	Graphic Equipment
79004	Printing Equipment
79005	Video Tapes
79006	Computer Equipment
79007	Printers
79008	Terminals
79009	Sculptures
79010	Computer Hardware
79011	CPC Purchases
79012	Software
79013	Musical Instruments
79018	Musical Equipment Other
79019	Paintings
79020	TV/Cinema Equipment
79021	Communication Equipment
79022	Grounds Control Equipment
79023	Fire Protection Equipment
79024	Laboratory Equipment
79025	Office Equipment
79026	Recreation Equipment
79027	Tools
79028	Food Service Equipment
79029	Marine Equipment
79030	Postage Equipment
79031	Traffic Control Equipment
79032	Safety Control Equipment
79033	Security System Equipment
79034	Surveillance Equipment
79035	Photocopy Equipment
79036	Vehicles
79037	Vessels

APPENDIX B

Forms

Capital asset forms A and B are available from the Department of Financial and Administrative Services, telephone 864-7557.

Form C is available from the Department of Facilities Management.

Form A	Addition
Form B	Transfer/Change/Delete
Form C	Surplus

FORM A

CAPITAL ASSET ADDITION FORM

(For Financial and Administrative Services Use Only) Origination Tag#: _____ Permanent Tag #: _____

This form is used to add primary assets and/or components to the capital asset module of Banner Finance.

Please complete a separate form for each asset.

Department, Faculty, School: _____

Purchase Order Number: _____

ASSET INFORMATION

Description: _____ Acquisition Date: _____

Make/Model: _____ Manufacturer: _____

Serial #: _____ Part No./Vehicle Tag: _____

Total Acquisition Cost: _____ Location (Bldg. /Room #): _____

Asset Type: _____ Internal Tag#: _____

FOAPAL: _____
Fund Organization Account Program Activity Location

If addition is a **Component*** of another asset, please provide Tag or PO number of primary asset: _____

If **attachments**** were purchased, on this PO, for the above asset, please list description & serial # below.

Description	Serial #	Description	Serial #
1. _____	_____	2. _____	_____
3. _____	_____	4. _____	_____

Prepared by: _____ Date: _____

Please forward this form to Department of Financial and Administrative Services
A copy of the form will be returned to you with a Permanent Tag Number.

* Component indicates an association with the primary asset and may be used as a standalone item. It will have its own tag number.
** Attachment indicates an integral relationship with the primary asset; it cannot be used without the primary asset.

FORM B

CAPITAL ASSET TRANSFER / CHANGE / DELETE FORM

Department, Faculty, School: _____

Date: _____

Asset Information:

Permanent tag #: _____ Description: _____

Transfer / Change to:

(Complete the following for the required changes only)

Department: _____

Location: _____

Description: _____

Make: _____

Model #: _____

Manufacturer: _____

Serial #: _____

Delete:

Reason for deleting this asset from your Property Report

Prepared By: _____

Departmental Approval: _____
Department Head

Financial and Administrative Services: _____

Please forward 2 part form to Financial and Administrative Services. 2nd part will be returned to you to confirm data entry processing.

If a Transfer, the recipient department will receive a photocopy of this form from the Department of Financial and Administrative Services.

FORM C



Memorial
University of Newfoundland

DECLARATION AND DISPOSAL OF SURPLUS PROPERTY
PLEASE USE A SEPARATE FORM FOR EACH ITEM

Department, Faculty, School _____ Date _____

The Asset described is available for disposal. Good Fair Poor

Item _____ Make _____ Model _____ Serial Number _____

Fixed Asset Main Number _____ Vehicle License Number _____ Unit Number _____

Date Available _____ Pick Up Location _____ Fixed Asset Location _____

Departmental Contact _____ Phone Number _____

Authorization _____ Date _____

Restricted Articles, Radioactive Source, X Ray Device, etc. _____ Signature: FM Radiation Biosafety Control Officer

Computer Data-storage Equipment Only

See http://www.mun.ca/finance/policies_procedures/data_removal.php#C-10.1 for details.

PLEASE DETERMINE WHERE DATA WIPING WILL OCCUR.

Check here to be picked up by
Facilities Management
for delivery to
Computing and Communications
for data wiping.

Note: Equipment containing data, to be erased by C&C cannot be combined on the same Surplus Form as peripheral devices, such as monitors. Only the hardware containing data (typically the computer case) will be transported.

If the box above is checked, please contact the C&C Help Centre (737-4595 or help@mun.ca) to request data removal and quote the number on this form before submitting to Facilities Management. **Apply a red sticker** to the equipment for identification purposes. C&C will arrange Computer for Schools donations for systems wiped at C&C.

OR

If data has been wiped in your own faculty or department, by IT-classified staff, simply complete the Section(s) below and submit form to Facilities Management.

Data storage has been wiped:
(See C.10 Data Removal Policy) IT-classified Employee (Required) _____ Date (MM/DD/YY) _____

IT staff can determine whether equipment meets Computers for Schools (CFS) minimum specification and CFS should be contacted directly for pickup. If equipment does not meet CFS specification and is not signed for CFS pickup, then Facilities Management will arrange for pickup. CFS equipment should not be combined on Surplus Forms with non-CFS equipment.

Computer for Schools Donation:
(Call 834-2377 for pickup - see above) Computers for Schools Representative _____ Date (MM/DD/YY) _____

COMPUTING AND COMMUNICATIONS USE ONLY Form and Equipment Received By: (Retain blue copy after wiping and CFS donation completed):		
Print Name: _____	Signature: _____	Date: _____

FACILITIES MANAGEMENT USE ONLY		
Form Received _____	Received By: _____	Deliver Item To: _____
Date Item Removed _____	Receiver Signature and date _____	

White Copy: Facilities Management- Administration Pink Copies: Facilities Management - Auctioneer
Blue Copy: Computing and Communications (If sent to Computing and Communications for Data Removal.)
Yellow Copy: Facilities Management - General Services Green Copy: Requisitioning Dept.

APPENDIX C

Capital Asset Property Report (FWRPROP)

The parameters are as follows:

- | | | |
|----|--------------------------|---|
| 1 | Chart of Accounts | M |
| 2 | Begin Date | April 1, 1997
(you can enter any date here, however if you would like to see all assets belonging to your Unit you will need to use April 1, 1997 (the date MUN started tracking tangible capital assets in Banner). If you only want to see assets that have been updated within a certain time frame, use that particular date). |
| 3 | End Date | Any date can be entered as explained in 02 |
| 4 | User Status Code | (not used by MUN) |
| 5 | Primary Asset Tag | This is the tag number assigned to an asset. To view this report for one particular asset, the permanent tag number needs to be entered here. |
| 6 | Asset Type | CP – Computers
FE – Furniture/Equipment
VE – Vehicles
These are the only codes presently used by MUN. |
| 7 | Responsible Organization | This is the field used by FAS to run each unit's annual report. It provides a listing of all assets in a particular organization (it can also be run using the Hierarchy Org.) |
| 8 | Responsible Location | This field is used to request a printout of all assets in a particular room by entering the location code for that room. To see available location codes the (Values ↓) can be used as a search tool. |
| 9 | Threshold Amount | A minimum dollar value may be entered to report on assets greater than that particular value. |
| 10 | Create Extract File | Y would be entered here to have the data from this report extracted to a CSV file and ultimately to Excel, otherwise enter N. |

- 11 Exclude Disposed Assets To create the report without items that have been deleted, “D” would be entered here. To create the report to include items that have been deleted then the field would be left blank. It should be noted that if the latter option is chosen then the Total Original Costs and Total Net Costs will have the values of the deleted items (at the time they were deleted) included as well.