Capital Assets SOP: Capital Assets, Fabrication
      SOP Owner: Cost and Capital Assets Manager
      Version Number, Date Revised: #2, 9/19/2014
      Date Implemented:
      Approval(s):

Standard Operating Procedure

1. **Purpose**

   Fabricated equipment are movable assets that are created or built by the university.

   Units can choose to use the fabrication document to add costs during equipment construction or they can use a fabrication account if the fabrication is charged to a sponsored account. The fabrication account is established in conjunction with Sponsored Program Services. Units should use object code 6290 when using a fabrication account. Once the item is placed into a service, the unit must process a General Error Correction (GEC) to reverse the charges on 6290 and debit the correct capital object code.

   Otherwise, units can use the fabrication e-doc. The Asset Fabrication e-doc creates a control asset where additional cost components can be added to the fabricated asset. Units should use object code 3800 when purchasing fabricated components. Once the item is placed into service, notification must be sent so that the Capital Asset Office can assign the in-service date and changes the asset type code from UC – under construction, to an asset type code with a depreciable life. At that point the asset begins to depreciate from an accounting perspective.

   Fabrications can be distinguished by any one of the following characteristics:

   Original Development - the fabrication construction creates a one-of-a-kind piece of
       equipment.
   Original Components - the original components bear no resemblance to the finished
       equipment.
   Original Components - the original components are attached to, or are internal to the finished
       equipment.

   After a fabrication has been approved, the asset number must be referenced on all related PURAP transactions.

   - Requisitions for fabricated equipment should have the **Capital Asset System Type** set to 'One System' and the **Capital Asset System State** set to 'Modify Existing' in the **Capital Asset** tab on requisitions and purchase orders. These settings allow the requisition initiator to enter the fabrication asset number(s) to which the line items should be applied.
   - To complete the information on the **Capital Asset** tab, each line item must be assigned a **Capital Asset Transaction Type** of 'fabrication' on the requisitions and purchase orders.

- The system will use the capital asset transition type to ensure that the line item is assigned a fabrication object code.
- As related invoices are processed in the Capital Asset Builder (CAB), the payments are applied to the fabrication asset number(s).

2. **Scope**

- Any KFS user can initiate a Fabrication document.

3. **Prerequisites**

- Access to KFS
- Basic knowledge / training on KFS
- Permissions / roles

4. **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
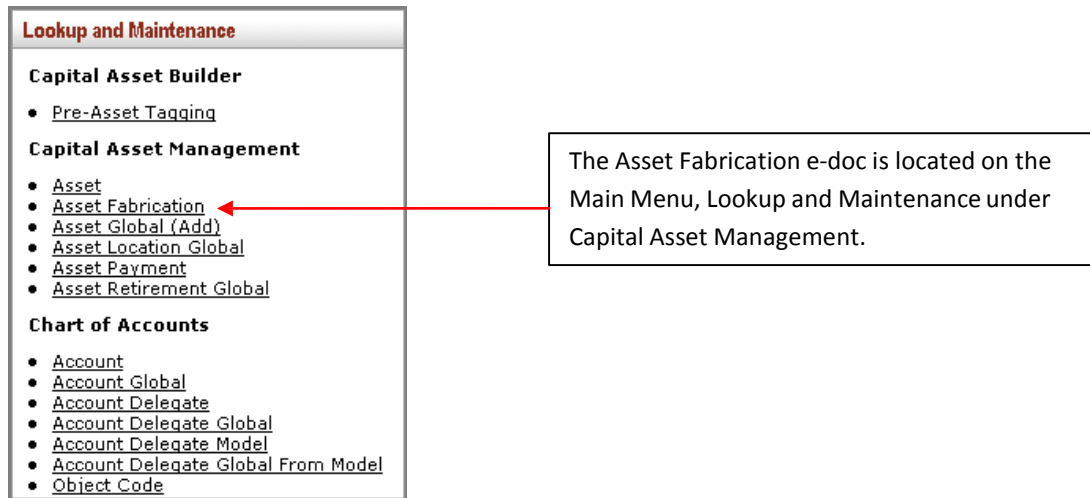- 4.2 Transaction Authority and Payment Approval

5. **Responsibilities**

Personnel in the following roles / positions:
- Initiator
- KFS CAM Asset Manager
- KFS-SYS Asset Manager

6. __Procedure__

Figure 1 – Main Menu, Lookup and Maintenance e-docs

When the user selects Asset Fabrication from the Capital Asset Management sub-menu in the Lookup and Maintenance group on the Main Menu, the system displays a blank Asset Fabrication Maintenance (FR) e-doc with a new document ID.

This e-doc allows the user to create an asset record for equipment that was fabricated or created at Cornell.

AssetFabricationMaintenanceDocument   Backdoor Id **nja3** is in use ?

Doc Nbr:	165573	Status:	INITIATED
Initiator:	nja3	Created:	03:16 PM 09/07/2011

expand all   collapse all
* required field

Document Overview   ▼ hide

Document Overview

* Description: [_____]   Explanation: [_____]
Org. Doc. #: [_____]

Asset Detail Information   ▼ hide

New
Asset Detail Info

Asset Number:
* Organization Owner Chart Of Accounts Code: [__] 🔍
* Organization Owner Account Number: [____] 🔍
Organization Owner Organization Code:
Owner: [____] 🔍
Acquisition Type Code: C - Fabrication
Asset Status Code: U
* Asset Condition: [_____ ▼]
* Asset Description: [_____]
* Asset Type Code: [40000] 🔍
Vendor Name: CONSTRUCTED
Last Inventory Date:
Create Date: 09/07/2011
Fiscal Year: 2012
Period: 03
[No]

Asset Location   ▼ hide

New
On Campus

* Campus: [__] 🔍
Building Code: [____] 🔍
Building Room Number: [____] 🔍
Building Sub Room Number: [____]

Off Campus

Name: [_____]
Address: [_____]
City: [_____]
State: [__] 🔍
Postal Code: [_____] 🔍
Country: [_____ ▼] 🔍

Organization Information   ▶ show

Fabrication Information   ▼ hide

New

* Estimated Fabrication Completion Date: [_____] 📅
* Fabrication Estimated Total Amount: [_____]
* Years expected to retain asset once fabrication is complete: [_____]

Notes and Attachments (0)   ▶ show

Ad Hoc Recipients   ▶ show

Route Log   ▶ show

submit   save   close   cancel

Figure 2 - Asset Fabrication Maintenance e-doc

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In addition to the standard tabs the Capital Asset Fabrication e-doc has several unique tabs.

a. Asset Detail Information tab

This tab contains the identification and ownership information for the asset.

Figure 3 – *Asset Detail Information tab*

Field	Definition
Table 1 – **Asset Detail Information tab field definitions**	
Asset Number	Display only. A system-assigned identifier unique to each asset. The asset number will be assigned after the user submits the e-doc. This field cannot be modified.
Organization Owner Chart of Accounts Code*	Required. Enter the chart code for the owner account responsible for the asset. The value for this will always be IT.
Organization Owner Account Number*	Required. Enter the account number for the owner responsible for the asset or search for the number from the **Account** lookup. Use general department account if available, this is for workflow routing only.
Organization Owner Organization Code	Display-only. Identifies the organization responsible for the asset and is set by the owner account number.
Owner	Optional. Used when the title is vested in other universities or agencies. Enter the name of the owner or search for it from the **Agency** lookup.
Acquisition Type Code	Display-only. Describes how the asset was acquired by the institution (i.e., new, gift, found, etc.) For fabricated assets, the acquisition type defaults to 'C' – Fabrication.

Asset Status Code	Display-only. A code indicating the current status of the asset (i.e., 'A' – active, 'R' – retired, 'U' – under construction) When the asset is completed, the asset status is updated to 'A' – active.
Asset Condition*	Required. Describes the condition of the asset. Excellent = Newly acquired. Good = Still is good working order. Fair = Equipment is beginning to show age. Poor = Equipment still works but is old and nearly ready for disposal.
Asset Description*	Required. Enter a detailed description of the asset.
Asset Type Code*	Required. Used to classify types of assets grouped by categories. The life of an asset is assigned based on the asset type. The user may search for the type code from the **Asset Type** lookup. Default value is 40000 – construction in progress. This will be changed when fabrication is complete.
Vendor Name	Display-only. The company or person who has sold the asset to the institution and to whom the first payment was made. Defaults to CONSTRUCTED.
Last Inventory Date	Display-only. The date of last inventory performed by the university or the date an asset was last physically verified, moved, relocated, inventoried or tagged. The last inventory date for the fabricated asset will be set to today's date.
Create Date	Display-only. The date the asset was added to the asset database. Defaults to the current date.
Fiscal Year	Display-only. The fiscal year in which the asset was created based on the create date. Defaults to the current fiscal year.
Period	Display-only. The period (fiscal month) of which the asset was created based on the create date. Defaults to the current fiscal period.

b.   Asset Location tab

The Asset Location tab specifies the location of the asset. This tab contains two parts, one area for On Campus assets, another for Off Campus assets. Fill out the appropriate area based on the location of the asset. To enter a location, you must provide:

Asset Status – used to specify whether the asset is capital or non-capital.
Asset Type Code – identifies the asset category. The Asset Type Code Table has required building indicator and a movable indicator.

The asset status in conjunction with the asset type code determines what location information is required.

Figure 4 – Asset Location tab

Table 2 – Asset Location tab field definitions	
Field	**Description**
Campus*	Required. Enter the code identifying the physical campus in which the asset is/will be physically located. This value will be IT.
Building Code	The code designated to the building in which the asset is/will be physically located or search for the code from the **Building** lookup 🔍. The Building codes are validated against the Facilities data. Note: the Geneva campus and NYC Tech are considered part of the Ithaca campus.
Building Room Number	The building's room number in which the asset is/will be physically located or search for the number from the **Room** lookup 🔍. The room codes are validated against the Facilities data.
Building Sub Room Number	The code created for departmental use. Most departments use this field to enter the cubicle sub-room number.
(Off Campus) Name	The name of the person in charge of the asset at the off-campus location.
(Off Campus) Address	The off-campus street address where the asset is/will be located or stored.
(Off Campus) City	Enter the off campus city where the asset is/will be located or stored.
(Off Campus) State	Enter the two letter state abbreviation or search for it from the **State** lookup 🔍. The state code is validated against the State table. The state code is not required if the asset is outside the US.
(Off Campus) Postal Code	Enter the postal code or search for it from the **Postal Code** lookup 🔍.
(Off Campus) Country	Select the country from the **Country** list or search for it from the **Country** lookup 🔍.

c. Organization Information tab

This tab provides organization information for the asset. This tab is not required but it is highly recommended that it be filled out. Fields 2 and 3 are validated and searchable, thereby providing a searchable record of assets by owner / representative.

Figure 5 *– Organization Information tab*

Table 3 – **Organization Information tab field definitions**	
Field	Description
Organization Inventory Name	A common name for inventory purposes. This name is used to sort assets within an organization to assist with physical inventories.
Asset Representative Principal Name	A NetID for identifying a name with which to group and sort assets on reports. The information on reports is formatted as last name, first name. Using the field in this manner ensures the sort order for reporting purposes. You may also search for the NetID from the **Person** lookup 🔍.
Asset Representative Name	The actual name of the person associated with the **Asset Representative** NetID. Can be found using the Person lookup 🔍.
Organization Text	Additional organization-related information for the asset.
Organization Asset Type Identifier	A free form field used by the org to classify the asset.

d. Fabrication Information tab

This tab contains the fabrication information for the asset.

Figure 6 – *Fabrication Information tab*

| Table 4 – **Fabrication Information tab field definitions**	
Field	Description
Estimated Fabrication Completion Date	Required. The estimated completion date for the asset. Enter or select from the calendar.
Fabrication Estimated Total Amount	Required. The estimated dollar cost of the fabricated asset.
Years expected to retain asset once fabrication is complete	Required. The number of years the organization is expecting to retain the fabricated asset once it has been completed.

Business Rules

- To initiate a fabrication request the user must complete:
  - All the required information on the Asset Detail Information tab
  - All the required information on the Asset Location tab (information must be entered in either the On Campus fields or the Off Campus fields)
  - All the required information on the Fabrication Information tab.

- The Fabrication e-doc uses the Asset Type Code table to determine whether a building number and room number are required for the asset type category.
  - Any asset type code with the **moving indicator** checked 'yes' requires a building code and room number, or an off campus address. All asset type codes for moveable equipment have this indicator checked.
  - Any asset type code with the **required building indicator** checked 'yes' requires a building code. Asset type codes for buildings have this indicator checked.
  - Any asset type code with the 'moving indicator' and 'required building indicator' marked 'no' requires a campus code, but no building or room number. Asset type codes for land, have the 'moving indicator' and 'required building indicator' marked 'no.'

- For capital assets the asset type must be entered before the building and room number because the asset category identified by the asset type determines whether a building code, room number or off-campus information is required.
- For non-capital assets, a building code or room number is not required.

Workflow

Capital Asset – Fabrication

Initiator	Initiate an e-doc
Fiscal Officer	Approve
KFS System	Final
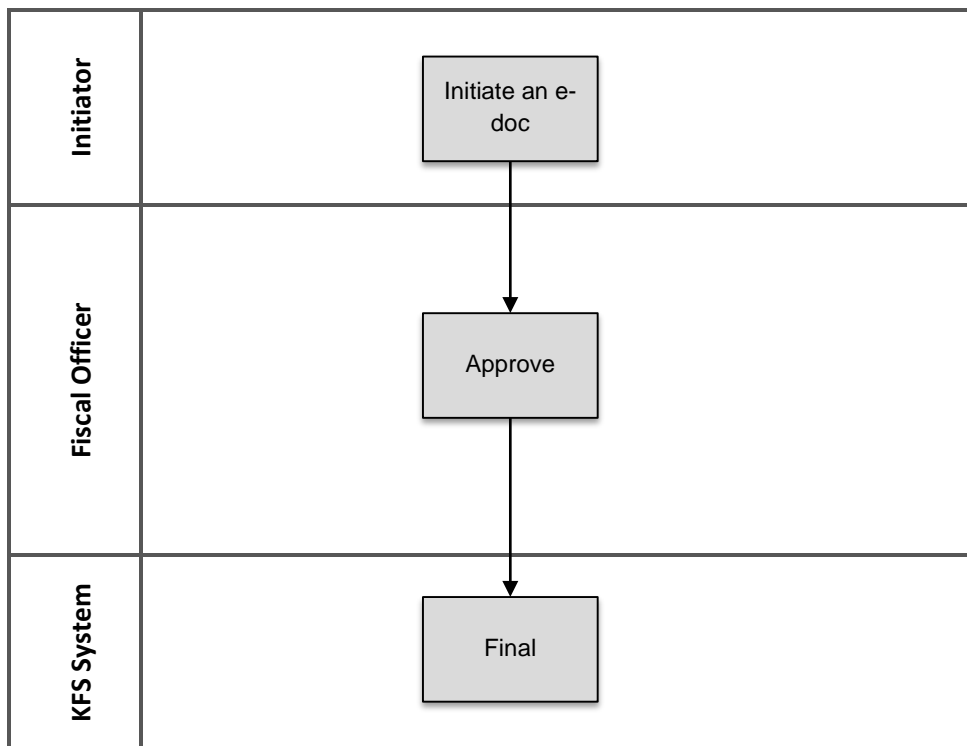
- Asset Fabrication e-docs are automatically routed to the appropriate fiscal officer or delegate. The fiscal officer to whom this document is routed is defined by the Organization Owner Chart/Account.
  The document routes to these roles:
  – KFS-SYS Asset Manager - approve
  – KFS-CAM Asset Manager - FYI

7. Definitions

KFS at Cornell Glossary
COA Old World – New World (a comparison of Legacy / KFS)
KFS Acronym Glossary

8. References

Capital Asset Management- Asset Fabrication (tutorial)
Capital Asset – Overview (tutorial)
KFS at CU: Chart of Accounts, Organizations