Using Capital Object Codes on Financial Documents

There are 3 major differences between the FIS and KFS in terms of using Capital Object codes on financial documents:

- a. You can modify more than one asset per document
- b. You can enter source and target lines separately
- c. When entering CRs or ADs for refunds/credits, you enter a negative on the accounting line and for the asset.

Lookup Asset

Before you issue a financial document with a capital object code you need to know how the accounting changes will affect the asset(s). You can do this by clicking on the Asset Payment lookup button in the Capital Asset Management tab in the KFS portal.
In this example, the department needs to move $36,185.73 on Purchase Order 469582 from a general fund account to a contact and grant account. In our case, we will enter the PO and click “search” to search for the asset(s).

Purchase order 469582 created three assets. If the general error correction is applied to only one of the assets such as asset 406648 (listed below), the funding will not be correctly allocated to all three assets. In addition asset 406648 would have a federal contribution that is greater than the cost of the asset.

Asset Payment Lookup Search Results for PO 469582

<table>
<thead>
<tr>
<th>Asset Number</th>
<th>Asset Type</th>
<th>Account Type</th>
<th>Asset Description</th>
<th>Organization Code</th>
<th>Account Number</th>
<th>Sub Account</th>
<th>Object Code</th>
<th>Sub-Object Code</th>
<th>Purchase Order</th>
<th>Fiscal Year</th>
<th>Posting Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>406648</td>
<td>A</td>
<td>100</td>
<td>TC2848 Barrel</td>
<td>CHEM</td>
<td>2224720</td>
<td>7200</td>
<td>100</td>
<td>100</td>
<td>469582</td>
<td>2003</td>
<td>09/17/2008</td>
<td>8,490.73</td>
</tr>
<tr>
<td>406649</td>
<td>A</td>
<td>100</td>
<td>APEX X-49 plus</td>
<td>CHEM</td>
<td>2224720</td>
<td>7200</td>
<td>100</td>
<td>100</td>
<td>455582</td>
<td>2003</td>
<td>09/17/2008</td>
<td>20,695.00</td>
</tr>
<tr>
<td>406650</td>
<td>A</td>
<td>100</td>
<td>PRE (附属物)</td>
<td>CHEM</td>
<td>2224720</td>
<td>7200</td>
<td>100</td>
<td>100</td>
<td>455582</td>
<td>2003</td>
<td>09/17/2008</td>
<td>7,000.00</td>
</tr>
</tbody>
</table>
Three Examples

1. Posting a refund or credit using a capital object code on a Cash Receipt or Advanced Deposit.
2. Moving an expense between accounts using a capital object code on a Distribution of Income/Expense.
3. Moving an amount from an expense to a capital object code on a General Error Correction.
Advance Deposit, Cash Receipt, Credit Card Receipt- Posting a refund or credit

Financial accounting lines are now entered as a negative amount, so asset amounts must also be entered as negative amounts.

- On PO 274758 a refund check was received for $6,447.00
- Assets: 400785, 2324789, 7030, 6,447.00

**Entering Accounting Lines**

Enter the following data in both the Advance Deposit tab and the Accounting lines section:
BL, 2324789, 7030, -6447.00
Processing the Accounting Lines for Capitalization

1. Select the accounting line to capitalize by clicking in the “Select Line” box.

2. Select Distribute cost equally.

3. Select Modify Asset

4. Enter Asset number 400785.

5. Click on the redistribution button.

6. The System Control Remainder Amount is now at 0.00 and all of the “Accounting lines for Capitalization” have been processed (grayed out). The document is ready to be submitted.
General Error Correction – Moving an Item from a Non-Capital Asset Object Code to a Capital Asset Object Code

On Purchase order 4545 there are three lines on the purchase order that were expensed and should have been capitalized. The purchase order was paid for using accounts 1024700 and 2124740.

- **PO 4545**
  1. Account 1024700, Object Code 5200 $14,843.50
  2. Account 2124740 Object Code 5200 $44,530.50
- **Assets:**
  1. Line 1, Qty 2, HP Copier A, 17,500.00 Extended Cost: 35,000.00
  2. Line 2, Qty 1, HP Copier E, 16,374.00 Extended Cost: 16,374.00
  3. Line 3, Qty 1, Fax, 8,000.00 Extended Cost: 8,000.00 Total Cost: 59,374

**Entering Accounting Lines**
Move purchase to object code in Accounting Lines Section of GEC Document.

**Processing the Accounting Lines for Capitalization**

1. Select the accounting line to capitalize by clicking in the “Select Line” box. Select both for this example.

![Select Line Box](image)

2. Change the Distribution Method to “Distribute cost by amount”.

![Select Amount Distribution Method](image)

3. Click the “create asset” button.
4. In the Create Capital Assets Tab, enter the number of assets to be created. The asset quantity is required. Enter: 2.

5. Asset Type. The asset type assigns the useful life for depreciation, and is required. For this reason it is important it is assigned correctly. Use the magnifying glass to navigate to the search screen. Use the description field to perform the search. Searching helpful hints:
   a. Remember you can use wild cards *Copier*
   b. First try looking for the type of equipment: Copier
      If you don’t get any search results then try a more generic description: Scientific Equipment, Medical Equipment, and Office Equipment.

   Enter: 07001

6. Vendor Name. You must search and return a value.

7. Manufacturer. The Manufacturer is the maker of the equipment and is required.
   Enter: HP

8. Amt. When you select the Distribute cost by amount you must enter the amount. When using the distribution method “Distribution cost by amount” and the “Asset Quantity” greater than 1 the “Amt” you enter should be the extended cost. When the asset(s) is created the Add Asset Global document will divide the cost by the quantity.
   Enter: 35000

9. Asset Description. The asset description should describe the equipment in such a way it is easy to identify for physical inventory inspection.
   Enter: HP Copier A
Complete Asset Tag Information

<table>
<thead>
<tr>
<th>Tag Number</th>
<th>Serial Number</th>
<th>* Campus Code</th>
<th>* Building Code</th>
<th>Room Number</th>
<th>Sub Room</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>^</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

10. Click on the Add tag/location button to enter the required location information.
11. Tag number. The tag number is not required.
12. Serial Number. The serial number is not required.
13. Campus Code. The campus code is required.
   Enter: Bloomington
14. Building Code. The building code is required, click on the magnify glass to navigate to the building lookup.
   Enter: BL0008
15. Room number. The room number is required, click on the magnify glass to navigate to the room lookup.
   Enter room: 439
16. Click on Create Asset button to insert a new asset information collection record.
17. Do steps 6-18, to create asset HP Copier E, be sure to change the amount #10 to 16374.00
18. Do steps 6-17, to create asset, Fax, $8,000.00, be sure to change the amount #10 to 8000.00
19. Click the “redistribution total amount” button. Document is now ready to submit.
Distribution of Income / Expense - Moving Expenses Between Account, Sub Account, or Object Code

On PO 454587, equipment was purchased on account 1024700. The cost needs to be re-distributed to accounts 2124712, and 2224710.

- **Assets:**
  1. Asset: 390948 Account: 1024700 Object Code: 7000 Amount: 17,500.00
  2. Asset: 390949 Account: 1024700 Object Code: 7000 Amount: 17,500.00
  3. Asset: 390991 Account: 1024700 Object Code: 7000 Amount: 16,374.00

**Entering Accounting Lines**
Move purchase to correct account numbers in Accounting Lines Section of DI Document.

**Processing the Accounting Lines for Capitalization**

1. **Select** the accounting line to capitalize by clicking in the “Select Line” box. Select all three for this example.

2. **Change** the Distribution Method to distribute cost by amount.

3. **Select** “modify asset”. System should insert one asset information collection screen, with all three accounting lines:

   ![Modify Asset Screen]

**Enter Capital Asset Information**
4. In the Modify Capital Assets tab, enter the asset information.
   Enter Asset number 390948.
   Enter the Amt 35000

5. Select “Modify Asset”. In the Modify Capital Assets tab, enter the asset information.
   Enter Asset number 390949.
   Enter the Amt 35000.

6. Select “Modify Asset”. In the Modify Capital Assets tab, enter the asset information.
   Enter Asset number 390991.
   Enter the Amt 32748.

7. Click on the “Redistribute Total Amount” button. The System Control Remainder Amount is now at 0.00 and all of the “Accounting lines for Capitalization” have been processed (grayed out). The document is now ready to be submitted.

Please Note:

We selected all three accounting lines, so we are taking the amount $17,500 from acct. 1024700 and moving it to accounts 2124712, and 2224710. Because the Capital Accounting Line tab presents the amounts in whole dollars (not debits & credits) the amount should be entered as 35000 ( 17,500 *2 = 35,000). When the payments are posted to the asset they will be correctly applied as debits and credits. The amounts are displayed as whole amounts so the system can compute the account amounts.

Alternatively we could have selected the “Source” accounting line and modified the asset with an amount of 17500. Then select both “Target” accounting lines, and modified the same asset number with an amount of 17500.