UR Financials

Fixed Asset Business Process

March 2015
UR Financials Fixed Asset Business Process

- Cross walk between UR Financials and FRS
- Fixed asset business process in UR Financials (Non Grant FAO’s and Grant FAO’s)
  - Supplier invoices using trackable spend categories
  - Online manual journal entries and EIB’s
  - Integrations feeding capital purchases into UR Financials
- UR fixed asset capitalization policy
  - Fixed asset identification
Financial Activity Object (FAO)

• Worktag that replaces the FRS Account #
  – Begins with two letters indicating the old FRS ledger type

UR Financials Fixed Asset Business Process March 2015
Spend category usage

– Cost centers must use trackable spend categories to designate fixed asset purchases (capital purchases) within UR Financials
– Please use the “View Trackable Spend Categories” report within UR Financials to determine the correct spend category for fixed asset purchases
– Plant and Debt Accounting review all charges posting to trackable spend categories
Fixed Asset Business Process in UR Financials

Capital spend transactions in UR Financials

– Supplier invoice
– Journal Source
– Integration
Fixed Asset Business Process in UR Financials

Trackable spend categories (movable equipment)

- Equipment Computers (SC64000)
- Equipment Electromedical and Electrotherapeutul (SC64050)
- Equipment Fabricated (SC64100)
- Equipment Food Service (SC64150)
- Equipment Furniture (SC64200)
- Equipment Medical (SC64350)
- Equipment Musical Instruments (SC64400)
- Equipment Office (SC64500)
- Equipment Scientific (SC64550)
- Equipment Shop (SC64600)
- Equipment Software Purchases (SC64650)
- Equipment Telecommunications (SC64700)
- Equipment Vehicles (SC64750)

Note: Equipment not meeting the University’s capitalization policy should be charged to Spend Category **Non Capitalized Equipment (SC58900)** and Ledger Account 60800 Non Capitalized Equipment.
Fixed Asset Business Process in UR Financials

All other fixed asset trackable spend categories:

- Art Acquisitions (SC64855)
- Buildings (SC62250)
- Building Services (SC63450)
- Buildings Fixed Equipment (SC62350)
- Buildings Purchases (SC62300)
- Fixed Equipment (SC63500)
- Land Improvements (SC63650)
- Land Improvements Fixed (SC63660)
- Land Purchases (SC63550)
- Leasehold Improvements (SC63800)
- Leasehold Improvements Fixed (SC63810)
- Library Materials Continuations (SC63850)
- Library Materials One Time Purchases (SC63860)
- Museum Collections (SC64850)
Supplier Invoice

Purchases should be recorded to the appropriate spend category

- Select appropriate spend category based on University’s capitalization guidelines
- Same method used for all FAO’s
Accounting Journal

Accounting journals are referenced with a “Journal Source”

- Manual
- Central Finance Plant and Debt Accounting
  - Select appropriate spend category based on University’s capitalization guidelines
  - **Different methods** used depending on FAO type (Grant versus non Grant)
Accounting Journal (Non-Grant FAO’s)

Journal lines that are meant to be **capitalized** should be recorded to the appropriate balance sheet ledger account (Property Plant and Equipment)

Journal lines that are meant to be **expensed** should be recorded to the non-capitalized equipment ledger account
Accounting Journal (Grant FAO’s)

– Journal lines that are meant to be **capitalized** should be recorded to ledger account Non Capitalized Equipment 60800 with the appropriate trackable spend category

– Journal lines that are meant to be **expensed** should be recorded to the non-capitalized equipment ledger account

* Allocation is run to move cost to Balance Sheet, but allow user to see spend on Grant FAO and allow Sponsor billing.
Integration Journal

Integrations create data feeds from another system to UR Financials and vice versa

– Examples include Computer Store, Facilities
– Same method used for all FAO’s (non Grant and Grant)
# Non Capitalized Equipment

<table>
<thead>
<tr>
<th>Source</th>
<th>FAO</th>
<th>Ledger Account</th>
<th>Spend Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Invoice</td>
<td>ALL</td>
<td>60800 Non Capitalized Equipment</td>
<td>58900 Non Capitalized Equipment</td>
</tr>
<tr>
<td>Accounting Journal</td>
<td>ALL</td>
<td>60800 Non Capitalized Equipment</td>
<td>58900 Non Capitalized Equipment</td>
</tr>
<tr>
<td>Integration</td>
<td>ALL</td>
<td>65300 Interdepartmental Expense Transfers</td>
<td>58900 Non Capitalized Equipment</td>
</tr>
</tbody>
</table>
## Capitalized Equipment – Non Grant

<table>
<thead>
<tr>
<th>Source</th>
<th>FAO</th>
<th>Ledger Account</th>
<th>Spend Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Invoice</td>
<td>NON GR</td>
<td>Balance Sheet</td>
<td>Trackable Spend Category</td>
</tr>
<tr>
<td>Accounting Journal</td>
<td>NON GR</td>
<td>Balance Sheet</td>
<td>Trackable Spend Category</td>
</tr>
<tr>
<td>Integration</td>
<td>NON GR</td>
<td>65300 Interdepartmental Expense Transfers</td>
<td>Trackable Spend Category</td>
</tr>
</tbody>
</table>

---

**UR Financials Fixed Asset Business Process March 2015**

15
## Capitalized Equipment - Grant

<table>
<thead>
<tr>
<th>Source</th>
<th>FAO</th>
<th>Ledger Account</th>
<th>Spend Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Invoice</td>
<td>GR</td>
<td>Balance Sheet</td>
<td>Trackable Spend Category</td>
</tr>
<tr>
<td>Accounting Journal</td>
<td>GR</td>
<td>60800 Non Capitalized Equipment</td>
<td>Trackable Spend Category</td>
</tr>
<tr>
<td>Integration</td>
<td>GR</td>
<td>65300 Interdepartmental Expense Transfers</td>
<td>Trackable Spend Category</td>
</tr>
</tbody>
</table>
UR Fixed Asset Capitalization Policy

All fixed assets (except for fabricated equipment, software purchases, and construction in progress)

– Unit cost is greater than $1,000 and a useful life of greater than one year.
– A unit consists of a single asset
– A unit cost includes the cost of modifications, attachments, or accessories necessary for the fixed asset to function. Delivery and installation costs are included in the unit cost calculation
# UR Fixed Asset Capitalization Policy

<table>
<thead>
<tr>
<th>Fabricated equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Movable equipment that is built in-house and will take longer than one year to complete</td>
</tr>
<tr>
<td>– Individual charges in the aggregate must be $1,000 or more</td>
</tr>
<tr>
<td>– Please use the Equipment Fabricated (SC64100) spend category</td>
</tr>
<tr>
<td>– The UR’s fabrication policy can be found at <a href="https://www.rochester.edu/orpa/_assets/pdf/policy_fabricationPolicy.pdf">https://www.rochester.edu/orpa/_assets/pdf/policy_fabricationPolicy.pdf</a></td>
</tr>
</tbody>
</table>
UR Fixed Asset Capitalization Policy

Software purchases

– Stand-alone software purchases must have a unit cost of $10,000 and a useful life of greater than one year

– Please use the Equipment Software Purchases (SC64650) spend category

– Software purchased in conjunction with movable equipment will be included as part of the total fixed asset cost as long as the purchase meets UR’s capitalization guidelines
Construction in progress

– Costs **must** be tracked within a PR FAO within the Capital Projects fund

– Construction costs are capitalized if the total project cost is $50,000 or more **and** if the construction project either increases the useful life of the asset and/or increases a building’s square footage

– Once the construction project is substantially complete, the asset starts depreciating
UR Fixed Asset Capitalization Policy

• The University’s fixed asset policy can be found at
Reports in UR Financials

• View Trackable Spend Categories
• View Spend Categories (Outlined)
• Transaction Details - Data Extract (NCL) URF0400
• View Ledger Accounts Hierarchy (Outlined)
Contacts

URSpace Equipment Administrator:

equipadmin@Finance.Rochester.edu

Plant and Debt Accounting (Financial Reporting)

- Chris Bunting (Property Accountant) x50844
- Vicky Psomiadis (Plant Accountant) x55914
- Carrie Ballou (Manager – Plant and Debt Accounting) x57217