



INDIANA UNIVERSITY

OFFICE OF FINANCIAL MANAGEMENT SERVICES

Financial Information System

Capital Asset Document Group

Asset Retirement

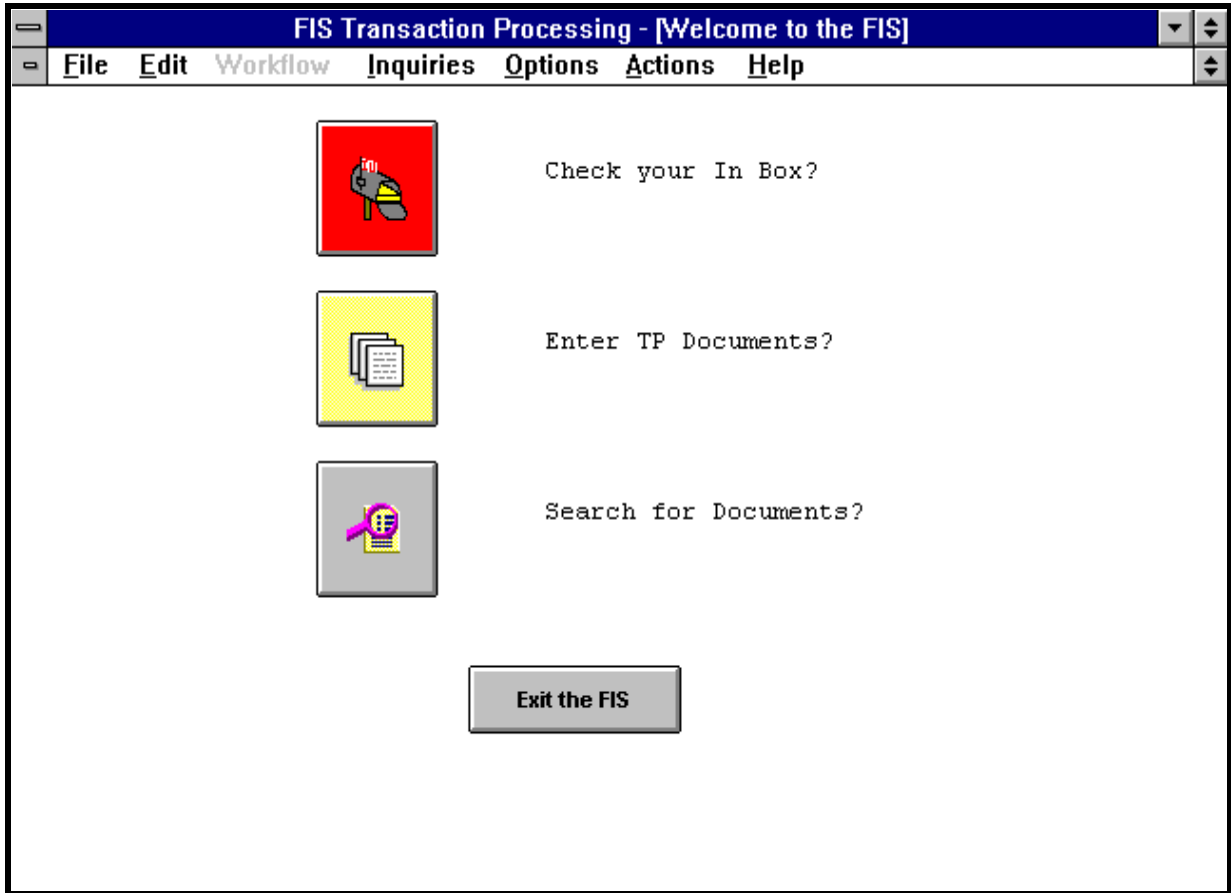
September 2, 2011

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Selecting CAMS Documents

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



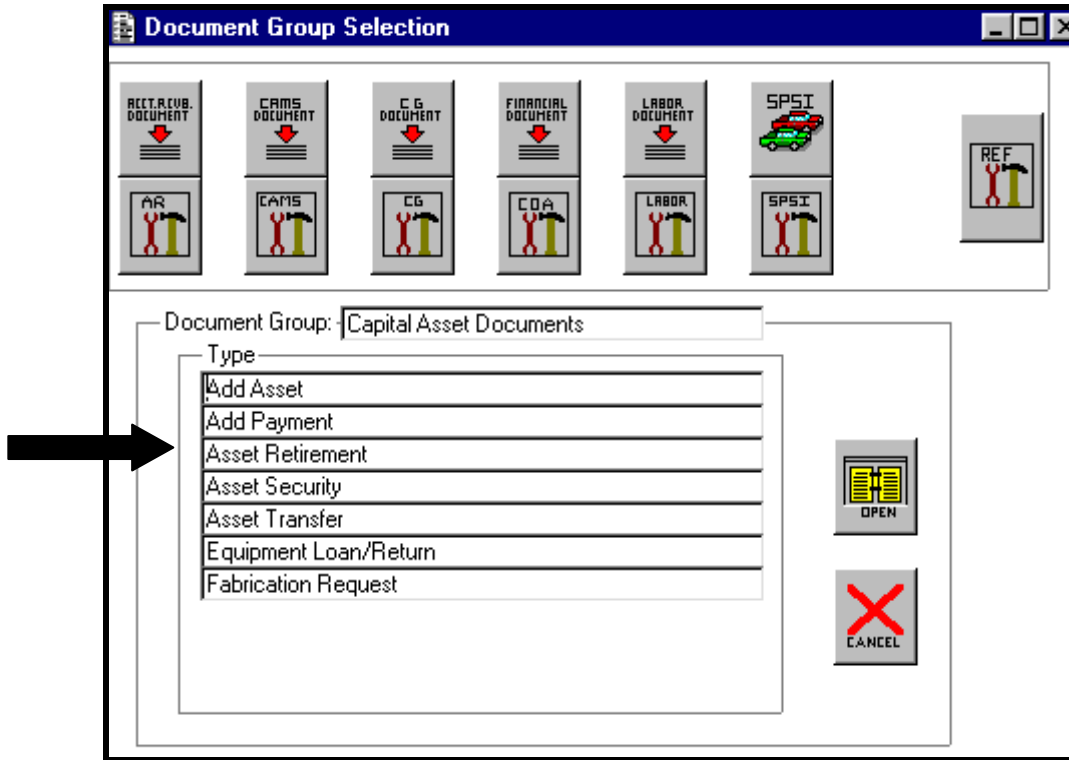
NOTE: You can navigate within the TP environment by:

- double-clicking on the button or field, or
- pressing “F3” when the cursor is pointed at a button or field.

The CAMS Document Group

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

Clicking on the **CAMS Document** button (second from top left of the screen) will take you to the **Capital Asset Documents Group**.



Once the CAMS documents are listed in the **Type** section, double click on the *asset retirement document* or place the cursor on the **Asset Retirement** and click on the **Open** button.

The Asset Retirement Screen

What is it?

The **Asset Retirement** document is used for the disposal of capital equipment from an organization's inventory. Changes to the asset will be reflected overnight in the **Indiana University Information Environment (IUIE)** for reporting purposes.

Why is it used?

The **Asset Retirement** document is used to record the financial transactions associated with disposals of capital assets from the asset database. The *asset retirement document* is also used to change the status of the asset.

Non-capital assets can not be retired on the retirement document. To retire non-capital assets use the Capital Asset Maintenance to change the inventory status.

Who uses it?

East, Northwest, South Bend, Southeast

For the campuses listed above the Campus Capital Asset Office representative will issue the Asset Retirement Document. The organization can send an e-mail to the Campus Capital Asset Office representative that a retirement of an asset has occurred. The note should include the asset or tag number, and the reason the asset is being retired. See contact information listed below.

Kokomo requires the organization to complete a "Capital Equipment Transaction form." This form can be acquired by contacting the Kokomo campus contact see the contact information table listed below.

Bloomington, Indianapolis

For the Bloomington and Indianapolis campus the Asset Retirement Documents are issued by the Organization.

Contact Information:

Campus	Organization	Name	E-mail	Phone Number
East	Physical Facilities	Jerry Wilson	jemcfadd@indiana.edu	812-973-8423
Kokomo	Purchasing	Dave Hawkins	dhawkins@iuk.edu	765-455-9273
Northwest	General Services	Kevin Richwalski	kriehwa@iun.edu	219-980-6713
South Bend	Purchasing	Susie Bendy	sbendy@iusb.edu	574-520-4314
Southeast	Accounting Services	Melissa Hill	mhill02@indiana.edu	812-941-2359

How does it route?

Documents are automatically routed to the appropriate fiscal officer or delegate. The fiscal officer to whom this document is routed is defined by the account retrieved into the *Asset Information* zone of the document.

Special Conditions Routing

1. If the retirement reason is “*Sold*” or “*Gift*,” special conditions routing occurs and the document routes to the campus purchasing department.
2. If the retirement reason is “*External Transfer*,” special conditions routing occurs and the document routes to the account supervisor.
3. All retirement documents are routed to the University Capital Asset Office for approval.

What approvals are required?

1. Approval is required from the campus’ Purchasing department for assets with a retirement reason of “*Gift*” or “*Sold*.” This approval must be acquired **prior** to disposition of the asset. When selling equipment, please keep in mind that the selling price should be determined by the campus’ Purchasing department. If equipment is fully depreciated then the price will be current market value as determined by the purchasing department.
2. Indiana University allows faculty members to transfer capital assets to another university or non-profit organization with the proper approvals. Research equipment that cost \$5,000.00 or more and is purchased from external funds is often considered special purpose due to the uniqueness of the project director’s research. Therefore, the University will allow faculty members leaving the University to take equipment purchased from research funds awarded to them so long as they are transferring to another educational institution or nonprofit organization and so long as they receive approval of their department chair, dean. The faculty member must acquire approval from the granting agency before the equipment can leave Indiana Universtiy. External Tranfer Retirements are approved by the fiscal officer, and the account supervisor.

Transfer of equipment purchased with University funds can be accomplished only with the reimbursement to the University. All assets that were purchased with University funds need to be priced by the campus’ Purchasing department for the greater of the net book value or the fair market value.

3. For surplus equipment Purchasing should be contacted to determine if the surplus can be sold through their facility.

What additional information is required?

When using certain retirement reasons, additional information is required.

1. The campus IUPD case number is **required** when using the retirement reason of “*Theft*.”
2. The name of the person or the institution that received the gift is **required** when using the retirement reason of “*Gift*” or “*External Transfer*.”
3. The buying institution or individual’s name is **required**, as well as the selling price when using the retirement reason of “*Sold*.”
4. When using the “*Trade-in*” retirement reason, please enter the Purchase Order number the retired equipment was traded in on, in the *Notes* field on the **retirement** document.

Notes:

1. The sale or gift of equipment to another Indiana University department is considered a **transfer** and should be processed on the *asset transfer document*.
2. Before you dispose of equipment, consider an asset transfer. Throughout the IU system, there is a considerable amount of equipment, furniture, and other items that are under-utilized or simply not used at all. An effort should be made to share this surplus and to move unused items to where there is a need within the university. A mailing list has been established to allow the circulation of information relating to available surplus equipment within the university community. All organizations are welcome to list items that they wish to sell, trade, or donate to other organizations. They may also solicit items that they need. The organization selling items is responsible for establishing pricing and negotiation with other organizations. Any organizations transferring equipment identified with an IU Inventory Tag or listed on their organizational inventory are responsible for processing an *asset transfer document* to update the asset files. A governing principle for this surplus mail list is that university property may only be given to or sold to IU organizations. Individuals may not use this service for disposing of personal property or soliciting property for their personal use. Only IU personnel may use this mail list. To post surplus messages use the purchasing web form at <http://www.indiana.edu/~blpur/forms/redistribution.shtml>.
3. An asset retirement should only be processed when your organization no longer physically has the equipment or the equipment has been cannibalized. Fully depreciated assets remain on an organization inventory until the equipment is physically disposed of.
4. On occasion a vendor may offer to remove a piece of equipment at no cost. These assets should be retired with the retirement reason of 4 – Discarded. Please be sure to enter a note on the asset retirement stating that no trade-in allowance was received and that the vendor was removing the equipment for your department.

5. Trade-ins

- a. Once the department and purchasing have determined that existing assets will be traded in on a purchase order and the purchase order has been issued it is important the asset(s) given in trade are retired. The retirement should be processed when the equipment is turned over to the vendor. The timeliness of the retirement is important because this will affect the net book value of the asset.
- b. Generally Accepted Accounting Principles (GAAP) requires an adjustment to the cost basis of the asset being purchased as a result of an item being traded in. When capital assets are given in trade the asset is retired; any net book value remaining on the asset will be added back to the new asset being purchased as the adjustment to cost basis.
- c. The Plant Fund Accountant will process a journal voucher to increase the cost of the asset by the NBV.
- d. If the department wants the adjustment to the cost basis to be made using the Fair Market Value they need to communicate this using the notes. The department needs to provide the Fair Market Value and the three sources that were used to determine the Fair Market Value.
- e. Before issuing the retirement the department should view the asset given in trade to see if the asset is owned by the same account number as the new assets being purchased. If the account number of the asset given in trade is different the asset should be transferred to the account number of the new equipment purchase.
- f. When using the “*Trade-in*” retirement reason, please enter the Purchase Order number the retired equipment was traded in on, in the *Notes* field on the **Retirement** document.

6. What about junk?

When assets are not considered viable for sale by **Purchasing**, and there are no environmental concerns, they should be disposed of in the normal Building Services process. The correct document for this type of transaction is an Asset Retirement with a retirement reason of Discarded.

If the asset(s) is too large, too numerous, or hazardous, the organization should contact the organization listed below to dispose of the asset.

- Bloomington, Physical Plant, 812- 855-8728
- Indianapolis, Surplus, 317-278-1707
- East, Physical Plant, 765-973-8254
- Kokomo, Physical Plant, 765-455-9393
- Northwest, Environmental Health and Safety, 980-6778
- South Bend, Support Services, 574-520-4250
- Southeast, Physical Plant, 812-941-2330

Document Buttons

Several buttons appear to the right of the *asset retirement document*. Each button performs a specific function that can also be accomplished through the use of the menu bar. However, these buttons provide a short-cut for the user.



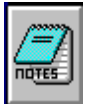
The “**OK**” button saves the document and begins the routing process.



The “**Cancel**” button closes the document without taking any action. If any fields have been changed, the user will be asked if they wish to save the changes.



The “**Route**” button displays the routing/approval log. This log records all the people who have seen/approved/reviewed the document, and all of those who are still to see/review/approve the document. The log will be blank until a document has been routed for initial approval.



The “**Notes**” button indicates whether any notes are attached to the document. If a note has been attached, this button will be **red**. If there are no notes, it will appear **gray**. If the button is selected, it will display either the notes index (if there are notes), or will display the “**Notes Create**” window so a note can be added to the document.



The “**Search**” button allows you to perform searches on the document using a variety of criteria.



The “**More**” button is used to display further screens which are connected to retirement reasons.



The “**Payment**” button displays payment records for the asset.

NOTE: If you exit by clicking on the “X” in the right hand corner of the document if no data entry has been done, you will be taken back to the document selection screen. If data has been entered on the screen you will be asked if you want to save the document into your Inbox.

In the FIS system, the *asset retirement document* looks like this:

System Information		Asset Information	
Document #:	01-VC0895996	Asset Nbr:	-
Status:	?	Owner COA:	Acct:
Initiator:	SPOLLARD	Owner:	-
Created:	09/11/1995	Campus:	Bldg:
Org Ref #:		Asset Rep:	

Retirement Reason:

Description:	Capitalization Date:
Asset Status:	Estimated Life:
Asset Type:	
IU Tag Nbr:	Old Tag Nbr:
Org Tag Nbr:	
Serial Nbr:	
Org Text:	

Depreciation		Book Value:	
Method:		Accum Amt:	
YTD Amt:		Prev Yr Amt:	
Cur Mnth Amt:			

Press OK to Save and Route document

Message Information Bar

The information section gives the user messages while he/she is entering data on the screen. Be sure to watch for messages that appear during data entry and processing. If a problem or error occurs, a message will be displayed for you at the bottom of the document (see arrow above).

Capital Asset Lookup Screen

When you open the *asset retirement document*, the **Capital Asset Lookup** screen will appear first.

The search method used to locate information on an asset is based on the information the user has on hand (e.g., IU tag, PO number).

NOTE: The FIS wild card function is performed by pressing the **F2** key, then selecting the number **8** key on the keyboard. (The number **8** on the numerical keypad will not work.)

Wild Cards and Searches

Some fields on the capital asset lookup screens allow the use of wild cards or operators within a field. Operators are used to tell the system how to handle the values provided for the query and offer the user more control over the search criteria.

<i>Asset Number</i>		<i>Asset Type</i>	
<	Less Than	<	Less Than
<=	Less Than or Equal To	<=	Less Than or Equal To
>	Greater Than	>	Greater Than
>=	Greater Than or Equal To	>=	Greater Than or Equal To
		21*	Look for all occurrences that beginning with "21"

Manufacturer, Serial Number, Model Number, Campus, Building, and Room

SE21* Look for all occurrences of the current field beginning with "SE21"

From the search results, double click on the asset number and the user will be returned to the *asset retirement document*.

Pertinent information about the asset is retrieved by the system and returned to the *asset retirement document* once the **asset number** is selected from the lookup screen.

Retiring an Asset

Entering Document Information

When entering information, it is important to note that:

- some information is **system generated** when a user initiates the document
- some information is **required** when an asset is retired
- some functions are performed by various **buttons** which appear on the document

Document Header Zone

System-Information	Asset-Information
Document #: 01-IP1980599	Asset Nbr: 0-90356
Status: ?	Owner COA: B
Initiator: TCAIN	Acct: 1020035
Created: 10/23/1998	Owner: 01-INU
Org Ref #:	Org: RTVS
	Campus: BL
	Bldg: 091
	Asset Rep:

System Information Section

In the top left area of the document is a section labeled “Asset Retirement,” in which some information is system generated as follows:

1. A system-assigned **Document Number**
2. A question mark in the **Status** field (since the document is in the process of being created)
3. The user ID of the document **Initiator**
4. The **Created** date (today's date)
5. The **Org Doc #** field is an **optional** field that allows entry of up to ten alphanumeric characters. It is generally used if the organization wishes to apply its own identifier to the transaction. (If the organization does not use an internal referencing system, tab past this field.)

Asset Information Zone

The **Asset Information** will be retrieved when the asset is returned to the document from the lookup screen. Once an asset number is displayed on the screen, more information about the asset can be accessed by double clicking on the asset number.

The retirement reason is the only value that can be entered on the *asset retirement document*. All other fields are **view only**.

6. The **Asset Nbr** (asset number) is the system-assigned identifier. Once an asset number has been entered or returned from the look-up screen more information can be accessed by double clicking on the asset number. This will bring up the Capital Asset Maintenance screen in view only mode. To return the Asset Retirement screen click on the cancel button.

- Tab into the tag number field.
 - Enter tag #1 under asset retirement section from your Class User ID sheet.
 - Click the search button.
 - In the search results **double click** on the asset number. This will return to you the retirement document.
7. The **Acct** (account number) identifies the account responsible for the asset. Double clicking on the account number will present the account inquiry screen.
 8. The **Owner** “INU” designates that the equipment is owned by or in the custody of Indiana University.
 9. The **Org** (organization) code is set by the owner account number, and identifies the organization responsible for the asset. Double clicking on the Org code will present the organization inquiry screen.
 10. The **Campus** code identifies the physical campus on which the asset is located. Double clicking on the campus code will present the campus inquiry screen.
 11. The **Bldg** (building code) designates the building in which the equipment is physically located.
 12. The **Asset Rep** field stores the universal user ID. This field can be used to trace equipment to an individual employee, which can be useful in sorting data output (e.g., an asset listing) by a person’s name. The field stores the universal user ID; however, the name of the person appears on pre-defined query output.

Retirement Reason Zone

- Tab into the **retirement reason** field. This field is required to complete the retirement document.

Retirement Reason:

If you are unsure of the most appropriate retirement reason, you can go to the lookup table by double clicking in the retirement reason field. More reasons can be accessed by scrolling down using the scroll bar.

Retirement Reason	Description
0	Credit
1	Sold
2	Trade-in
3	Lost
4	Discarded
5	Cannibalized
6	Gift
7	Theft
8	Destroyed

- To navigate back to the *asset retirement document*, double click on the appropriate retirement reason, or select the reason and click on the **OK** button.

The following are retirement reasons and the procedures for each type of retirement:

A. Auction

The Auction retirement reason is used when the Surplus or Purchasing organization arranges the sale of the equipment, **or when an asset was sent to surplus and an Asset Transfer Document was not issued within thirty days.** A note must be added to the retirement document that denotes that an asset transfer document was **not** issued. The note should include an approximate date the asset was sent to surplus. If it is not clear if the asset was sent to surplus, it should be retired as lost.

Bloomington, East, IUPUI, Kokomo, and Southeast

The Organization will contact IU Surplus Stores at IUB or IUPUI to determine if surplus assets can be sold through their facility. When assets are sent to Surplus Stores at IU Bloomington or IUPUI, the sending organization, or Campus Capital Asset Representative must transfer the **capital** assets to the surplus department using the FIS *asset transfer document*.

(See CSOP 3.0 Asset Transfer)

Northwest, South Bend

For the Northwest and South Bend Campuses contact the campus purchasing department for disposition of surplus equipment. When assets are sold by purchasing the asset should be retired using the retirement reason of auction.

B. Cannibalized

Use retirement reason code 5 for Cannibalized when an asset is dismantled and used for parts.

Before you retire an asset as cannibalized it should first be determined if the part will be used as a replacement part, or an upgrade. This is only for assets with a book value of five thousand dollars or more.

For the part to be considered an upgrade the part would need to be installed on capital equipment and the installation of the part will do one of the following:

- add a substantial increase in the functionality of the equipment which allows it to function or perform tasks it was previously incapable of performing.
- add a substantial increase in the efficiency of the equipment, that is, an increase in the level of service provided by the equipment without the ability to perform additional tasks.
- extend the estimated useful life of the equipment.

If the installation of the part is an upgrade, on the retirement document, the initiator will need to list the original cost of the part in the document notes, and the asset number the part will be installed on. If the original cost is unknown, the organization may provide the fair market value.

If the organization chooses to supply the University Capital Asset Office with the fair market value for the part; the organization will be required to supply supporting documentation for the

fair market value. Fair market value for assets can be determined by references to the realizable value of similar assets that are sold for cash, quoted market prices, or independent appraisals.¹

In accordance with Generally Accepted Accounting Principles (GAAP) the University Capital Asset Office will do a cost basis adjustment to the cost of the asset the part will be installed on. Using the “part’s” original cost or fair market value the University Capital Asset Office will determine the book value of the part. When it has been determined that the book value is \$5,000 or more, the cost will be added to the asset the part will be installed on. The University Capital Asset Office will accomplish this by creating a “found” asset using the book value of the part, and a create date set from today’s date. This asset will then be merged into the existing asset.

The asset should be **dismantled before** the asset is retired. This will protect your organization from an unacceptable audit finding for an asset found (active) in inventory that has been retired. When assets are cannibalized it is important to remove the tag number to ensure a part with a tag is not added to an existing capital asset with its own tag.

A note should be added to the retirement document that confirms the tag number has been removed.

C. Destroyed

Use retirement reason 8 for Destroyed when the asset was unexpectedly destroyed.

D. Discarded

When issuing the asset retirement use retirement reason 4 for Discarded. When assets are not considered viable for sale by **Purchasing**, and there are **no** environmental concerns, they should be disposed of in the normal Building Services process. When assets are disposed of the tag number should be removed. This would include yellow capital tags, and white non-capital tags.

Examples of environmental concerns or hazardous items include: televisions, office machines, computers, computer monitors, and freezers. (This list is not meant to be all inclusive but rather to provide examples of some of the more common hazardous items.)

Reference (Indiana University Knowledge Base, How can I minimize my computer’s impact on the environment?) URL: <http://kb.iu.edu/data/erth.html>

If the asset(s) is too large, too numerous, or hazardous, the organization can contact the department listed below to dispose of the asset:

- Bloomington, Physical Plant, 812-855-8728
- Indianapolis, Surplus, 317-278-1707
- East, Physical Plant, 765-973-8254
- Kokomo, Physical Plant, 765-455-9393
- Northwest Physical Plant, 219-980-6710
- South Bend Support Services, 574-520-4250
- Southeast, Physical Plant, 812-941-2330

¹ APB-29, par.25, Accounting for Nonmonetary Transactions.

E. External Transfer

Retirement reason 9 for External Transfer will require the name of the institution that will receive the asset.

The University will allow faculty members to take equipment purchased with grant or contract funds:

- If the grant or contract that purchased the equipment is being transferred to a new institution and
- if the funding agency approved the transfer.

The asset will be retired from IU as an External Transfer to the new institution. Equipment can only transfer to another educational institution or nonprofit organization (exceptions must be approved by the Office of Research Administration and Purchasing). The University must have approval from the funding agency to transfer the grant or contract before the equipment can leave Indiana University.

External Transfer Retirements are approved by the fiscal officer, and the account supervisor.

If the grant account is closed, IU will follow the standard process of surplus equipment. The equipment will need to be posted for sale internally to other IU organizations. If the equipment is not purchased, it can be sold to the receiving institution at the greater of the net book value or the fair market value with prior approval from Purchasing. In this case the appropriate retirement reason would be **Sold** (see #8 Sold) and not External Transfer.

Transfer of equipment purchased with University funds can be accomplished only with reimbursement to the University. All assets purchased with University funds will be priced by the Purchasing department at the greater of the net book value or the fair market value. In this case the appropriate retirement reason would be **Sold** (see #8 Sold) and not External Transfer.

F. Gift

With approval from **Purchasing** or the property designee for the campus, surplus assets may be gifted to not-for profit organizations. The following conditions should be documented before gifting any assets.

- The asset has no utility for the university.
- The asset has no appreciable market value for resale.

A retirement reason 6 for Gift will require the name of the institution that will receive the asset.

G. Lost

Use retirement reason code of 3 for Lost. Assets should only be retired as lost after every effort has been made to locate the asset. A note should be added to the retirement document that provides details as to the search that was performed. Upon review, the University Capital Asset Office may contact the organization for more information.

Once an asset is retired it can only be reactivated by the University Capital Asset Office using the net book value (NBV). The net book value is calculated using the original acquisition date, original cost and the useful life assigned to the asset and is the difference between the original

cost and the accumulated depreciation. When the NBV is under the capitalization threshold the asset cannot be reactivated.

H. Sold

The sale of assets is managed under the authority of the Purchasing department or the property designee for the campus. On occasion an organization may work directly with Purchasing to arrange a sale of assets. Use the Sold retirement reason when arrangements are made with the Purchasing Department to sell assets outside of the campus surplus process.

The sold retirement reason will require the buying institution or individual's name, as well as the selling price.

When issuing the asset retirement document, use retirement reason code of 1 for Sold.

I. Theft

When assets are stolen a report must be filed with the IU Police Department.

When assets are retired with a retirement reason of 7 for Theft the retirement document will require an IUPD case number.

J. Trade-in

Once the department and Purchasing have determined that existing assets will be traded in on a purchase order, it is important the asset(s) given up in trade be retired. The retirement should be processed when the equipment is turned over to the vendor. The timeliness of the retirement is important because this will affect the book value of the asset given in trade.

When issuing the asset retirement document, the correct retirement reason code to use is 2 for Trade-in. A note needs to be included that will inform the Capital Asset Office of the purchase order from which the new asset is being purchased.

Please note: If an asset is released to the vendor and no trade-in allowance (cost reduction) has been received, the asset retirement reason should be 4 for Discarded.

(See CSOP 10.0 Trade-in of Similar Capital Equipment)

Other types of retirements (i.e., credits, assets created in error) are processed by the University Capital Asset Office.

Retirement Document Body Zone

Description:	CAMERA STAND W/RACK	Capitalization Date:	06/19/1989
Asset Status:	A	IU Tag Nbr:	689567
Asset Type:	230	Old TagNbr:	
Serial Nbr:	20103		
Org Tag Nbr:			
Org Text:			
Depreciation			
Method:	SL	Book Value:	0.00
YTD Amt:	0	Accum Amt:	1621
Cur Mnth Amt:	0	Prev Yr Amt:	0

Asset

services

The body of the document displays descriptive information as well as depreciation. The information displayed in this section is view only.

13. The **Description** field is used to describe the asset.
14. The **Create Date** is set to the date the asset was created. The create date, and the useful life assigned by the asset type code are used to calculate depreciation.
15. The **Asset Status** code describes the current status of the asset. When the *asset retirement document* is approved the status will be changed to “R” for retired. To process an asset retirement document, the asset must have status of: A, C, S, or U.
16. The **IU Tag Nbr** is the official university identification number affixed to the asset.
17. The **Asset Type** code is used to classify the type of equipment purchased. Equipment useful life is derived from the asset type.
18. The **Old Tag Nbr** is used for tags that predate barcode tags.
19. The **Serial Nbr** is the identification number assigned by the manufacturer.
20. The **Org Tag Nbr** is available for those organizations that use their own tag to identify equipment; however, this tag does not take the place of the official IU tag.
21. **Org Text** is a free form field an organization may use to enter any information they wish to record about an asset.

Depreciation Zone

At Indiana University, the Capital Asset Management System calculates and posts depreciation expense on a monthly basis. The straight-line method is the basis for the calculation, which excludes the federal-owned portion of an asset's value and the salvage value. In addition, no depreciation is taken on art and museum objects, or land. Each asset is depreciated from the asset capitalization date (assigned when the Capital Asset Office recognizes an asset) and depreciated evenly over the asset's useful life.

When an *asset retirement document* is issued against an asset the asset is not longer eligible to receive depreciation.

Depreciation			
Method:	SL	Book Value:	8,752.57
YTD Amt:	1,303.57	Accum Amt:	2,420.92
Cur Mnth Amt:	0.00	Prev Yr Amt:	1,117.35

The **book value** (net book value) displayed on the *asset retirement document* is derived from subtracting the accumulated depreciation from the cost of the asset. When capital assets are given in trade the asset is retired; any net book value remaining on the asset will be added back to the new asset being purchased as the adjustment to cost basis.

22. **Method** "SL" is the code for Straight Line.

23. The **Book Value** of the machinery at the time of disposition is calculated by subtracting the accumulated depreciation for the cost of the asset.

24. The **YTD Amt** is the amount of depreciation calculated in the current fiscal year for depreciation.

25. The **Accum Amt** is the amount of the depreciation accumulated to date for depreciation.

26. The **Cur Mnth Amt** is the amount of depreciation calculated in the current month.

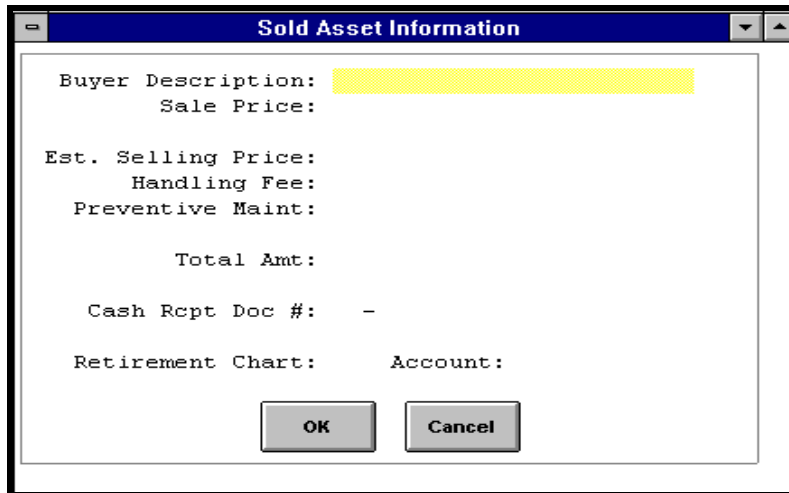
27. The **Prev Yr Amt** is the amount the amount of depreciation calculated in the prior fiscal year for depreciation.

➤ Once the retirement reason has been entered the user can click on the **OK** button to route the document.

Additional Retirement Screens

Retirement Reason of “Sold”

When using the retirement reason of “Sold,” a dialog box appears, prompting the user for additional information as follows:



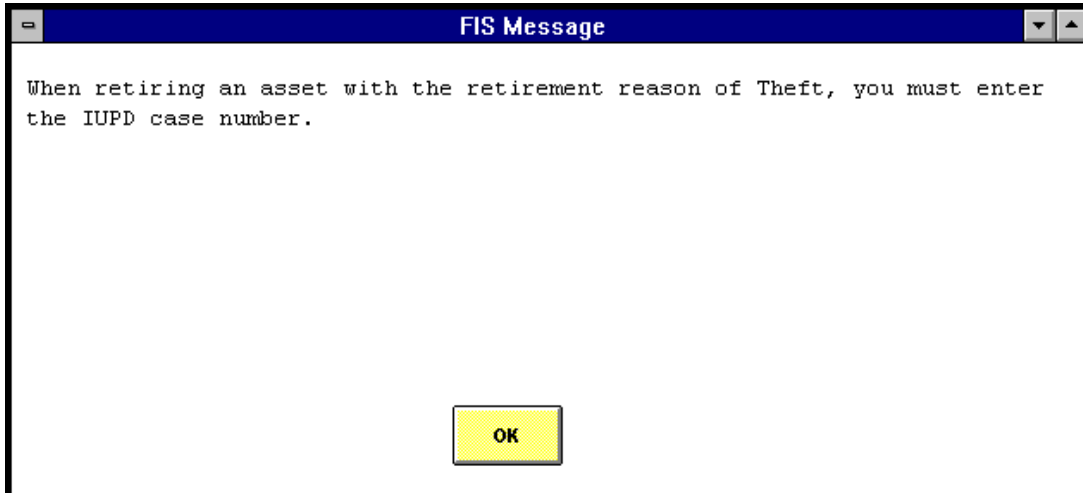
- a. The **Buyer Description** field is required when the retirement reason of “Sold” is used. This is the person, or institution the equipment is sold to. The field is not validated but does require that text (one character minimum) be entered.
- b. The **Sale Price** is required when the retirement reason of “Sold” is used. The amount field is not validated against the *cash receipt document*, but only numeric characters can be entered. Do not enter a \$ symbol.

The other fields on this screen can be used at the organization’s discretion.

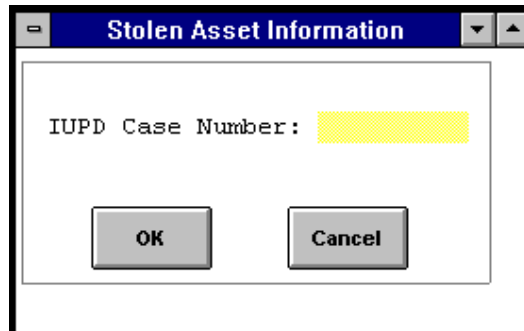
- c. The **Est. Selling Price** was added for organizations that wanted to track the Est. Selling Price. The amount field is not validated, but only numeric characters can be entered. Do not enter a \$ symbol.
- d. The **Handling Fee** was added for organizations that wanted to track the cost associated with making an asset ready for disposition. The amount field is not validated, but only numeric characters can be entered. Do not enter a \$ symbol.
- e. The **Preventive Maint** field was added for organizations that wish to track the cost of preventive maintenance cost associated with the disposition of the asset.
- f. The **Total Amt** is a sum of the estimated selling price, handling fee, and preventive maintenance.
- g. The **Cash Rcpt Doc** number is available for organizations that want to create an audit trail for the income received for the sale of equipment. The *asset retirement document* does **not** generate the *cash receipt document*. It must be processed separately to record the income. The *cash receipt document number* is not validated.
- h. The **Retirement Chart** is used when a retirement account number is entered. This field is not required, but is validated if an account number is entered.
- i. The **Retirement Account** is optional for organizations that want to track the account number used on the *cash receipt document*. If entered, the account number must be valid and active.

Retirement Reason of “Theft”

The “Theft” retirement reason is used in the event equipment is stolen; however, if equipment is lost in the same fiscal year it was purchased, the campus capital asset office may require completion of a theft report with the campus police department as well. If the retirement reason code “7” (theft) is selected, the following screen will appear:



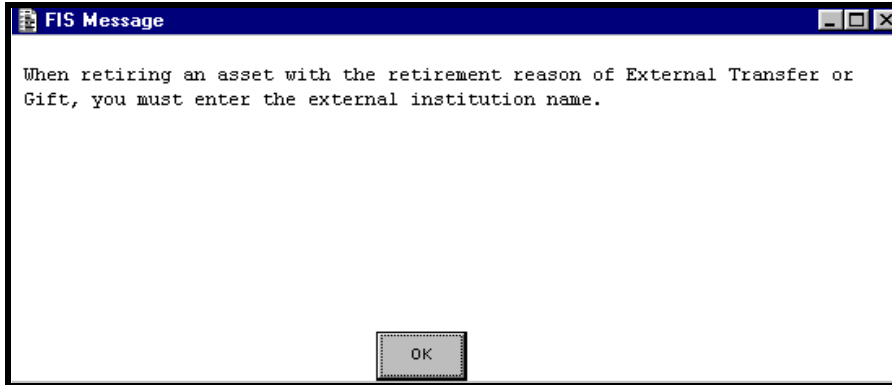
Clicking on the **OK** button will activate the following dialog box in which the IUPD case number must be entered:



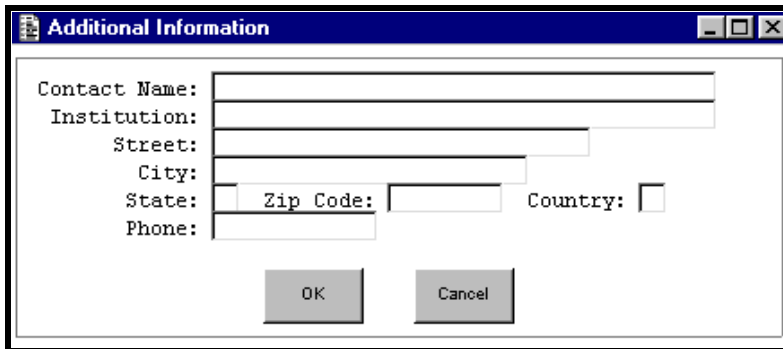
As mentioned previously, the IU police case number is required when the theft retirement reason is used. The case number is not validated, but does require text (one character minimum).

Retirement Reason External Transfer and Gift

An external transfer of equipment generally involves a contract or grant account. If the retirement reason code is “9” (external transfer), or “6” (gift), the following screen appears:



Selecting the *OK* button will bring up the following dialog box:

A screenshot of a Windows-style dialog box titled "Additional Information". It contains several text input fields: "Contact Name:", "Institution:", "Street:", "City:", "State:", "Zip Code:", "Country:", and "Phone:". The "Country:" field has a small dropdown arrow. At the bottom of the dialog box are "OK" and "Cancel" buttons.

- a. The *Contact Name* is not required, and is not validated. The contact name should be someone who can confirm receipt of the equipment at the new university or institution.
- b. The *Institution* is required. The Institution should be set to the name of the university, institution, or name of the person that received the equipment. The field is not validated but does require text (one character minimum).
- c. The *Street* is not required, and is not validated. The street should be set to the street address of the university or institution that received the equipment.
- d. The *City* is not required, and is not validated. The city should be set to the city in which the university or institution is located.
- e. The *State* is not required, but is validated if data is entered. The state should be set to the state in which the university or institution is located.
- f. The *Zip Code* is not required, and is not validated. The zip code should be set to the zip code of the university or institution.
- g. The *Country* is not required, but is validated if data is entered. The country should be set to the country the university or institution is located in.

Cancel Document

Once you have completed a document, it is electronically routed to the next approver. If you need to cancel the document for any reason, you will need to notify the next approver via the following procedure.

At the *Welcome* screen click on the “*Search for Documents?*” button.

Doc#	Org Ref	Type	Created	St	Initiator	Approve Date	Amount

If you know the document number, enter it in the *Doc Number* field. Otherwise, enter as much information into the *Search Criteria* zone as possible (for example, *Type*, *Create Date*, and *Initiator*). This should limit the number of responses that will be returned to the *Search Results* zone.

1. From the *Search Results* zone, open the document you wish to cancel by double clicking on the line or placing the cursor on the document number and clicking on the “*Open*” button.
2. From the menu bar at the top of your FIS screen, select the *Workflow* option.
3. At the *Workflow* menu, click on the *Cancel Document* option. You will be required to add a note explaining why the document should be cancelled. This note will be read by the next approver.
4. Click on the *Notes* button and choose the *Add Note* option. Add a note explaining why the document needs to be cancelled.
5. Click on *OK* to approve the document. The next approver should disapprove the document upon reading the note, thereby canceling the document.

General Ledger Entries

To understand the entries created from a retirement transaction, we must first look at the payment records on the asset.

Payment Record

Chart	Account	Obj.Code	Account Amt
BL	2321375	7000	5,000.00

Retirement entries will, as a rule of thumb, only affect the 95 plant fund.

Example: Account 2321375 purchased a desk under Object Code 7000 for \$5,000.00. Object Code 7000 has a Financial Object Code Sub Type of CM, so the asset was capitalized using Object Code 8610 in the Organization plant fund, 9520080.

If the asset is retired and there has been **no Depreciation**, the entries would be:

Retirement Entries:

Account Number	Object Code	Object Code Description	Debit	Credit
9520080	4998	Gain/Loss Disposition of assets	\$5,000.00	
9520080	8610	Capital Equipment		\$5,000.00

If the Asset were **partially depreciated**, the entry might be:

Retirement Entries:

Account Number	Object Code	Object Code Description	Debit	Credit
9520080	4998	Gain/Loss Disposition of assets	\$2500.00	
9520080	8910	Capital Equipment	\$2500.00	
9520080	8610	Capital Equipment		\$5,000.00

Frequently Asked Questions

Question

I have a capital asset that is old and has no value can it be retired?

Answer

No, we do not depreciate assets off the university asset database. Only when the equipment leaves Indiana University should an asset retirement be processed. In most cases the asset will be transferred via the Asset Transfer document to Materials Management.

Question

When should I retire a capital asset?

Answer

According to IU policy I-170 Physical Inventories and Location Changes for Capital Movable Equipment capital assets sold, trade-in, or otherwise retired should have an Asset Retirement Document processed within 30 days of equipment movement.

When equipment is not actively used by your organization your organization should consider offering the equipment to other university organizations. Throughout the IU system, there is a considerable amount of equipment, furniture, and other items that are under-utilized or simply not used at all. An effort should be made to share this surplus and to move unused items to where there is a need within the university. A mailing list has been established to allow the circulation of information relating to available surplus equipment within the university community. All organizations are welcome to list items that they wish to sell, trade, or donate to other organizations. They may also solicit items that they need. The organization selling items is responsible for establishing pricing and negotiation with other organizations. Any organizations transferring equipment identified with an IU Inventory Tag or listed on their organizational inventory are responsible for processing an **Asset Transfer Document** to update the asset files. A governing principle for this surplus mail list is that university property may only be given to or sold to IU organizations. Individuals may not use this service for disposing of personal property or soliciting property for their personal use. Only IU personnel may use this mail list. To post messages to the surplus listserve, compose a message in any e-mail system, and then send it to: redistribution@purchase.indiana.edu .

Question

A credit was received for a capital asset, should I retire the asset?

Answer

No. The University Capital Asset Office needs the asset to be active so they can apply the credit. Once a credit has brought the asset to zero, or below the capitalization threshold the asset will remain active until the depreciation procedure has a chance to run. Before the asset is retired we want the depreciation procedure to back out the depreciation expense before the asset is retired. Once the depreciation procedure has ran the asset will be retired by the university capital asset office.

Question

A credit should have retired an asset, why is the asset still active on my inventory?

Answer

First determine if the credit has been applied to the asset. If the asset does not have a zero cost then it is possible that credit was not posted to a capital object code. If this is true then a General Error Correction document will need to be processed to move the credit to a capital object code.

If the credit was capitalized correctly and the credit is not reflected on the asset, it may be that the credit was applied to the wrong asset. This can be confirmed by querying the Capital Asset Payment datagroup. If the payment was applied to the wrong asset contact Pam Wall phone 855-0796, e-mail pwall@indiana.edu.

It could be that we are just waiting for depreciation to run before we can retire the asset. Normally depreciation will run on the 3rd Thursday of the month, and the assets will be retired shortly after. If the asset has remained on your inventory for more than two months contact Pam Wall phone 855-0796, e-mail pwall@indiana.edu.

Question

A capital asset was retired in error what should I do?

Answer

This will depend on the asset's remaining book value.

- a) If the asset has a remaining book value of \$5,000.00 or more the asset can be created as a found capital asset using the Add Asset Document. Using an acquisition type of F – found, and object code 7701 the Add Asset Document will create ledger entries to add the asset to the general ledger & CAMS.
- b) If the asset has a book value under \$5,000.00 the yellow tag should be removed. The organization may create a non-capital asset to continue tracking the asset. For the non-capital asset if a payment record is entered an S&E object code will need to be used when adding the payment.

Reporting

The Capital Asset Management Reports will help you monitor your capital inventory. First we must navigate to the IUIE reporting environment.

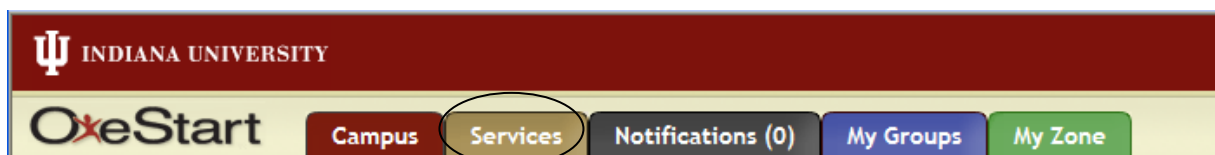
Open your Explorer browser.

First we must navigate to IUIE.

Open your web browser.

Go to the OneStart menu at: <https://onestart.iu.edu/my-prd/Portal.do>

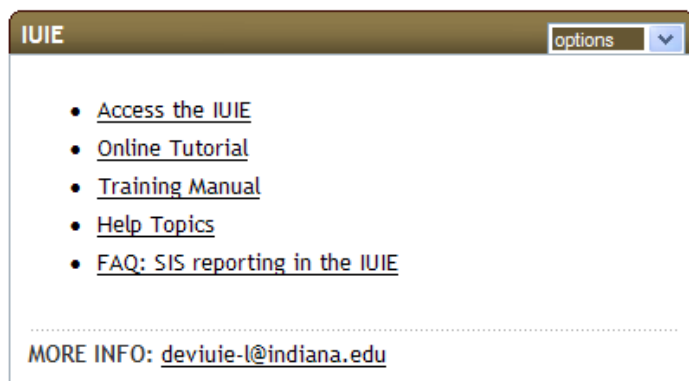
After logging in from the OneStart menu click on the **Service** tab.



Click on Administration Systems



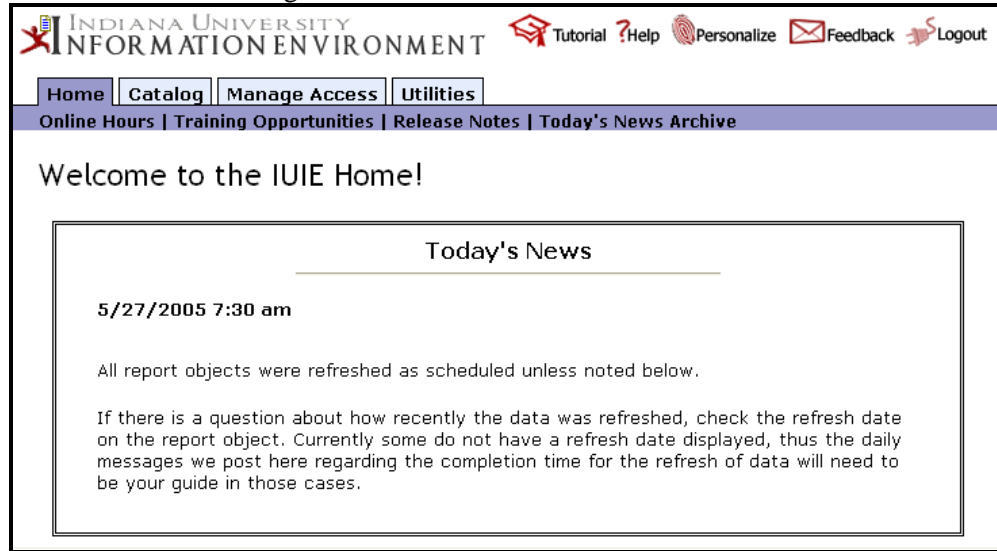
After clicking on the “Administration System you will need to scroll down on the page to the bottom left of the screen. Click on Access the IUIE



Navigating IUIE for Capital Asset Management Reports

Click on Catalog


Click on Master Catalog












In the Report Index













Click on the  Financial folder

Click on  Capital Asset Management System

-  Capital Asset Management System
-  CAMS DataGroups
-  CAMS Depreciation Reports
-  CAMS Internal Reports
-  Capital Lease Reports
-  Edit Reports
-  **Inventory Control Reports**
-  Reconciliation Reports
-  Screening Reports
-  Summary Reports

Select the  **Inventory Control Reports**

-  Asset Detail List
-  Asset Inventory Reconciliation
-  Asset Tagging Report
-  CAMS Retirement
-  Component Summary (computer)
-  Component Summary (generic)
-  Equipment Loan
-  Expired Equipment Loan/Return Reports
-  **Unapproved Documents in Inbox by Chart and Org**
-  Untagged Assets

Unapproved Documents in Inbox by Chart and Org

Select the Unapproved Documents in Inbox by Chart and Org report within the **Inventory Control Reports** sub folder.

If the report is grayed out you will need to request access to the report. After clicking on the report you will taken to a page titled “Report Object Metadata and Access Request” scroll down until you see the Justification box. Once you have entered information in the Justification box you can click on the Request Access button. If you do not see the report you may have the Application Setting checked to “Show me only report object that I can access” if you have this checked you will need to uncheck the setting. This setting is located under the Personalize menu button.

[Unapproved Documents in Inbox by Chart and Org](#)

Last Refresh Of Underlying Datagroup:

unavailable

[Create Shortcut Security Information](#)

[Instructions](#) [Report Object Help](#)

[Specified Field Values Will Determine the Resulting Output:](#)

Chart-Organization Code (UA-FMOP)	<input type="text"/>	
Document Status	<input type="text" value="E, I, II, O, OO, P, PP, Q, R, F"/>	<input type="button" value="Valid Values"/>
Before This Date (MM/DD/YYYY)	<input type="text"/>	
Include or Exclude Document Types	<input type="text" value="Include"/>	
Document Types (ex. A21, AR, AWRD)	<input type="text"/>	<input type="button" value="Valid Values"/>
Include Organization Hierarchy?	<input type="checkbox"/>	

[Select the Output Format](#)

- MS Excel
- Plain text
- Word-RTF

[Select the Output Destination*](#)

- Wait for Output
- Send Output to Completed Reports
- [Send Output to BARR Printer](#)

Parameter Descriptions

Chart - Organization Code (UA-FMOP)

The “Chart - Organization Code” will present pending documents initiated by users within the organization. Be sure to type a hyphen (-) between the chart and organization code.

Document Status

There are several stages of routing process, this parameter allows you to select pending documents in a given routing stage.

Before This Date (mm/dd/yyyy)

You can use the “Before This Date” parameter to limit the report to documents created before the data entered into the parameter box.

Include or Exclude Document Types

You may want to limit your selection to include or exclude a specific document. Using this parameter along with the document type code you can select only Capital Asset Management documents to be presented on the report.

Document Types

The “Document Type” code identifies documents (i.e., GEC- General Error Correction, AR- Asset Retirement)

Capital Asset Management Document Type Codes

- a) AA – Add Asset Document
- b) AT – Asset Transfer
- c) AR – Asset Retirement
- d) ELR – Equipment Loan/Return

Include Organization Hierarchy?

By default, the report does not use the organization hierarchy. In order to use the organization hierarchy you must first enter a Chart-Organization then check the box to include the organization hierarchy. This will include pending documents that report up to the chart-organization code entered in the “Chart-Organization” selection criteria box.

Settings for Sample Report

Enter the following parameters:

Parameter Title	Enter Value
Chart-Organization Code (UA-FMOP)	Chart-Organization Code
Document Status	E, I, II, O, OO, P, PP, Q, R, RR, S
Before This Date (MM/DD/YYYY)	
Include or Exclude Document Types	Include
Document Types (ex. A21, AR, AWRD)	AA, AR, AT, ELR
Include Organization Hierarchy?	checked

Recommended Frequency of Report Generation

The unapproved document report should be run **monthly**. In May you need to run the report weekly, so that all documents required to complete a physical inventory are approved before June 30.

Retirement Report

Select the **Retirement** report within the **Inventory Control Reports** section.

Retirement			
Select Report	<input type="text" value="Detail Retirement Report"/> <input type="text" value="Summary Retirement Report"/>		
Report Title	<input type="text"/>		
Select Asset Category	<input type="text" value="Movable Equipment"/> <input type="text" value="Art & Museum Objects"/> <input type="text" value="Bond Issuance"/>		
Campus Code	<input type="text"/>		
Chart-Organization Code (u-a-fmop)	<input type="text"/>		
Payment Chart-Account	<input type="text"/>		
Retirement Fiscal Year	<input type="text" value="2005"/>	<input type="button" value="Valid Values"/>	Wildcards Allowed
Retirement Period Code	<input type="text"/>	<input type="button" value="Valid Values"/>	Wildcards Allowed
Retirement Reason Code	<input type="text"/>	<input type="button" value="Valid Values"/>	
Include NOT fully depreciated Assets? (enter "Y" for Yes)	<input type="text"/>		
Percent of Base >= (or all)	<input type="text"/>		
Asset Create Date >= (mm/dd/yyyy)	<input type="text"/>		
Order By:	<input type="text" value="Tag Number"/> <input type="text" value="Asset Number"/> <input type="text" value="Asset Rep D"/>		
Include Organization Hierarchy?	<input type="checkbox"/>		
Include Asset Summary? (word option only)	<input checked="" type="checkbox"/>		
Select Assets where Book Value >= \$1,000?	<input type="checkbox"/>		
Select the Output Format	<input type="radio"/> MS Excel <input type="radio"/> Plain text <input checked="" type="radio"/> Word-RTF		

Parameter Descriptions

Select a Report

- **Report Options**

1. The "Detail Retirement Report" offers description, retirement, and payment information for the retired assets. The detail payment records are offered in the "Detail" Word version of the report. Although the Excel version does offer the total cost, accumulated depreciation, and book value..
2. The "Summary Retirement Report" offers the chart, count, total cost, accumulated depreciation, and book value..

Report Title

This field will be printed as the title of your report. This is a free form field and is not required.

Select Asset Category

The "Select Asset Category" parameter allows you to select the type of assets you want presented on your report. The Capital Asset Management System (CAMS) houses many types of assets (i.e., Movable Equipment, Buildings, and Library Books).

Campus (BL)

The "Campus" identifies the physical campus of an asset. Using this parameter will generate a list of assets regardless of who owns them.

Chart - Organization Code (UA-FMOP)

The chart of accounts code and organization code will list assets the department is responsible for. Be sure to type a hyphen (-) between the chart and organization code.

Payment Chart – Account

The account number is an identifying number for a pool of funds assigned to a specific university organization, for a specific function. Using the Payment Account number as a parameter will present all of the assets retired that were purchased on the given account number. Be sure to type a hyphen (-) between the chart and the account number.

Retirement Fiscal Year

The "Retirement Fiscal Year" parameter will present assets retired in the given fiscal year.

Retirement Period Code

The "Retirement Period Code" parameter will present assets retired in the given period code.

Retirement Reason Code

The "Retirement Reason Code" identifies the reason for which the asset was retired.

Include Not fully depreciated Assets?

The "Include Not fully Depreciated Assets" allows you to present retired assets that were not fully depreciated at the time of retirement. This parameter is also needed when you want to generate a report for the percentage of the asset that has been depreciation. To use the "Percent of base >= (or all)" you must first enter "Y" in the "Include Not fully depreciated Assets" parameter.

Percent of Base

The "Percent of Base" parameter will allow you to select retired assets that were depreciated for the given percentage. For example you may want to take a closer look at retirements where they had received only 10% of their scheduled depreciation.

Asset Create Date

The "Asset Create Date" parameter can be used to present assets created on or greater than the date entered into the parameter box.

Order By

The "Order By" criteria determines the fields to be used in sorting the records for the report.

Include Asset Summary (word option only)

The "Include Asset Summary" check box will include in the report a listing of the IU tag number, Asset number, Asset description, Campus, Building name, Room, Cost amount, Accumulated depreciation amount, and YTD depreciation amount. This option is available only in the word processor report.


Select Assets where book value >= \$1,000?

Selects retired assets where the book value is greater than \$1,000.00 or more.

Settings for Sample Report**Retirement Report**

Enter the following parameters:

Select a Report	Detail Retirement Report
Report Title	
Select Asset Category	Movable Equipment
Campus Code	
Chart-Organization Code	UA-FMOP
Payment Chart - Account	
Retirement Fiscal Year	2010
Retirement Period Code	
Retirement Reason Code	
Include NOT fully depreciated Assets?	
Percent of Base >= (or all)	
Asset Create Date >= (mm/dd/yyyy)	
Order BY	Asset Number
Include Organization Hierarchy?	<input checked="" type="checkbox"/>
Include Asset Summary(Word option only)	
Select Assets where Book Value >= \$1,000?	

Once you have entered the parameters click on  button.