

## **EPIC Electronic Procurement and Invoicing Center Training Guide for moveable equipment purchases and the CAMS Tran Type**

### **Introduction**

When capital equipment is purchased the Capital Asset Management System requires information regarding the capital asset category or the type of addition (new/payment.) This is accomplished by selecting a “**CAMS Tran Type.**” In addition information is required on how line items should be added together to create system assets. The “**EPIC CAMS Document**” is used to capture system and location information.

### **Capitalization Guidelines for Moveable Equipment**

Capital assets must have a unit cost of \$5000.00 or more, and an expected life of one year or more to be capitalized.

### **Acquisition cost of moveable Equipment:**

1. Examples of service cost that can be capitalized with the equipment purchases may include:
  - a. Cost of assembling the asset
  - b. Cost of installation
  - c. Freight
  - d. In-transit Insurance
  - e. Preparing the site and asset for its intended use
  - f. Training
2. Assets are recorded net of cash, and other earned discounts. In addition a trade-in allowance will result in the reduction of the acquisition value.

(See CSOP 8.0 Capitalization of Moveable Equipment)

(See CSOP 11.0 Trade-in of Similar Capital Equipment)

### **The following are not considered capital equipment regardless of cost or useful life:**

- a. Repair or replacement parts. See S&E object codes (for example 4700- Repair & Maintenance or 4776 –Service Maintenance Contracts.)
- b. An item or substance that has no shape or identity, or loses that shape or identify upon detachment or removal from its original location. See S&E object codes (for example 5200- Expendable Equipment.)
- c. Maintenance and Warranty agreements (see S&E object codes (for example 4776 - Service Maintenance Contracts.)
- d. Software license agreements are not capitalized unless ownership is indicated within the license agreement. Software license agreements not indicating ownership should be expensed to object code 4616 – Computer Software Purchases.

(See CSOP 29.0 Software and Software License Agreements)

## **CAMS Tran Type**

With the development of EPIC fields have been added to help departments communicate with Capital Asset Management. One such field is the “**CAMS Tran Type**.” The CAMS Tran Type has values for the following:

- I. New
- II. Modify Existing
- III. Fabrication
- IV. Capital Lease
- V. Services that can be capitalized

These values are used to communicate information to Capital Asset Management and to create edits within EPIC.

The CAMS Tran Type should only be set when purchasing **moveable capital** equipment.

The “CAMS Tran Type” is optional on the requisition; it is required at the Purchase Order approval. Requisitions will not become an APO if the “CAMS Tran Type” is not assigned. The requisition will be routed the Purchasing Department for input of required information and approval.

### **I. CAMS Tran Type (New)**

Select the CAMS Tran Type of “**New**” when you are purchasing a new capital asset. The transaction type of “**New**” will indicate to Capital Asset Management that the invoices for the purchase order should create a new asset in the university asset database. The “**New**” CAMS Tran Type should also be used on line items that will be added together to create a system asset. The “**Modify Existing**” transaction type is only used when the line item should be applied as a payment to a **pre-existing** capital asset.

A “**New**” transaction type will also require the completion of the “**EPIC CAMS Document**.” This document will route to the requisition initiator when the purchase order is approved. The “**EPIC CAMS Document**” is used to communicate with the University Capital Asset Office how the line items should be created as asset(s). This document will allow you to select the most appropriate asset type. The asset type code is used to assign the useful life to the asset for depreciation. (See the EPIC Electronic Procurement and Invoicing Center Training Guide for the EPIC CAMS Document.)

Note: The “CAMS Tran Type” of “**Capital Lease**” is only presented as an option when a “**Type of Recurring Payment**” is selected. This selection is made on the “**Payment Info**” tab.

On the “Items” tab click “show”  
 The “CAMS Tran Type” can be accessed from the “Items” Tab.  
 Select the line item “edit” button.

**Create a Requisition**

Required fields are denoted by an asterisk. Use the link to the right of the red arrow in a section header to open or close the section. When you are finished, click one of the buttons at the bottom of this window to take the corresponding action on the document.

Doc Info [▶ show](#)

Vendor [▶ show](#)

Items [▼ hide](#)

expand all collapse all

Add/Edit Items [expand all detail](#) [setup account distribution](#) [remove accounts from all items](#) [import lines](#)

#	Qty ?	UOM ?	Cat # ?	Description ?	Unit Cost ?	Ext Cost ?	Restricted ?
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

[edit](#) [delete](#)

[add items](#)

Misc

<a href="#">edit</a>	Freight	<input type="text"/>	<input type="text"/>	<input type="text"/>
<a href="#">edit</a>	Shipping & Handling	<input type="text"/>	<input type="text"/>	<input type="text"/>

Totals

Total: 0.00  
 APO Spending Limit: 1,000.00

From the expanded screen look for the section “Line Item 1 – Detail”. The CAMS Tran Type can be selected from the pull down menu.

**Create a Requisition**

Required fields are denoted by an asterisk. Use the link to the right of the red arrow in a section header to open or close the section. When you are finished, click on the buttons at the bottom of this window to take the corresponding action on the document.

Doc Info [▶ show](#)

Vendor [▶ show](#)

Items [▼ hide](#)

expand all collapse all

Line Item 1 - Detail [view next item](#) [return to all line items ▶](#)

Qty ?	UOM ?	Cat # ?	Unit Cost ?	Ext Cost ?	Restricted ?
1.00	Each	<input type="text"/>	3105.00	3,105.00	<input type="checkbox"/>

[delete](#)

Line Item 1 - Description

SMZ - 1500 Zoom Stereo Body

Line Item 1 - Accounts

Chart ?	Acct ?	Sub-Acct ?	Obj Code ?	Sub-Obj ?	Project Code ?	Org Ref Id ?	% ?
1.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	%

[delete account](#)

[add additional accounts](#)

Line Item 1 - CAMS

CAMS Tran Type:

Note: Asset numbers are not allowed for CAMS Tran Types of New or Lease.

Asset Number 1:  [delete](#) [?](#)

[add asset number](#)

Comments:  [?](#)

The following capital object codes can be used with CAMS Tran Type of **New**:

Table A

Object	Description
7000	Capital Equipment
7015	Computer Equipment
7016	Computer Software
7030	Capital Equipment - Federally Funded
7031	Capital Equipment - Federally Owned
7032	Capital Equipment - Non-IU or Fed Owned
7035	Computer Equipment - Federally Funded
7036	Computer Equipment - Federally Owned
7045	Computer Software - Federally Funded
7046	Computer Software - Federally Owned
7600	Art & Museum Objects

## II. Modify Existing

The transaction type of **“Modify Existing”** is used to communicate to the University Capital Asset Office that the line item purchased is a component of an existing asset.

Business Rules for Modify Existing:

1. When components are added to an existing asset, the asset becomes a system. A system is defined as items that work together to perform one function.
2. To capitalize a component the unit cost must be \$1,000 or more.
3. A component can only be added to an existing asset that was purchased in the current fiscal year.
  - a. Any component costing 5,000 or more that is part of a system purchased in a prior fiscal year will need to be created as an asset. Use CAMS Tran Type of “New”.
  - b. Any component under \$5,000 purchased for an asset in a prior year should be expensed to S&E.
4. When a component of a system is \$5000 or more and the life of the component differs from that of the existing asset the component should be created as its own asset. Use CAMS Transaction Type of “New”.
5. The existing asset should be reviewed to ensure the asset category (i.e., moveable, fabrication) matches that of the purchased component to be applied.

When selecting “Modify Existing” use the **“asset number 1”** field to enter asset number the line item should be added to. If the quantity is greater than one use the **“add asset number”** button to insert a new asset number line.

Line Item 1 - CAMS

CAMS Tran Type: **Modify Existing**

Note: Asset numbers are not allowed for CAMS Tran Types of New or Lease.

Asset Number 1:  **delete** **?**

**add asset number**

Comments:

If you do not know what the correct asset number is it can be found using the Financial Information System (FIS) Capital Asset Maintenance Screen. You will need to know the purchase order for the existing asset, or the IU tag number.

### **Finding a Capital Asset Number in the FIS**

After you have logged into the FIS, click on “**Enter TP Documents**” at the “**Welcome to the FIS**” screen.

After clicking on the “**Enter TP Documents**” button, you will be taken to the “**Document Group Selection**” screen.

Clicking on the “**CAMS (wrench & hammer)**” button at the bottom left of the screen will take you to the “**Capital Asset Maintenance Group.**”

Once the CAMS screens have been returned to the “**Type**” zone, double click on “**Capital Asset Maintenance**” or place the cursor on “**Capital Asset Maintenance**” and click on the “**Open**” button.

On the main look-up screen searches can be made by *Asset Number, IU Tag Number, Owner Chart/Account, Asset Type, Manufacturer, Condition, and Status.*

On the main look-up screen other searches are offered on the right of the screen. The Purchase Order search is one of these options. Many departments use the Purchase Order as the key to their office filing systems. To compliment this, a lookup screen which uses the PO and related documents as search keys has been developed. The PO Number is the default line. The Requisition Number and the Doc Number are other listed search criteria. The Doc Number is the TOPS AP number, EPIC PREQ number, or the Financial Document number. The “**Search**” button will initiate the search.

**Capital Asset Look-up Notes:**

1. An asset number may appear more than once when retrieving assets from the **PO Number Look-up** screen. This is because the asset number displays once for each payment record on that asset.
2. The university capital asset office creates control assets. These assets are used to post payments that are re-classified as supplies. These assets can be identified by the organization code of **UA-BALS** and asset type of **“1000.”** If you retrieve an asset with these specifications in your **Search Results** zone, please disregard the asset number.
3. In the TOPS System purchase order numbers were recycled every 10 years. Assets remain on inventory records until the equipment physically leaves the university; thus assets may be presented to you that were purchased 10 years ago. Use the description, owner accounts, and requisition number to identify your asset.

The same object codes used on the **“New”** CAMS Tran Type can also be used when **“Modify Existing”** is used, reference table A.

**III. Fabrication**

The transaction type of **“Fabrication”** identifies payments as construction in progress. A fabrication is an asset created (built) by a university organization. A Fabrication Request document generates the asset number that is required when the Fabrication (CAMS Tran Type) is selected. Therefore the organization must submit a Fabrication Request document prior to any purchases.

The screenshot shows a software interface for managing line items. The 'Line Item 1 - Detail' section includes fields for Qty (1.00), UOM (Each), Unit Cost (947.00), and Ext Cost (947.00). The 'Line Item 1 - Description' is 'MCP 25/12/12 D EDR 60:1 MS'. The 'Line Item 1 - Accounts' section shows a table with columns for Chart, Acct, Sub-Acct, Obj Code, Sub-Obj, Project Code, Org Ref Id, and %. The 'Obj Code' field is circled and contains '7500'. Below this, the 'Line Item 1 - CAMS' section shows 'CAMS Tran Type' set to 'Fabrication' and 'Asset Number 1' set to '390454'. A note states: 'Note: Asset numbers are not allowed for CAMS Tran Types of New or Lease.' There are also buttons for 'delete account', 'add additional accounts', and 'add asset number'.

A fabrication object code requires the CAMS Tran Type of “**Fabrication**” and an asset number.

For more information on fabrications reference additional CSOP 12.0 Fabricated Equipment:  
[http://www.fms.indiana.edu/cams/policies/fabricated\\_equipment.asp](http://www.fms.indiana.edu/cams/policies/fabricated_equipment.asp).

The following object codes can be used with CAMS Tran Type of **Fabrication**:

Table B

Object	Description
7500	Capital Equipment-University Constructed
7530	Capital Equipment-Univ. Const. Federally Funded
7531	Capital Equipment-Univ. Const-Federally Owned
7535	Capital Equipment Univ. Const. Computer Equip. Fed Fund

#### IV. Capital Lease

A “Lease” purchase is the act of acquiring assets by making periodic payments, which generally consist of principle and interest. Interest is an operation expense, where as the principle payments reduce the balance of the long term liability. As the liability is reduced, the equity in the asset increases. Selecting the transaction type of Capital Lease will indicate to Capital Asset Management that the PO is for a capital lease agreement.

In addition interest must be entered as a separate line item.

If the Lease has a bargain purchase option it must be entered as a separate line item on the requisition. For a capital lease the bargain purchase option should be assigned the same object code as the principle.

To assist accounts payable we recommend the requisition lists the line items in the following order:

- a. Line Item 1 principle
- b. Line Item 2 interest amount
- c. Line Item 3 bargain purchase option

When creating a **Capital Lease** requisition it is recommended that you select the “**Type of Recurring Payment**” before entering the accounting lines. This will insure the appropriate CAMS Tran Type is presented for selection.

**WARNING: Item 1 must have a valid CAMS Tran Type with current Object Code (7099)**

Doc Info	▶ show
Vendor	▶ show
Items	▶ show
Payment Info	▼ hide

**Payment Info**

Type of Recurring Payment:  ?

Begin/End Date: from  to  ?

**Billing Address**

Address: Indiana University ?  
Accounts Payable  
P.O. Box 4095  
Bloomington, IN 47402  
US

Delivery	▶ show
Additional	▶ show
Internal Notes	▶ show

Once the “**Type of Recurring Payment**” has been selected you can hide the “**Payment Info**” tab and “**show**” the Items tab.

From the “Items” tab click on the line item “edit” button.

#	Qty	UOM	Cat #	Description	Unit Cost	Ext Cost	Restricted	
1.				36 Mo LEASE TOSHIBA ESTUDIO 28 Digital Copier; SN CSC328037	1830.19	1,830.19	<input type="checkbox"/>	delete
2.				INTREST PORTION	123.58	123.58	<input type="checkbox"/>	delete
3.				BUY OUT AT LEASE END	1.00	1.00	<input type="checkbox"/>	delete

From the Line Item 1 Detail screen the CAMS Tran Type of “Capital Lease” is now available.

Qty	UOM	Cat #	Unit Cost	Ext Cost	Restricted	
			1830.19	1,830.19	<input type="checkbox"/>	delete

Line Item 1 - Description  
36 Mo LEASE TOSHIBA ESTUDIO 28 Digital Copier; SN CSC328037

Chart	Acct	Sub-Acct	Obj Code	Sub-Obj	Project Code	Org Ref Id	%	
1.							%	delete account

Line Item 1 - CAMS  
CAMS Tran Type: Capital Lease

Object codes used when creating a capital lease:

Table C

Object	Description
7099	Capital Lease
4400	Interest

## VI. Services that can be capitalized

1. Purchasing, Accounts Payable, and Capital Asset Management have worked together to develop EPIC to allow for the capitalization of services with out entering a quantity. Normally services are paid in increments and do not require a quantity. However the Capital Asset Management (asset creation module) does require a quantity. For this reason new transaction types were added that identify services that can be capitalized. When these services are on your requisition selecting the appropriate “CAMS Tran Type” will allow the service to be coded as capital and **not** require a quantity. This will allow for incremental invoicing on the service line item.

The term “equipment” in accounting includes delivery equipment, office equipment, machinery, furnishings, factory equipment, and similar fixed assets.<sup>1</sup> The cost of such assets includes the purchase price and the following services:

- g. Cost of assembling the asset
- h. Cost of installation
- i. In-transit Insurance
- j. Preparing the site and asset for its intended use
- k. Training
- l. Other Service

When **equipment** is paid for in increments accounts payable will enter the quantity as a **percentage** that reflects the invoiced amount.

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<sup>1</sup> Intermediate Accounting Ninth Edition Kieso & Weygandt page 502