Capital Assets at Cornell: Overview
    Owner: Cost and Capital Assets Manager
    Version Number, Date Revised: #2, 9/18/2014
    Date Implemented:
    Approval(s):

The KFS Capital Asset module consists of two parts: Capital Asset Builder (CAB) and Capital Asset Management (CAM).

- CAB is the asset creation module for tracking movable capital additions. Information from the General Ledger (as fed by Financial Processing e-docs and Purchasing Requisition e-docs) is pulled together in the CAB to create assets or add payments.
- CAM module allows users to view and update assets entered through the financial system, and provides the ability to manually add assets not processed through CAB such as government furnished equipment, found assets, non-capital equipment, or equipment transferred to Cornell from an outside source like another university.
- CAM e-docs create, maintain, and retire asset records. The system also provides for inventory management and other aspects of managing assets, including warranty and repair information.
- When a capital object code is used on either a Requisition (REQS) or a Financial Processing e-doc, capital information is required on the capital edit tab, and that information is automatically routed to the Capital Assets Department.

Note: Books and Artwork do not require completion of the Capital Edit tab. (Libraries and the Johnson Museum are responsible for cataloguing and tracking.)

KFS Capital Object Codes		
Expense Object Code	*Expense Object Name*	*Expense Object Sub-Type Code*
3600**	Capital Acq-Library Books	BK
3605**	Capital Acq-Rare Books	BK
3610**	Capital Acq-Art & Collections	AC
3620	Capital Acq-Fixed Equipment	BE
3630	Capital Acq-Movable Equipment	CM
3635 *	Capital Acq-Gov't Owned Equip	CF
3640	Capital Acq-Vehicles	CV
3650	Capital Acq-Computer Equipment	CT
3660	Capital Acq-Computer Software	CS
3670**	Capital Acq-Equip Found	CM
3710	Capital Acq-Buildings	BD
3715 *	Capital Acq-Gov't Owned Bldg	BF
3750**	Capital Acq-Lease Purchase	CL
3800**	Capital Equip-Fabricated	UC
3810 *	Capital Equip-Fabricated Gov't Owned	UF
6395	Gain / Loss Disposition Assets	DR
7065	Transfer of Funds-Capital	TN
7099	Capital Equip-Trade In	DR

* Gov't Owned expense object codes will only be used when the university does not expect to receive title of the equipment even after the sponsored award is closed.

** KFS Capital Object Code Business Rules

- Object code 3670 cannot be used on a Purchasing or Financial Processing e-doc. This object code is used to record capital assets that have been previously retired in error.
- When choosing 3750 on a REQS, you must choose "lease" from the pull-down list; on the Payment Info tab, choose: recurring payment. (The e-doc must be set to recurring payment.)
- Object code 3800 and 3810 should only be used on FP docs when the equipment is put into service. During fabrication, units should record expenses on object code 6290.
- Object codes 3600 and 3605 should only be used by Libraries. Object code 3610 should only be used by the Johnson Art Museum. Other units should use object code 3630.

KFS Capital Asset Management:

- Provides the ability to electronically update asset information and route for approvals without submitting paper forms; e.g., a transfer e-doc automatically routes to the fiscal officer for both the receiving and transferring units.
- Delivers a mechanism to scan inventories and electronically upload those inventories. **Note**: this functionality will not be available at Go Live; analysis and testing is ongoing.
- Facilities Inventory System (FIS) building and room codes will be loaded into KFS system tables.
  - Provides the ability to search for building and room location in the Capital Asset module.
  - Validates building and room codes against FIS building and room codes.
  - Off-campus address can be populated if asset is not located in a CU building.
- Has the ability to merge or separate an asset. (Merge and separate are central functions.)
  - For example: equipment is ordered as separate pieces, but is later determined that it should be combined into a single asset. Using merge e-doc will automatically retire one asset and add all the information—including cost and accumulated depreciation—to target asset.
  - Separate will be used to separate a bulk purchase that was erroneously added as one asset, into separate assets. It can also be used to separate a portion of an asset that has become obsolete.

Permissions: there are over 45 permissions for the module. They provide flexibility on how the Capital Asset module can be used and what can be completed in the units vs. central. Example: the condition code (accessible to units) or permission to change the asset type (central only).

Dependencies:
- Purchasing and Accounts Payable
  When a capital object code is used on a REQS, the Capital Edit tab must be completed. The information entered (i.e., manufacturer, model, etc.) will be automatically fed into the Capital Assets module.
- Financial Processing e-docs that create entries for the Capital Asset GL Builder:

- o Advance Deposit (Capital Edit tab would be used to update an asset, not to add a new asset)
- o Distribution of Income and Expense
- o General Error Correction (to change object codes or payment accounts)
- o Internal Billing (*currently under analysis*)
- o Credit Card Receipt (Capital Edit tab would be used to update an asset, not to add a new asset)
- o Procurement Card (**Note**: currently, capital purchases are not allowed on PCard transactions, and capital asset object codes are not allowed as part of PCard default accounts.)
- o Disbursement Voucher (**Note**: There is no Capital Edit tab on a Disbursement Voucher (DV) e-doc. If a wire or foreign draft must be issued, it will be necessary to manually update the record using the CAM Asset Lookup to find the asset, and then choosing the action: Edit Asset.)

Note: do not add a capital asset item when issuing a Purchase Order Amendment (POA). *See the POA SOP for more information.*

Business rule: you must use the same object code for any adjustments of existing assets, or you will get an error message.

University Policy:
- 3.9 Capital Assets Policy
- 3.7 Accounting: System Structure and Transactions
- 3.10 Recharge Operations and Service Facilities
- 3.14 Business Expenses
- 4.2 Transaction Authority and Payment Approval