

# UR Financials

## Fixed Asset Business Process

March 2015



# UR Financials Fixed Asset Business Process

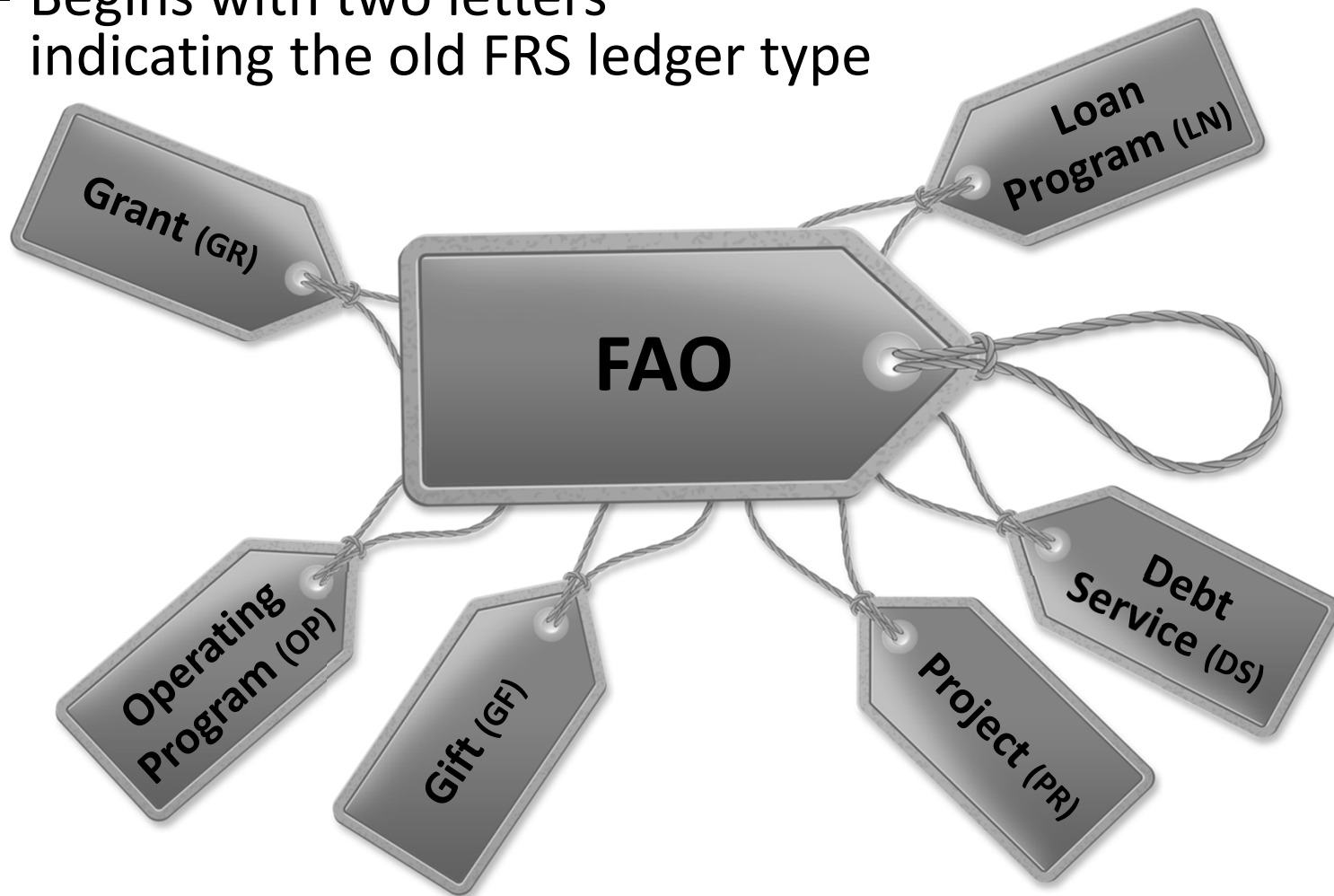
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- Cross walk between UR Financials and FRS
- Fixed asset business process in UR Financials (Non Grant FAO's and Grant FAO's)
  - Supplier invoices using trackable spend categories
  - Online manual journal entries and EIB's
  - Integrations feeding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

# Financial Activity Object (FAO)

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

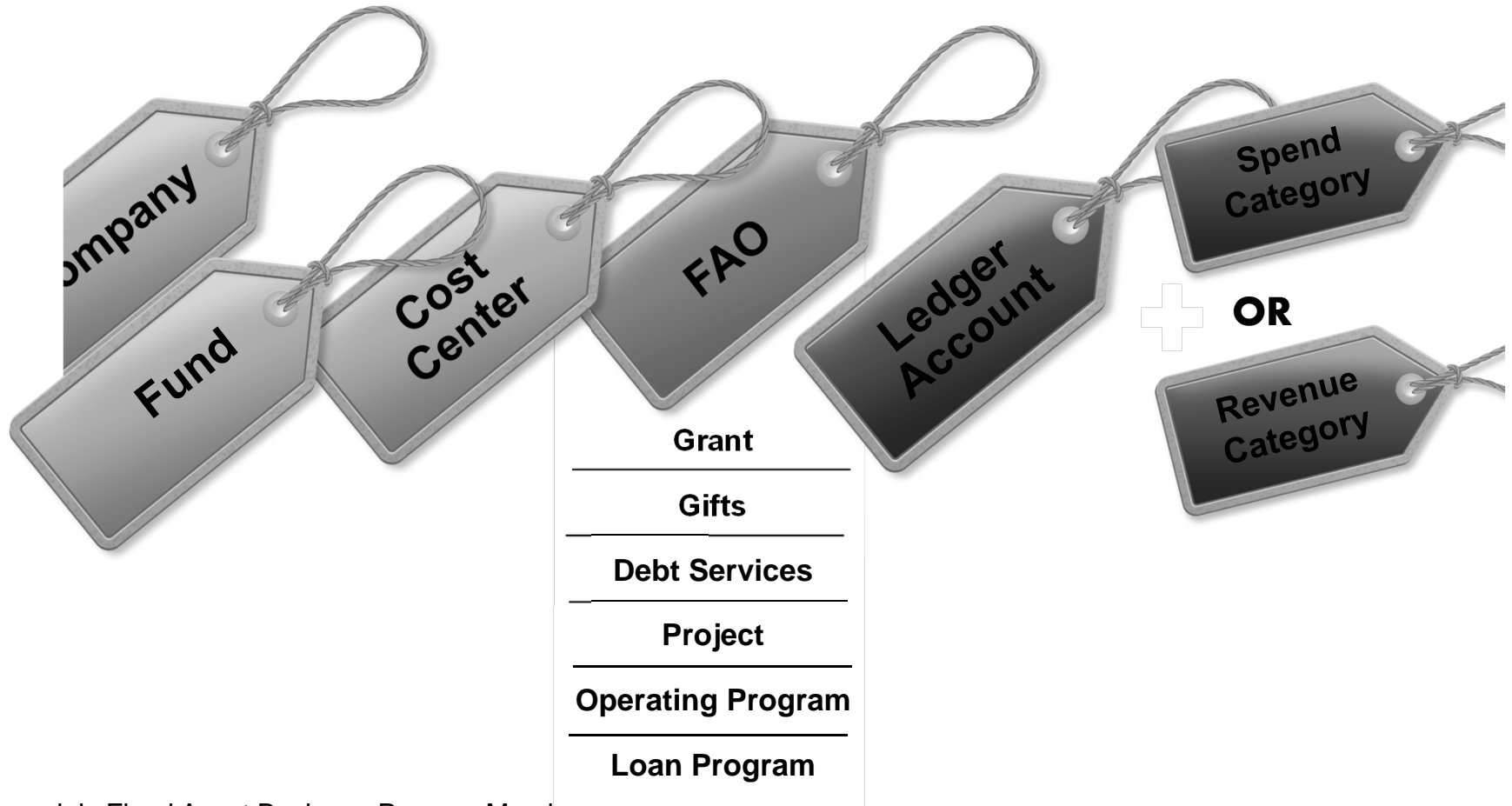


# FRS to UR Financials

## FRS Structure



UR Financials FDM



# UR Fixed Asset Identification

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## 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

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## Capital spend transactions in UR Financials

- Supplier invoice
- Journal Source
- Integration

# Fixed Asset Business Process in UR Financials

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## Trackable spend categories (movable equipment)

- Equipment Computers (SC64000)
- Equipment Electromedical and Electrotherapeutal (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

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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

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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

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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)

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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)

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- 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

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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

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Source	FAO	Ledger Account	Spend Category
Supplier Invoice	ALL	60800 Non Capitalized Equipment	58900 Non Capitalized Equipment
Accounting Journal	ALL	60800 Non Capitalized Equipment	58900 Non Capitalized Equipment
Integration	ALL	65300 Interdepartmental Expense Transfers	58900 Non Capitalized Equipment

# Capitalized Equipment – Non Grant

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Source	FAO	Ledger Account	Spend Category
Supplier Invoice	NON GR	Balance Sheet	Trackable Spend Category
Accounting Journal	NON GR	Balance Sheet	Trackable Spend Category
Integration	NON GR	65300 Interdepartmental Expense Transfers	Trackable Spend Category

# Capitalized Equipment - Grant

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Source	FAO	Ledger Account	Spend Category
Supplier Invoice	GR	Balance Sheet	Trackable Spend Category
Accounting Journal	GR	60800 Non Capitalized Equipment	Trackable Spend Category
Integration	GR	65300 Interdepartmental Expense Transfers	Trackable Spend Category



# UR Fixed Asset Capitalization Policy

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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

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## Fabricated equipment

- Movable equipment that is built in-house and will take longer than one year to complete
- Individual charges in the aggregate must be \$1,000 or more
- Please use the Equipment Fabricated (SC64100) spend category
- The UR's fabrication policy can be found at [https://www.rochester.edu/orpa/assets/pdf/policy\\_fabricationPolicy.pdf](https://www.rochester.edu/orpa/assets/pdf/policy_fabricationPolicy.pdf)

# UR Fixed Asset Capitalization Policy

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## 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

# UR Fixed Asset Capitalization Policy

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## 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

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- The University's fixed asset policy can be found at  
<http://www.rochester.edu/adminfinance/finance/assets/pdf/CapPolicyGuidelines%20revised%202012-2014.pdf>

# Reports in UR Financials

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

# Contacts

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## Plant and Debt Accounting (Financial Reporting)

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