eMARS901
Fixed Assets

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eMARS Fixed Assets

1 – Orientation

This course will introduce you to how the Commonwealth of Kentucky uses eMARS for Fixed Assets processing. A fixed asset (**FA**) is an asset with a useful life of more than one year which is not consumed. An asset of an organization is classified as a Fixed Asset for accounting purposes when it:

- Is intended for internal use (i.e., is not for resale)
- Has a useful life extending beyond at least the fiscal year in which it was acquired, and
- Has a monetary value of $500.00 or more

The Commonwealth acquires real property as well as equipment, machinery, historical treasures, vehicles, software and other intangibles. These fixed assets are acquired through purchase, lease, donation, grants, and transfers from other state agencies. Agencies also track assets which are not owned in order to comply with contractual agreements.

eMARS Fixed Asset processes enable users to manage and control their organization's fixed assets throughout the life cycle of the asset. The tracking of a fixed asset begins with the acquisition of the asset, includes any maintenance transactions to record asset changes (such as improvements, modifications and transfers) and ends with asset disposal.

Prerequisites

You should have completed the following courses before continuing:

- eMARS101 Intro to eMARS
- eMARS110 Chart of Accounts

Learning Objectives

At the conclusion of this session, you will be able to:

- Identify the key roles and responsibilities and policy relating to Fixed Assets
- Define Fixed Asset Number and its relationship to property tag numbers
- Identify the validation tables used by fixed assets processes:
  - Custodian (**CUSD**)
  - Fixed Asset Acquisition Disposition Method (**FADM**)
  - Fixed Asset Group (**FAGRP**)
  - Fixed Asset Type (**FATP**)
  - Location (**LOC**)
  - Sub-Location (**SLOC**)
- Discuss the use of fixed assets documents and the recommended approval process
- Identify the documents in use by the Commonwealth:
  - Fixed Asset Acquisition / Betterment (**FA**)
  - Fixed Asset Cancellation (**FC**)
  - Fixed Asset Disposition (**FD**)
  - Fixed Asset Increase/Decrease (**FI**)

  - Fixed Asset Modification (**FM**)
  - Fixed Asset Price Change (**FP**)
- Identify the inquiry tables updated by those documents:
  - Fixed Asset Registry Header (**FARHDR**)
  - Fixed Asset Registry Component (**FARCOMP**)
  - Fixed Asset Registry Accounting (**FARACTG**)
  - Fixed Asset History (**FAHIST**)
- Create a fixed asset acquisition (**FA**) document from scratch
- Describe the fixed asset shell generation process:
  - Identify commodities flagged as fixed assets on the Commodity (**COMM**) table
  - Review thresholds set on the Commodity Fixed Assets (**COMMFA**) table
  - Review the Fixed Asset Payment Request (**FAPR**) table used to generate **FA** shells and use its searching capabilities
  - Describe the relationship of the shell generation process to payment request documents and disbursements
  - Discuss system criteria for shell generation
  - Discard unwanted FA shells
- Add a betterment to an existing fixed asset (**FA**)
- Process adjustments to fixed assets using fixed asset documents
- Cancel a fixed asset (**FC**)
- Dispose of a fixed asset (**FD**)
- Discuss reorganization of fixed assets between governmental funds, responsibility centers and locations using the Fixed Asset Transfer (**FT**) document (manually or via spreadsheets or interfaces)
- Outline the typical annual cycle for Fixed Assets and annual inventory procedures
- Review the statewide fixed asset reports

Roles and Responsibilities

The following are roles and responsibilities relating to Fixed Assets:

- **Fiscal Officer** – Each agency has a Fiscal Officer responsible for the establishing and implementing an internal control plan to reasonably assure compliance with policy. Both the Fiscal Officer and the Property Officer sign off on the annual Physical Inventory Observation.
- **Property Officer** – As described in **FAP 120-20-01**, each agency head (i.e., Cabinet Secretary) must either serve or appoint an employee of the agency to serve as agency Property Officer. This person bears responsibility with the Fiscal Officer for making sure fixed asset records are maintained and that the annual Physical Inventory Observation is completed according to policy and procedures.
- **Inventory Officers** – Many departments employ a few or several people to maintain the inventory of fixed assets day to day. Even though the Inventory Officers may enter, process, and approve documents to make adjustments to inventory, Property Officers must approve document uploads and sign off on the annual Physical Inventory Observation (along with the Fiscal Officer).

- **Office of the Controller, Division of Statewide Accounting Services (SAS)** – Agencies may consult with staff in SAS for assistance with Fixed Assets documents or with questions about policy and procedures as needed. The Office of the Controller prepares closing packages each fiscal year, as well as the Comprehensive Annual Financial Report (CAFR).

Policies and Procedures

The following policy has been documented for Fixed Assets and related documents. The complete documents are available on the Finance and Administration Cabinet's web page:

http://finance.ky.gov/services/policies/Pages/default.aspx

- **FAP 111-54-00 Trade-In Purchases** - Any agency may trade in state owned personal property on the purchase of new equipment or products as long as the property is declared surplus. See FAP 111-54-00 and FAP 220-19-00 for details.
- **FAP 118-11-00 Lost or Stolen Property** - State owned property which has been lost and cannot be established as having been stolen, shall be removed from the agency's inventory and a lost or stolen record maintained by the cabinet head, explaining the loss as the facts are known. Thefts shall be reported to police authorities and fixed assets removed from inventory. Records of lost and stolen property shall be subject to audit by the Finance and Administration Cabinet. See FAP 118-11-00 for requirements.
- **FAP 120-20-01 Personal Property and Vehicle Inventories** - According to KRS 45.313, each budget unit shall maintain a current fixed asset record of equipment having an original cost of five hundred dollars ($500) or more and a useful life of greater than one year. Physical audits of fixed assets may be conducted. Agencies must follow enter records in the fixed asset system for non-expendable property, which promotes financial reporting, safeguarding of assets, and adequate insurance. Expendable property should be accounted for using the statewide system or an appropriate internal control method. Refer to FAP 120-20-01 for a complete list of the provisions pertaining to fixed asset records.
- **FAP 220-15-00 Real Property Acquisition** - The Finance and Administration Cabinet's Division of Real Properties is responsible for the acquisition of real property for all departments, agencies, and administrative bodies of state government, except the Transportation Cabinet and select universities. All requests for acquisition of real property must include a description of the property, an explanation of the need, estimated cost and a statement concerning the means of financing the acquisition. Refer to the policy for complete details.
- **FAP 220-16-00 Surplus Real Property Disposition** - The Division of Real Properties is responsible for the disposition of all real property owned by the Commonwealth of Kentucky. Refer to the policy for complete details.
- **FAP 220-19-00 Surplus State-Owned Personal Property: Declaration and Disposal** – The Division of Surplus Property shall dispose of state-owned personal property declared to be surplus to the needs of the Commonwealth, unless authority to declare and dispose of surplus property has been delegated to an agency head by the secretary of the Finance and Administration Cabinet. See FAP 220-19-00 for full details.

- **FAP 220-20-00 Surplus State-Owned Personal Property: Eligibility and Receipt** – A unit of local government in the Commonwealth or a nonprofit organization described in FAP 220-19-00 section 3(d) may request surplus state personal property upon submitting evidence of its status as a unit of local government or tax-exempt nonprofit organization. See FAP 220-20-00 for more information.
- **FAP 220-21-00 Surplus Federal Property: Acquisition and Distribution** – The Finance and Administration Cabinet, Division of Surplus Property shall acquire and distribute federal surplus property received by the Commonwealth to eligible donee organizations. See FAP 220-21-00 for details about eligibility.

Fixed Asset Numbers

Fixed Asset Number is a unique code used in eMARS to identify a fixed asset and all of its components for inventory and insurance purposes. Fixed Asset Numbers may be up to 15 digits and should be prefixed by an approved 2-character prefix (to ensure unique Fixed Asset Numbers; see Appendix A for valid prefixes by Department).

The Fixed Asset Number corresponds to the number found on the fixed asset's property identification tag, which according to **FAP 120-20-01** should be affixed to the left side of the item when the item is in its normal operating position. (Printed property identification tags are obtained from the Division of Correctional Industries.)

On eMARS Fixed Assets documents, the property identification tag number is entered in the **Fixed Asset Number** field.

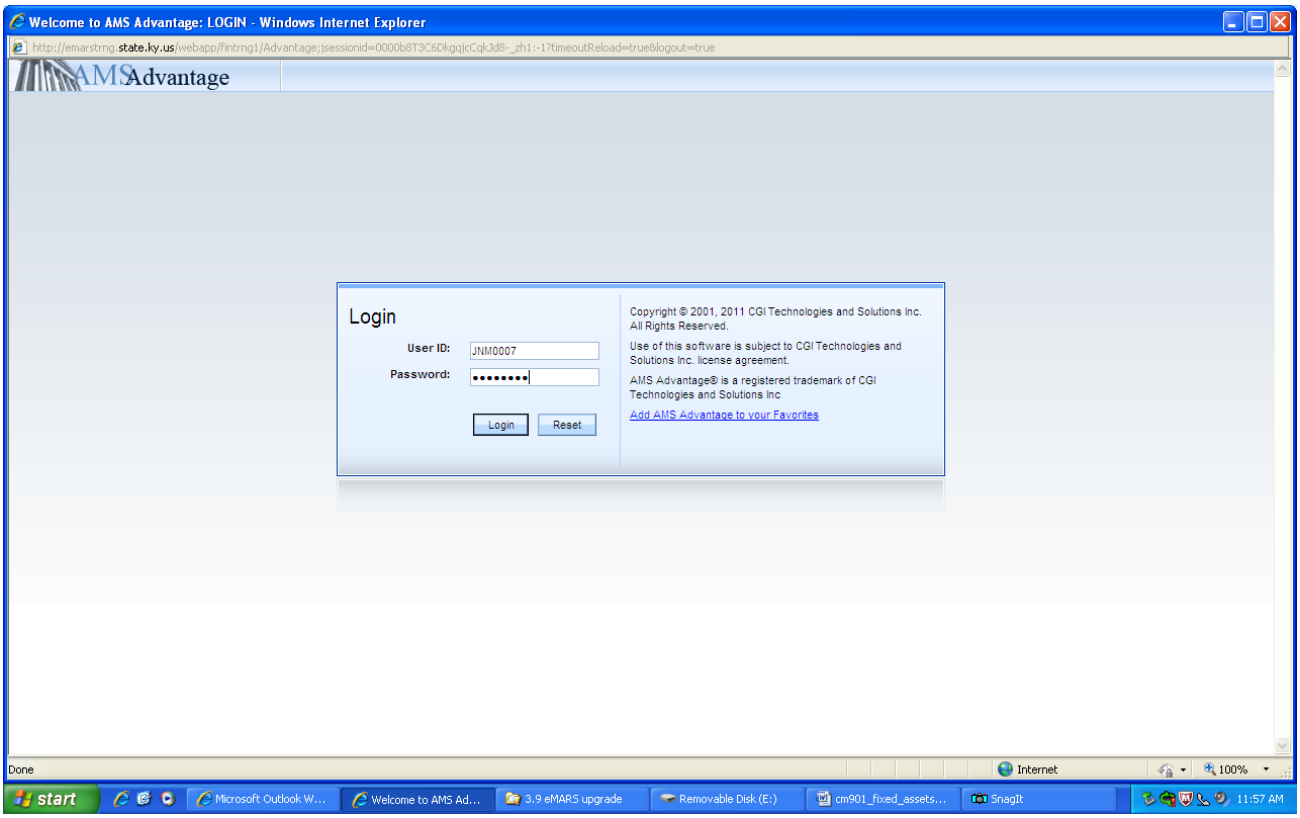
Note: **Fixed Asset Number** should not be confused with the **Tag Number** field found on the Component lines. The **Tag Number** field is reserved for entry of license plate tag numbers for vehicles or for internal agency tracking numbers for other equipment.

Exercise — Logging In to eMARS

You will use a Student ID to access the training database during class. These IDs are only set up for the training environment. Your User ID for the production environment will be assigned along with a new password when eMARS is implemented.

From the Login page, enter the following information:

Required Fields	Values
User Name	Enter your Student ID posted on the Student Card. **NOTE: User Names are case sensitive.**
Password	Enter your Password and click **Login**. **NOTE: Passwords are case sensitive.**



The Home Page appears.

Exercise 1 – Add A Custodian To Custodian Table

Scenario

Your department has a new employee. Create a custodian code and up-date the custodian table for the new employee.

Task Overview

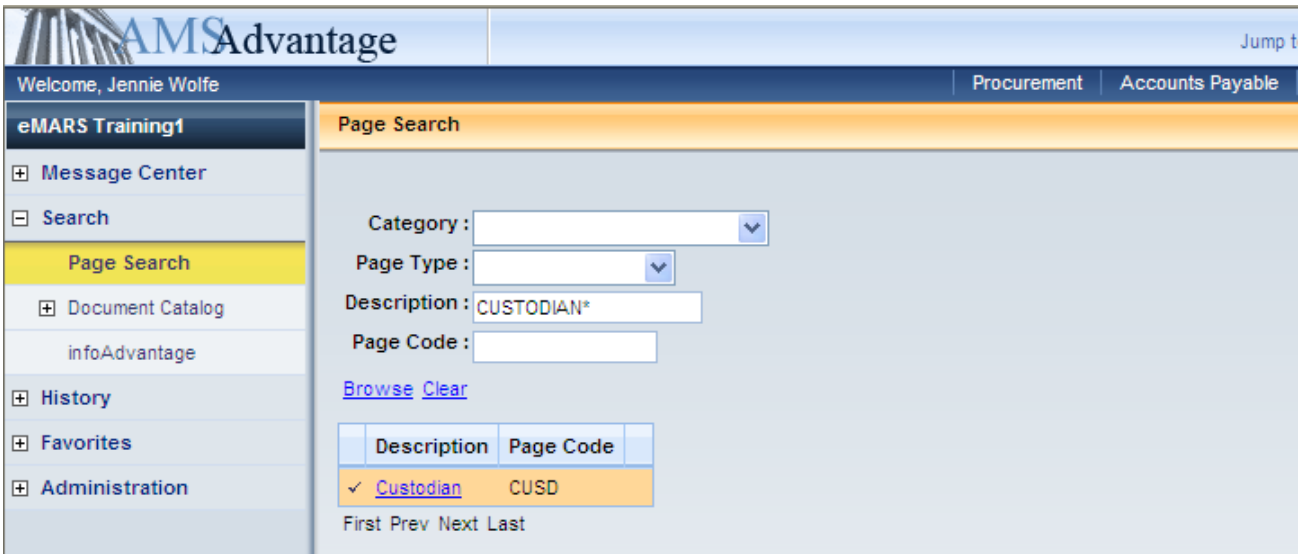
- Create the custodian code. Custodian table entries are unique by custodian code. Agencies are asked to begin the custodian code with either their *department number* or the *fixed asset prefix* used on their agency's fixed asset tags. This will enable agencies to easily identify their entries.

- Update the custodian table.

Note: Agencies maintain this table; therefore it is possible for agencies to modify any entry on the table including those not created for their agency. The only exception is that statewide accounting services deletes custodians from the table upon an agency's request.

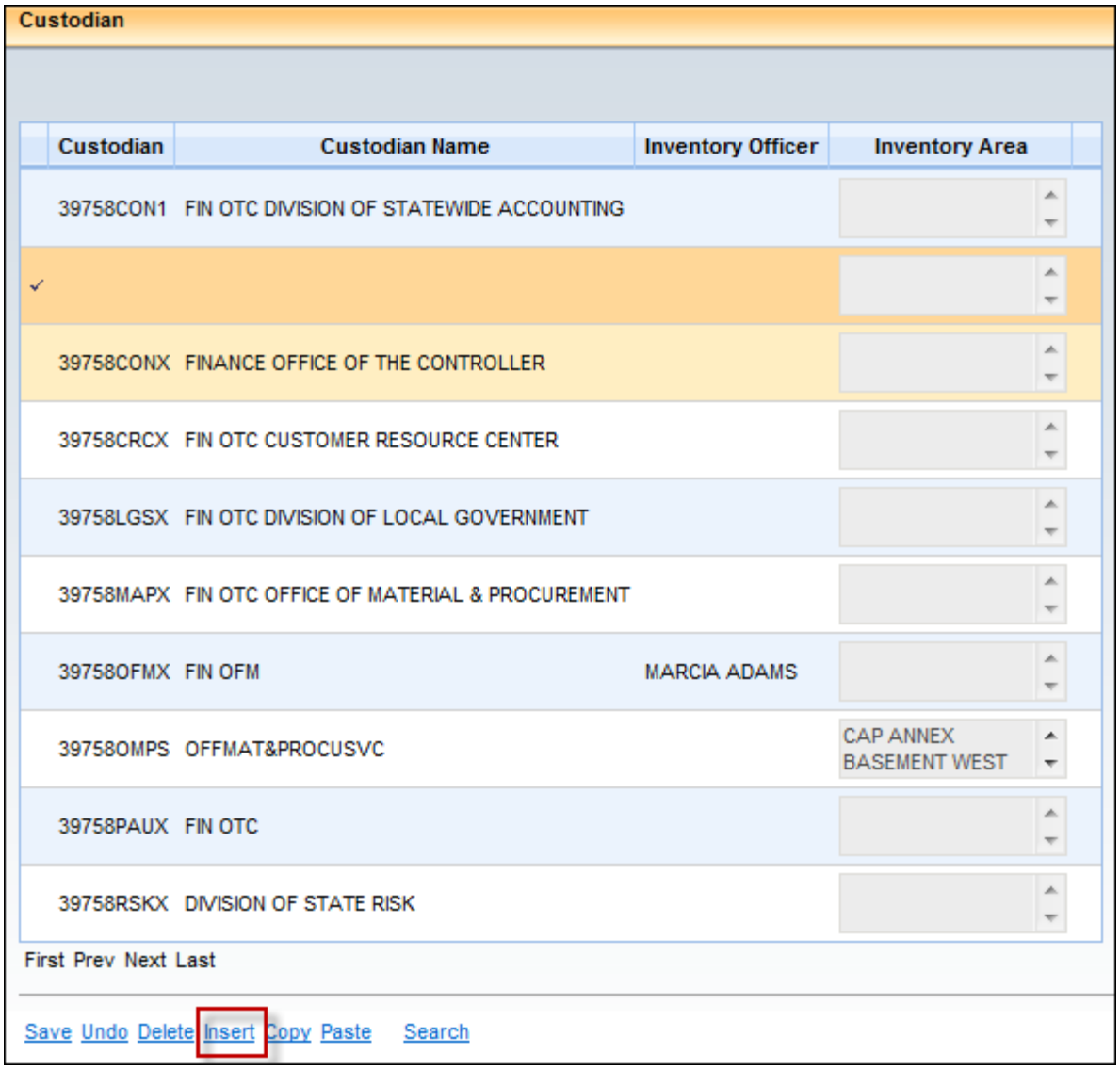
Procedures

1. Click **Home**.
2. Click **Search** from the Secondary Navigation panel, then click **Page Search**.



3. Type "*Custodian*" in the Description field and click **Browse**.
4. Select the **Custodian** table.

5. Select **Insert**.



6. Complete the required fields:

Required Fields	Values
Custodian	Please refer to your Student ID card
Custodian Name	Please refer to your Student ID card
Short Name	Please refer to your Student ID card

7. Complete optional fields, if desired.
8. Click **Save** to add this record.

2 – Fixed Assets Documents and Inquiries

Fixed assets processes in eMARS are "document-driven"; that is, you must process a document each time there is a change in the information for a fixed asset. Event types and accounting templates are used on these documents to help ensure correct data entry.

Once a document is processed, it updates various tables in eMARS. Inquiry pages can be used to review the changes made by the document. Each of these concepts is described in this chapter.

Documents and Event Types

An Event Type is used on the ***Header*** line of a document to signify what posting codes will be used while also bringing in specific rules for data entry concerning referenced transactions, customer codes, vendor codes, and all defined chart of account elements in the system.

The user can either enter the event type, or it will default for a document with a stated default event type. The user can select an event type and name combination from the pick list for a particular document event code. The system will never default an event type over one entered by a user. If the data entered is not correct for the event type, error messages will be issued.

The Fixed Assets documents and their corresponding Event Types are listed below.

Fixed Asset Function	Document Code	Event Type
Acquisition—Adding Fixed Asset	FA	FA01
Betterment	FA	FA02
Increase/Decrease Asset Cost or Fund Source	FI	FA07
Modification	FM	FA05
Transfer	FT	FA06
Cancellation	FC	FA11
Disposition	FD	FA04
Correct Disposition date and/or method	FP	FA12

Accounting Templates

Accounting templates provide the ability to save frequently used chart of accounts data for use in subsequent document creation. These templates are used to populate fund and detail accounting elements on documents.

In order to reduce data entry and minimize errors, you can establish standard accounting templates of information that can be provided when you process documents. Using these templates, you reduce the amount of time it takes to enter new documents. Templates also make it easier for the non accountant type to process documents.

Basics of the Accounting Templates:

- Accounting templates are invoked after you create the document
- Any accounting elements that have already been entered on the document are not overlaid with values from the accounting template that is selected. Therefore, accounting templates only default values to blank fields
- After the template is applied, the values that are replaced by the user will be maintained

For example, a department creates an accounting template called “Responsible Center” for use with fixed asset documents. The template includes fund, department, unit, function and expenditure object. When applying this template on an accounting line with a fund already specified, the accounting template only brings in the department, unit, function and expenditure object. If a Fund code has been entered by the user on the document, it will not be replaced with the Fund code from the template.

For further information about creating, modifying, and searching for Accounting Templates, please refer back to the eMARS101 Intro to eMARS or eMARS110 Chart of Accounts courses.

Document Approvals

The approval process for Fixed Asset documents varies on the internal procedures of agencies. It is recommended though that the **FA** (acquisition/betterment) and **FI** documents require one level of approval. It is also suggested that the **FD**, **FC** and **FT** documents require one level of approval; however, the creator/submitter of these documents should not be allowed to apply the approval.

Creating an FA document from Scratch

The Fixed Asset Acquisition (**FA**) document is used to record into the system all newly acquired fixed assets. eMARS supports 11 types of fixed assets, including: land, buildings, improvements other than buildings, equipment, construction work-in progress, vehicles, historic treasures, non-collectible books, easements, software and other intangibles.

Fixed Assets Acquisition (**FA**) documents are created two ways: through shell generation (the process by which partially completed **FA** documents are generated by the system) or "from scratch". Most of the time the system will generate an **FA** for the department as a system generated fixed asset "shell". However, if the cabinet does not enter the correct fixed asset commodity code on a payment request document, a shell will not be generated and an **FA** document must be created from scratch.

eMARS software requires that an **FA** document be created from scratch if a shell has not been created (donated asset) or an asset is acquired by means other than a **PRC**, **PRC2** (Procard), or **PRM** document. Each time an **FA** document is created, the following fields should be populated. **Bolded** fields are included on FA shells.

Secondary Navigation Panel	Section	Field
Header	General Information	▪ Document Name ▪ Document Description ▪ Fixed Asset Number **(required)** ▪ Fixed Asset Description **(required)** ▪ **Event Type** ▪ Memo Asset—Check the box – required by policy
	Extended Document Description	▪ Enter the warranty information in the text box
	Responsibility Center	▪ Accounting Template ▪ Fund ▪ Department ▪ Unit
Component	Component General Information	▪ **Component Number—this is a 4-digit number** ▪ **Commodity** ▪ **Unit(s)** ▪ **Tag Number must record plate # for all vehicles** ▪ **Description 5 = insurance policy type.** ▪ For all Betterments include Extended Description
	Acquisition details	▪ **Acquisition Date (required)** ▪ Acquisition Method (required) ▪ **Vendor**
	Component Location Details	▪ Location (required) ▪ Sub Location (required)
	Component Classification	▪ Fixed Asset Classification—(required; should always be Memo) ▪ Fixed Asset Group (required) ▪ Useful Life—See Appendix C (required)

Secondary Navigation Panel	Section	Field
	Cost, Valuation and Depreciation	▪ Depreciation Method—should always be Not Applicable (required) ▪ Depreciation Structure—should always be Not Applicable (required)
Accounting	General Information	▪ Accounting Template ▪ **Line Amount (required)** ▪ Funding Fiscal Year (required) ▪ Funding Budget Yr (required)
	Fund Accounting = tracks funding source **Note**: All assets need fund accounting even if the item was donated. For donated assets use the Responsibility Center Information.	▪ Fund (required) ▪ Department (required) ▪ Unit (required) Users may be required to enter some funding values even though an Accounting Template/Profile was used. For instance, Accounting Templates may be set up with all valid funding values except the Object Code. In which case, users will be required to enter an Object Code in addition to the Accounting Template/Profile. User entered values will always override Accounting Template values. **Funding will be carried forward into an FA shell.**
Posting	General Information	**READ ONLY** Section: The Posting Page allows users to view the accounting entries generated by the document based on Event Type.

Note: Fixed Asset Acquisition (**FA**) documents cannot be modified once they are submitted. To modify fixed asset information, the user must create one of the fixed asset adjustment documents (**FI** and **FM**) and enter the Fixed Asset Number to be changed. Adjustment documents will be discussed in later sections.

See Appendix D for common error messages received on Fixed Assets documents.

Inquiry Tables

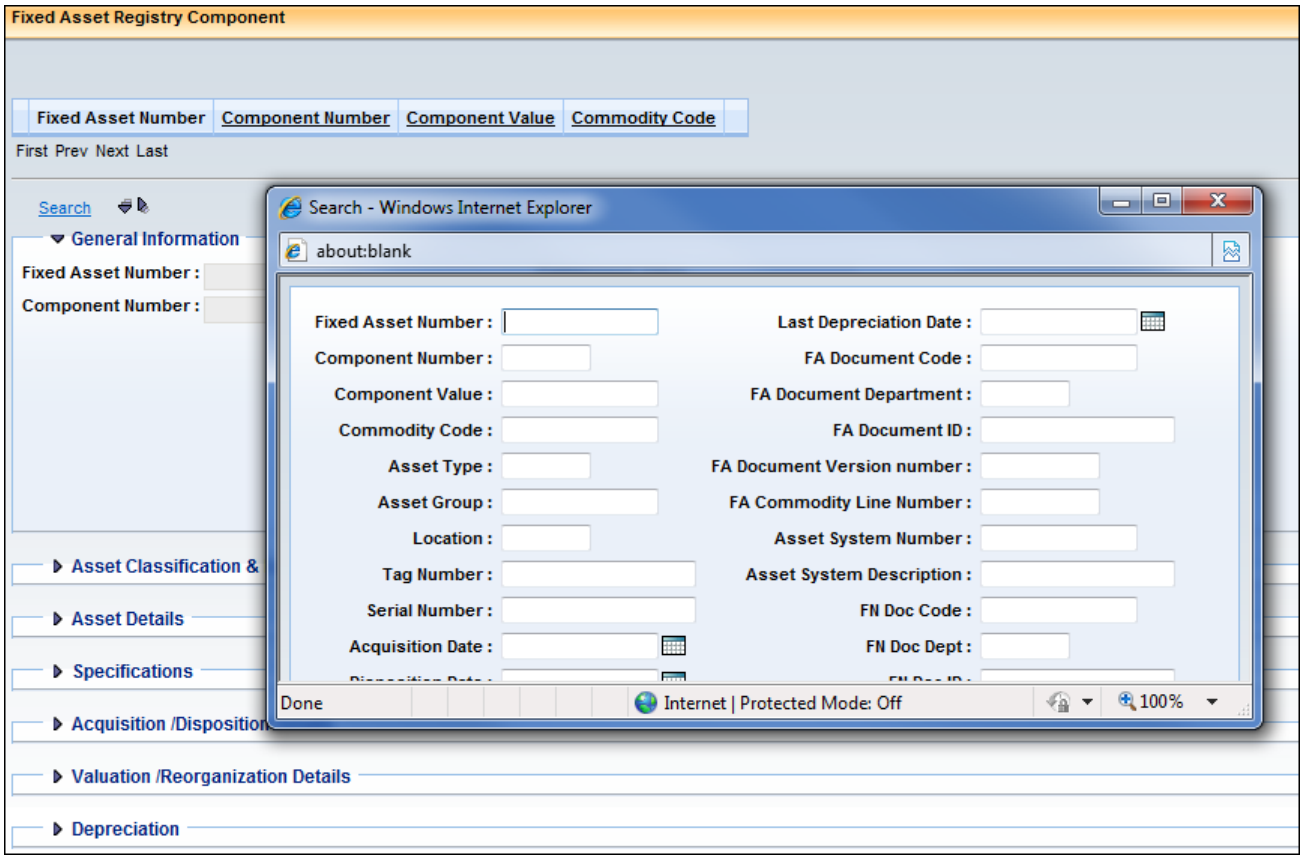
Table Name	Description
Fixed Asset Registry Header (**FARHDR**)	Provides summary information for an asset and all of its components: • Responsible center • Asset cost/Value • Net Book Value • Disposition information when all components are disposed • Original historical cost
Fixed Asset Registry Component (**FARCOMP**)	Stores the current status of the component lines that comprise the asset.
Fixed Asset Accounting (**FARACTG**)	Shows the funding used to acquire the fixed asset. (If the asset is disposed the dollar amount will be zero but the funding strip will still appear.)
Fixed Asset History (**FAHIST**)	Listing of fixed asset documents by tag number which have posted to the system.
Fixed Asset Payment Request (**FAPR**)	Tracks the status and details of commodity lines on a Payment Request flagged as a fixed asset. Includes shell generation details and a link to the created shells.

User Maintained/Validation Tables

Table	Description	Maintained by
Fixed Asset type (**FATP**)	The **FATP** table establishes the asset types the system will allow. This table establishes valid values for the fixed asset type and is used to perform edits on that field.	Statewide Accounting Services
Fixed Asset Acquisition / Disposition Method (**FADM**)	The **FADM** table establishes the acquisition and disposition methods that will be used. This is a user defined table and new values can be added when needed. This table is also used to edit the value in the acquisition and disposition method fields.	Statewide Accounting Services
Fixed Asset Group (**FAGRP**)	This table list the valid insurance codes and is used to edit the value in the FAGRP field.	Statewide Accounting Services
Location (**LOC**)	This table is used by both fixed asset and financial accounting to establish valid values for location. Fixed Asset documents will always use *"1"*	Statewide Accounting Services
Sub-location (**SLOC**)	This table is used to establish a code for each land installation and building.	Statewide Accounting Services
Custodian (**CUSD**)	Establishes the custodian code to be used on documents and stores related detail information	All state agencies.

Reviewing the Fixed Asset Inquiry Tables

The current information for a fixed asset can always be located using the searchable Fixed Asset Registry tables. Examples of searchable fields on these tables are asset location, serial number, responsible agency, custodian, and payment document.



The Fixed Asset Registry, which is updated through the use of specific Fixed Asset Documents and Event Types, stores the current status of an asset and is made up of the following three tables:

- **Fixed Asset Registry Header (FARHDR)** – contains the Fixed Asset Number and Description, Summary Asset Cost and Responsibility Chart of Account elements.

- **Fixed Asset Registry Component (FARCOMP)** – contains the Acquisition and Betterment details for each Fixed Asset Component.

- **Fixed Asset Registry Accounting (FARACTG)** – records the funding information including Fund and Detailed Accounting Distributions

Other Fixed Asset tables provide different information about fixed assets:

- **Fixed Asset Payment Request (FAPR)** – tracks the status of shell generation by commodity line (described in the next chapter).

- **Fixed Asset History (FAHIST)** – records all documents which have processed for the asset number and provides a history of all the accounting and non-accounting transactions for each individual Fixed Asset record.

- **Fixed Asset Disposition Method (FADM)** – contains acquisition codes to reflect both ownership and acquisition method

- **Custodian (CUSD)** – validates who has custody of the asset. The Custodian is limited to 10 characters. Deletions from the **CUSD** table can only be performed by Statewide Accounting.

Exercise 2 - Create a Fixed Asset Acquisition (FA) Document from Scratch

Scenario

A donation has been received from Microtech, a computer training company, in the form of a computer valued at $1000.00 with a warranty of 3 years. It has a useful life of 5 years.

A Fixed Asset Acquisition (**FA**) document must be created in order to record this donation. Use the **FA** number on your Student ID Card.

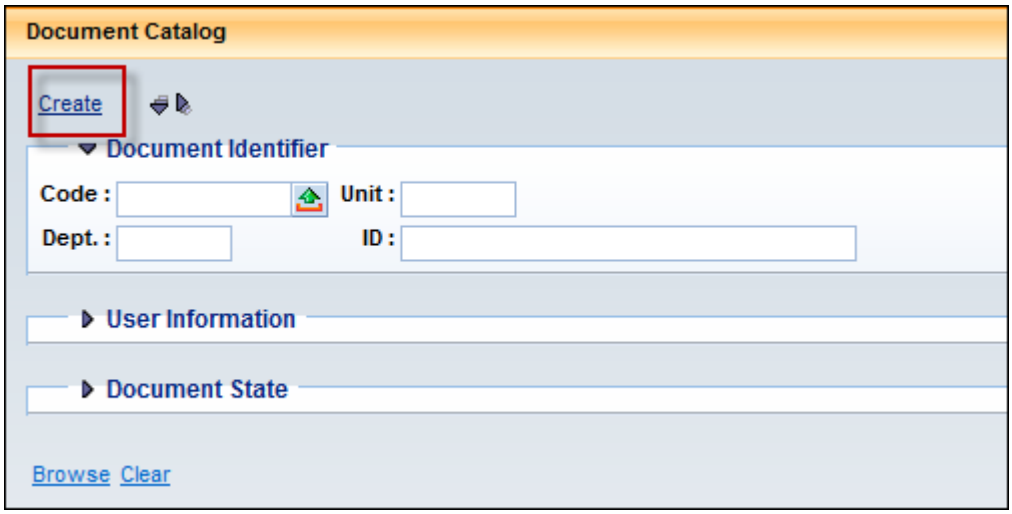
Task Overview

Create an **FA** document to record acquisition of the fixed asset.

Locate the fixed asset on the Fixed Asset Registry – Component (**FARCOMP**) table.

Procedures

1. Click **Home**.
2. Click **Search** from the Secondary Navigation panel.
3. Select **Document Catalog.**

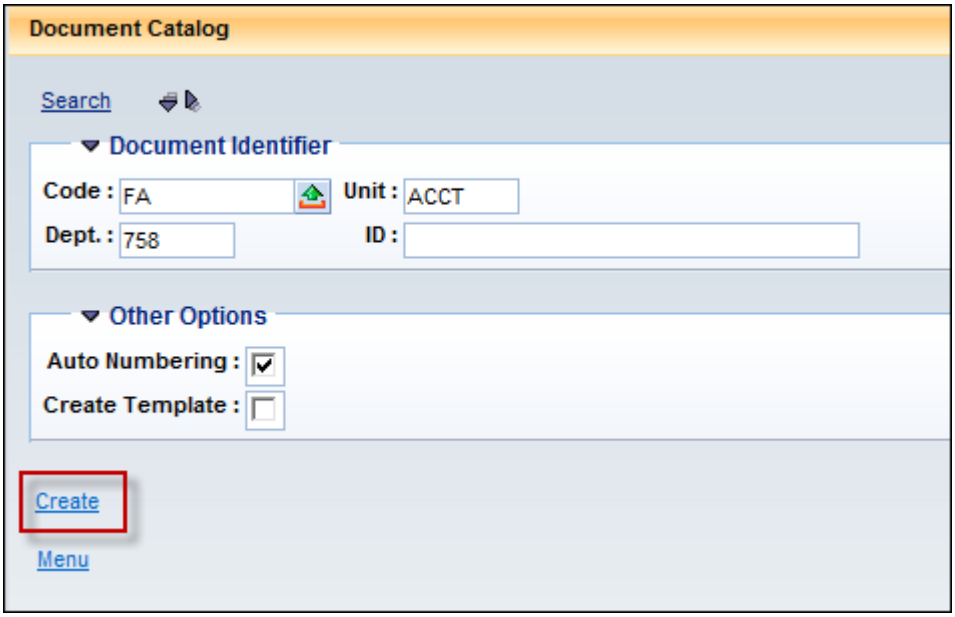


4. Click **Create.**

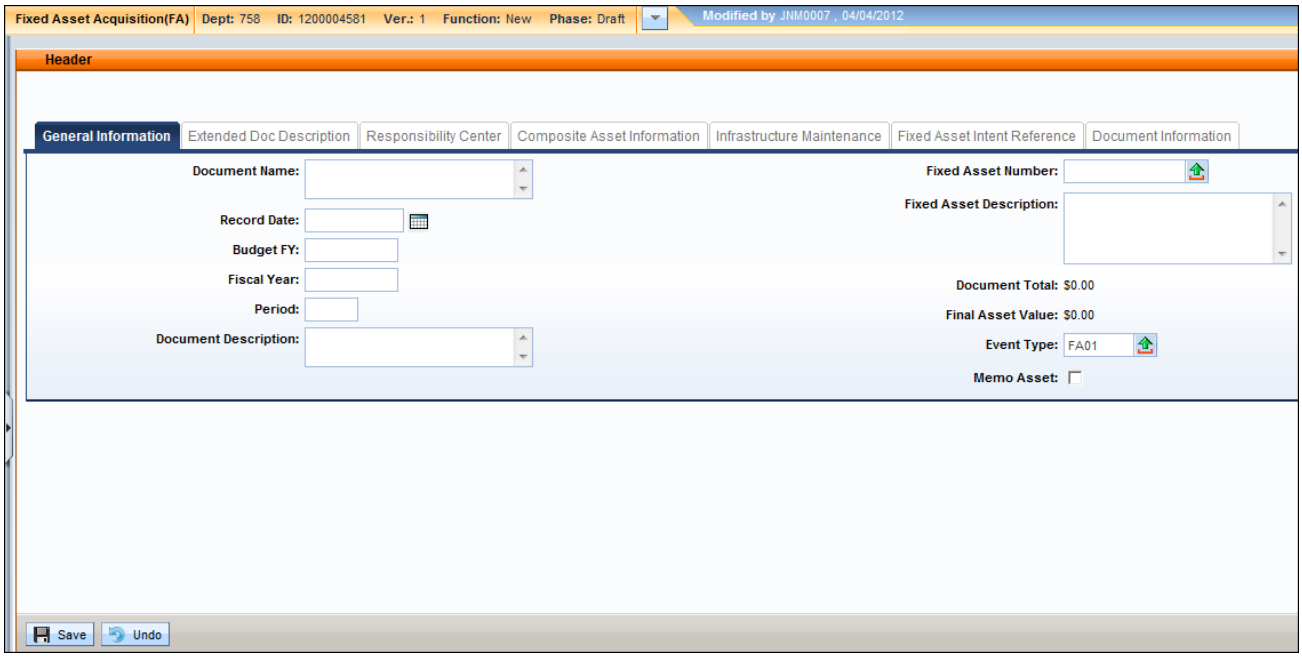
5. Enter the following information.

Required Fields	Values
Code	***FA***
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

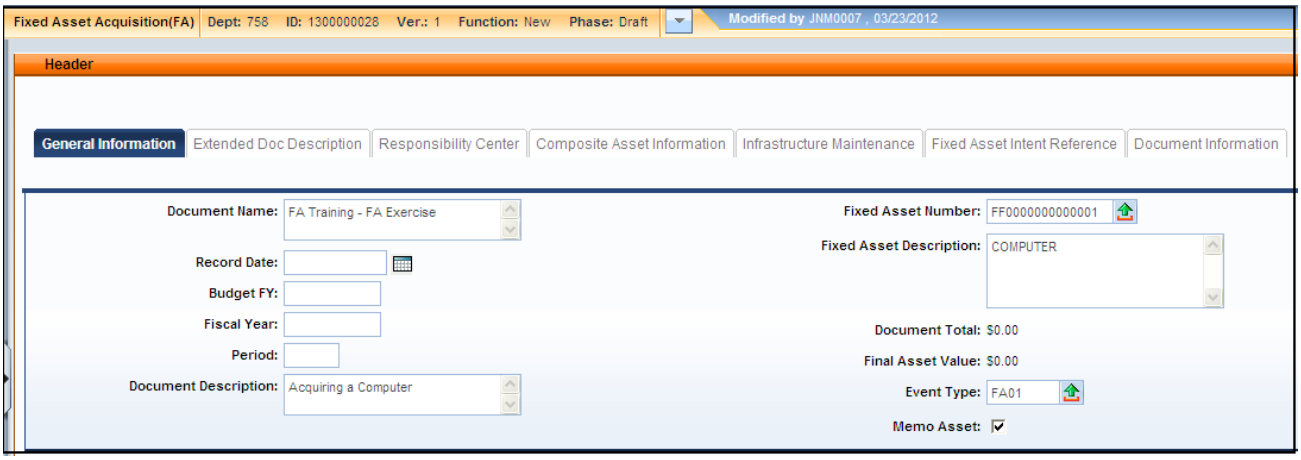
6. Click **Create**.



7. The new **FA** document opens to the **General Information** section of the Header.

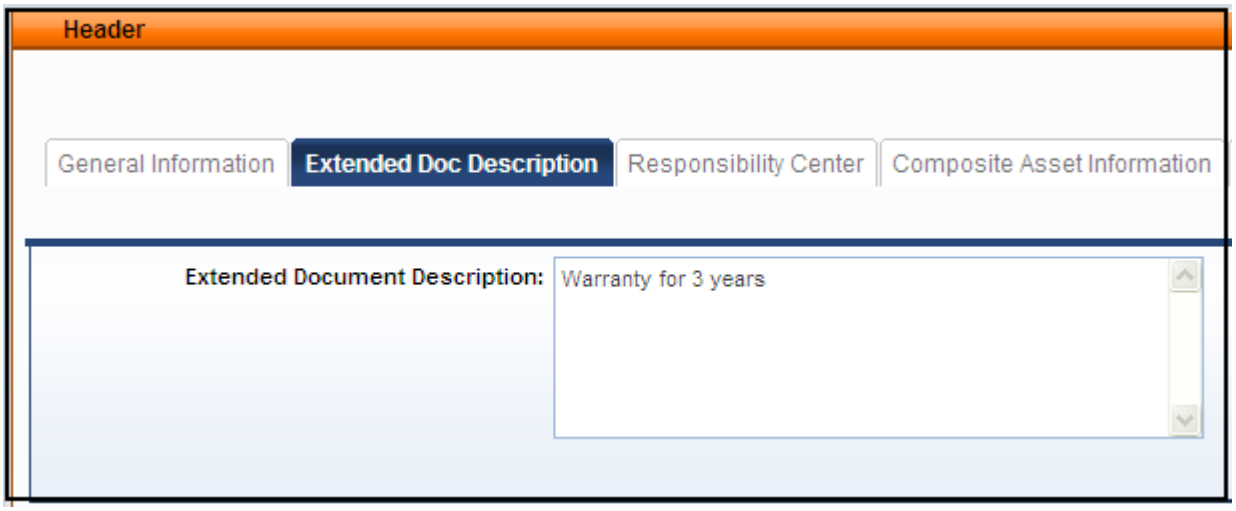


Note: <u>For all documents in Exercises 1-8</u>, the **Record Date**, **Budget FY**, **Fiscal Year**, **Period**, **Name**, **Phone Number** and **Email** fields will automatically populate when the document is validated. You do not need to enter any information in these fields, unless asked to do so.



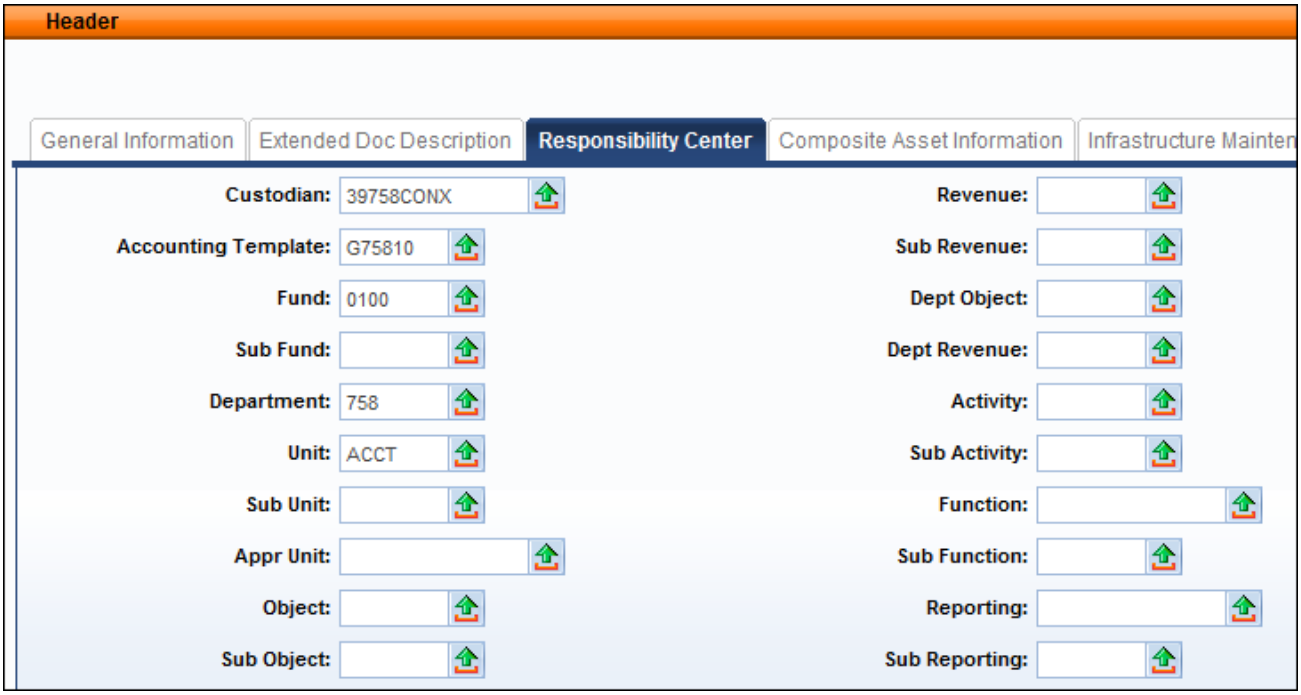
8. Enter the following information:

Required Fields	Values
Document Name	*FA Training – FA Exercise*
Document Description	*Acquiring a computer*
Fixed Asset Number	Please refer to your Student ID card
Fixed Asset Description	*Computer*
Event Type	Leave as Default (*FA01*)
Memo Asset	Check the box



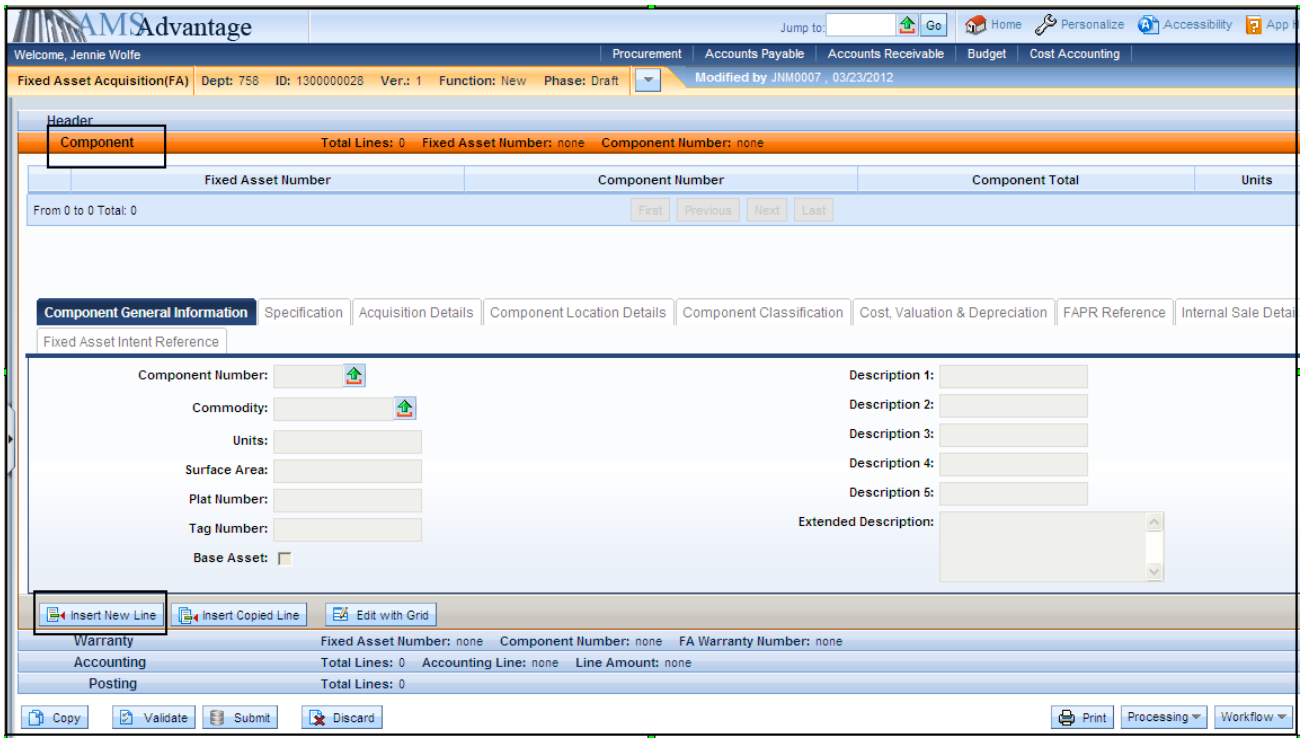
9. Click the **<u>Extended Doc Description</u>** <u>subsection</u> and enter the following information:

Required Fields	Values
Extended Document Description	*Warranty for 3 years* **Note:** Warranty information may be entered here, but if needed for reports, use the Component Extended Description field.



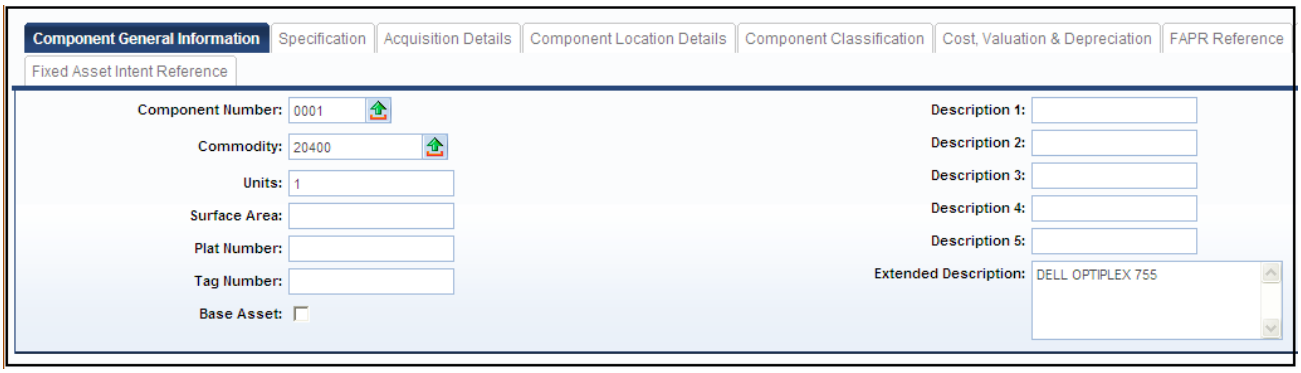
10. Click the **Responsibility Center** subsection and enter the following information:

Required Fields	Values
Custodian	Please refer to your Student ID card. **Note:** This should be the person who is responsible for the asset.
Fund	Enter 0100, the Fund responsible for the asset. Proprietary funds and pension funds must enter their fund code.
Accounting Template	Please refer to your Student ID card. **Note:** Check with your Fiscal Officer to ensure accuracy
Department	Please refer to your Student ID card.
Unit	Click the Pick List and Select ***ACCT***



11. Click **Component**. The page opens to the General Information section.

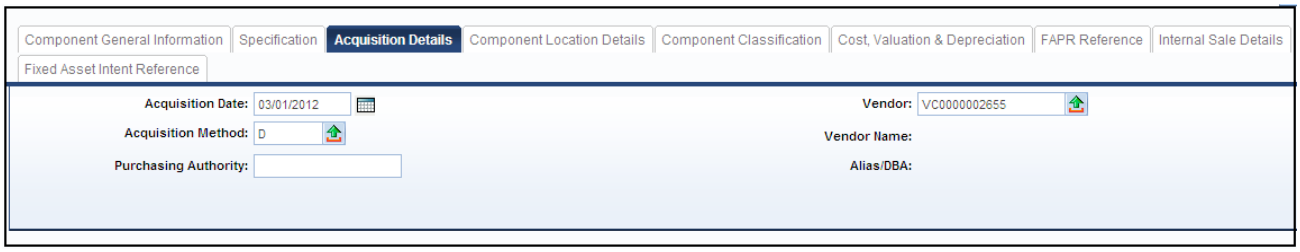
12. Click **Insert New Line**.



13. Enter the following information in the **General Information** subsection:

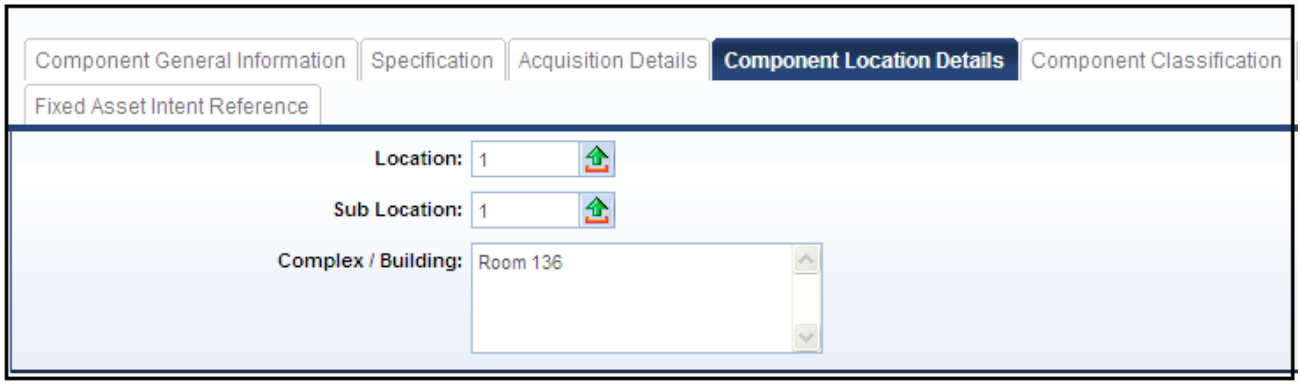
Required Fields	Values
Component Number	*0001*
Commodity	*20400* (Computer)
Units	*1*
Extended Description	*DELL OPTIPLEX 755*

Note: Other **General Information** fields should be completed as required by Policies and Procedures or to meet reporting needs. Minimally, enter one other identifying number such as Serial Number for equipment or Tag Number for vehicles.



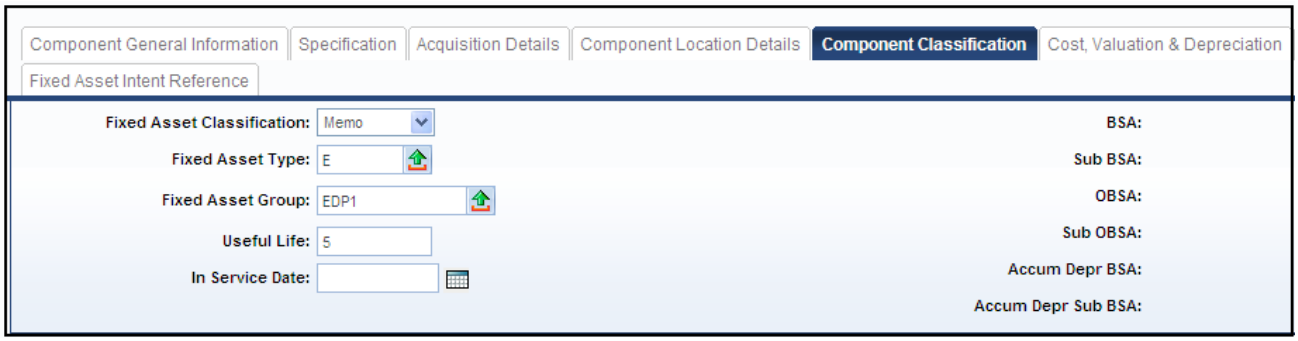
14. Access the **Acquisition Details** subsection and enter the following information:

Required Fields	Values
Acquisition Date	*3/1/2012*
Acquisition Method	Click the Pick List and Select **D** (**Donated/Not Fed**)
Vendor	Click the Pick List and Select the **Vendor Number** for Microtech



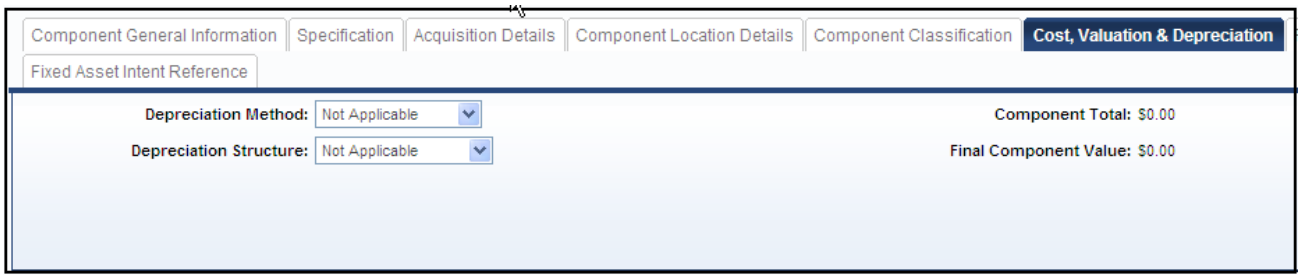
15. Access the **Component Location Details** subsection and enter the following information:

Required Fields	Values
Location	*1* (**Note:** this number will always be 1 in eMARS)
Sub Location	*1* (**Note:** this identifies the physical location of the fixed asset)
Complex / Building	*Room 136*



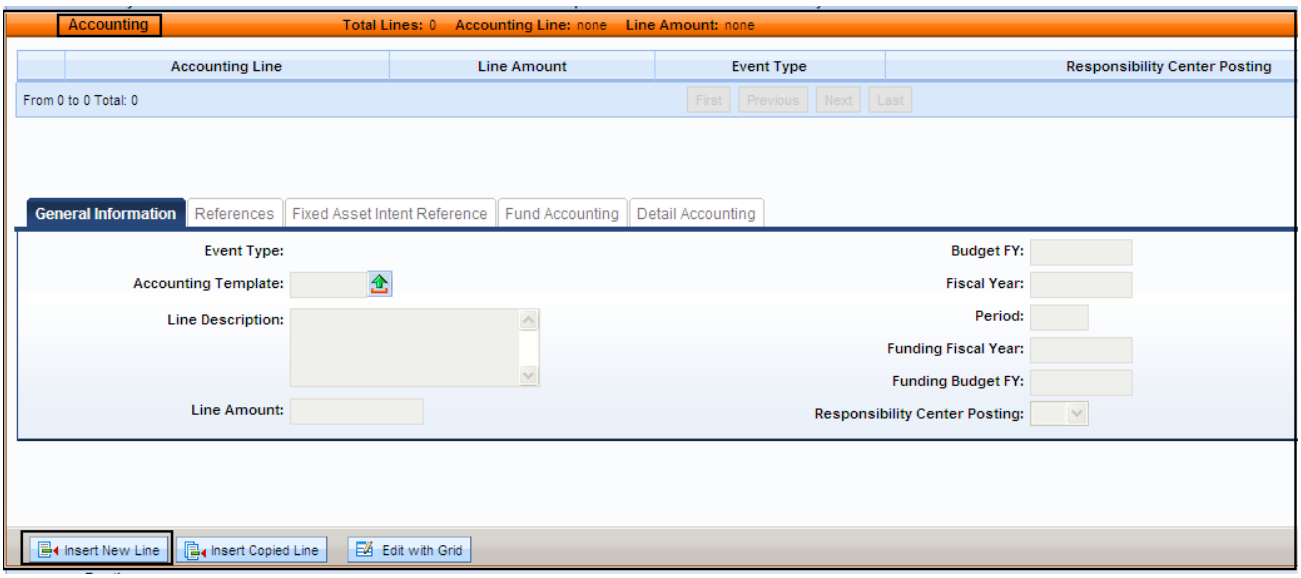
16. Access the **Component Classification** subsection and enter the following information:

Required Fields	Values
Fixed Asset Classification	Click the Drop Down Menu and Select *Memo*
Fixed Asset Type	Click the Pick List and Select *E* (Equipment)
Fixed Asset Group	Click the Pick List and Select *EDP1* (Equipment)
Useful Life	*5*

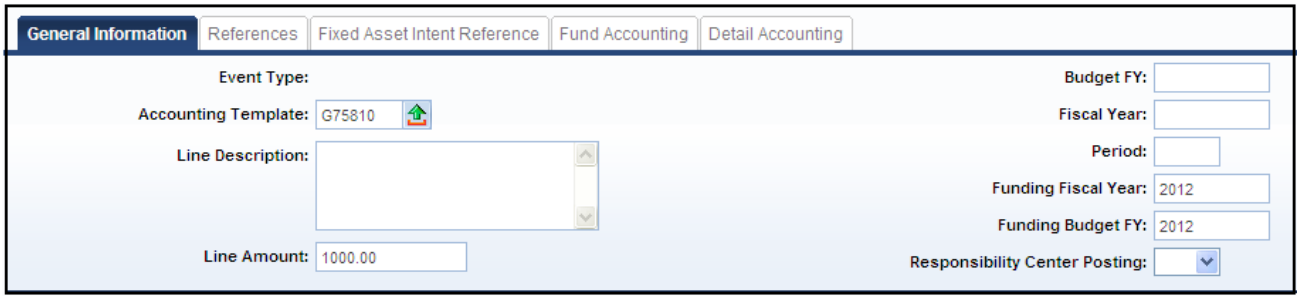


17. Access the **Cost, Valuation & Depreciation** subsection and enter the following information:

Required Fields	Values
Depreciation Method	Click the Drop Down Menu and Select *Not Applicable*
Depreciation Structure	Click the Drop Down Menu and Select *Not Applicable*



18. Click **<u>Accounting</u>**. The page opens to the General Information section.
19. Click **<u>Insert New Line</u>**.

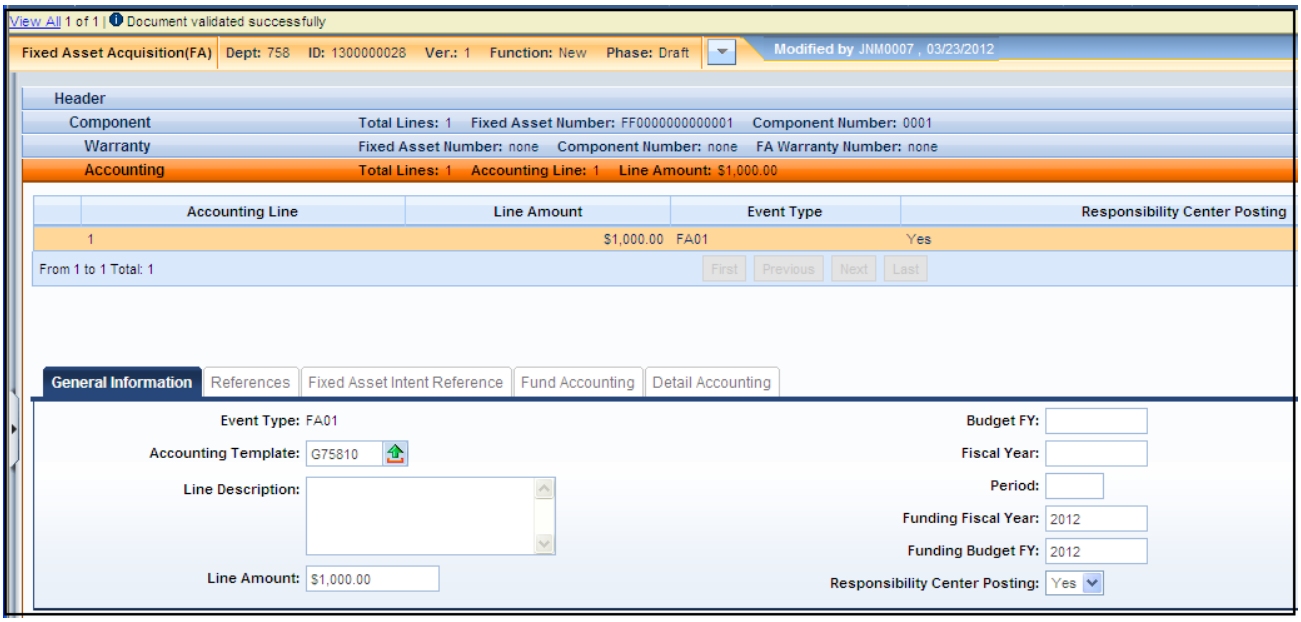


20. Enter the following information in the **General Information** subsection:

Required Fields	Values
Accounting Template	Please refer to your Student ID card
Line Amount	*1000.00*
Funding Fiscal Year	*2012*
Funding Budget Yr	*2012*

Note: If information about the payment or disbursement for the purchase of the fixed asset is available, the referenced document numbers should be entered in the **References** section.

21. Click **Save**. Click **Validate.** Check for errors and correct them. Click **Validate** again.

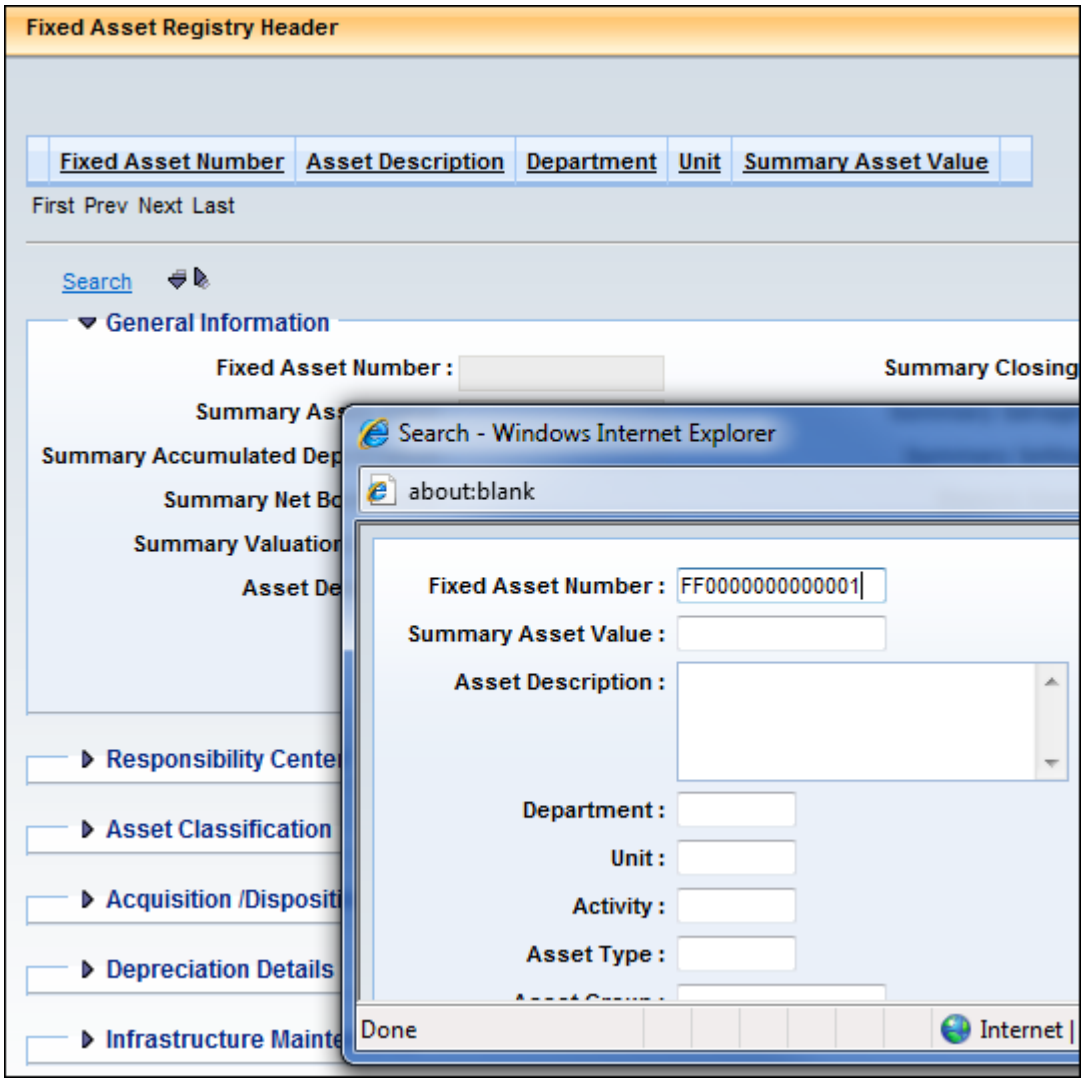


22. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is New and Final in the Document Catalog.
23. Click **Posting** from the Secondary Navigation panel. Review the posting lines. These show the accounting entries made by your document.
24. Click **Close** to exit the document.

Every Fixed Assets document updates the Fixed Asset Registry (**FARHDR**, **FARCOMP** and **FARACTG**) inquiry tables as well as the Fixed Asset History (**FAHIST**) table. Now that you have successfully processed a document, review the Fixed Asset Registry tables to see how they were updated.

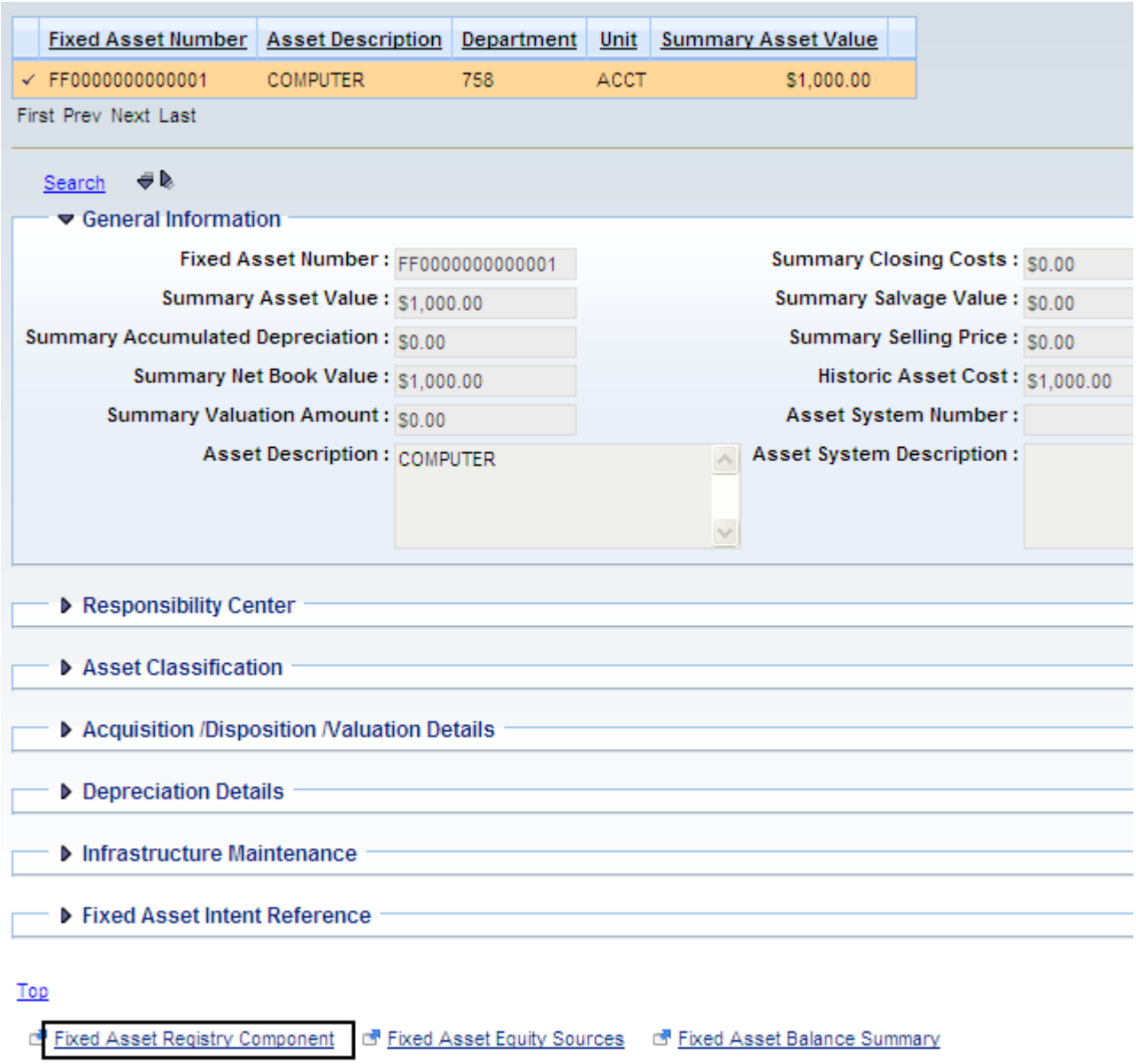
25. Click **Search** from the Secondary Navigation panel. Select **Page Search.** In the **Page Code** field, enter **FARHDR** and click **Browse**. Click **Fixed Asset Registry Header**. The Fixed Asset Registry – Header (**FARHDR**) page opens, along with a Search window.
26. Enter the following information:

Required Fields	Values
Fixed Asset Number	Please refer to your Student ID card



27. Click **OK**. The results appear. Notice that the table reflects the same information you entered on the **Header** of your document.

28. Click **Fixed Asset Registry Component** at the bottom of the page to open the Fixed Asset Registry – Component (**FARCOMP**) page. Note that you do not have to enter your fixed asset number again – it is carried forward to **FARCOMP**. The information on this page corresponds what was entered on the **Component** line of your document.



29. Click **Fixed Asset Registry Accounting** at the bottom of this page to open the Fixed Asset Registry – Accounting (**FARACTG**) page. Note that again your fixed asset number is carried forward. Notice also that this information corresponds to what you entered on the **Accounting** line of your document.

3 – Fixed Asset Acquisition (FA) and Shell Generation

Again, Fixed Assets Acquisition (**FA**) documents are created two ways: “from scratch” or through a process called “shell generation”. Most of the time the system will generate the **FA** for the department using the shell generation process in the system.

Shell generation is a process run nightly to identify any new purchases which qualify as fixed assets. This determination is made by picking up any commodities on payment documents which have been flagged as fixed assets and qualify for shell generation. A commodity is flagged as a fixed asset if the Fixed Asset flag is checked on the Commodity (**COMM**) table. If the payment amount for a purchased commodity exceeds the threshold set on the Commodity FA Threshold (**COMMFA**) table a shell is generated (unless it has been otherwise suppressed).

All created shells are associated with one department. This is the department reflected on the related payment request document header. This is the department used when identifying the document on the document catalog.

The Commonwealth establishes commodity codes and dollar thresholds used for the shell generation by department. In all, three system tables are utilized by the shell generation process:

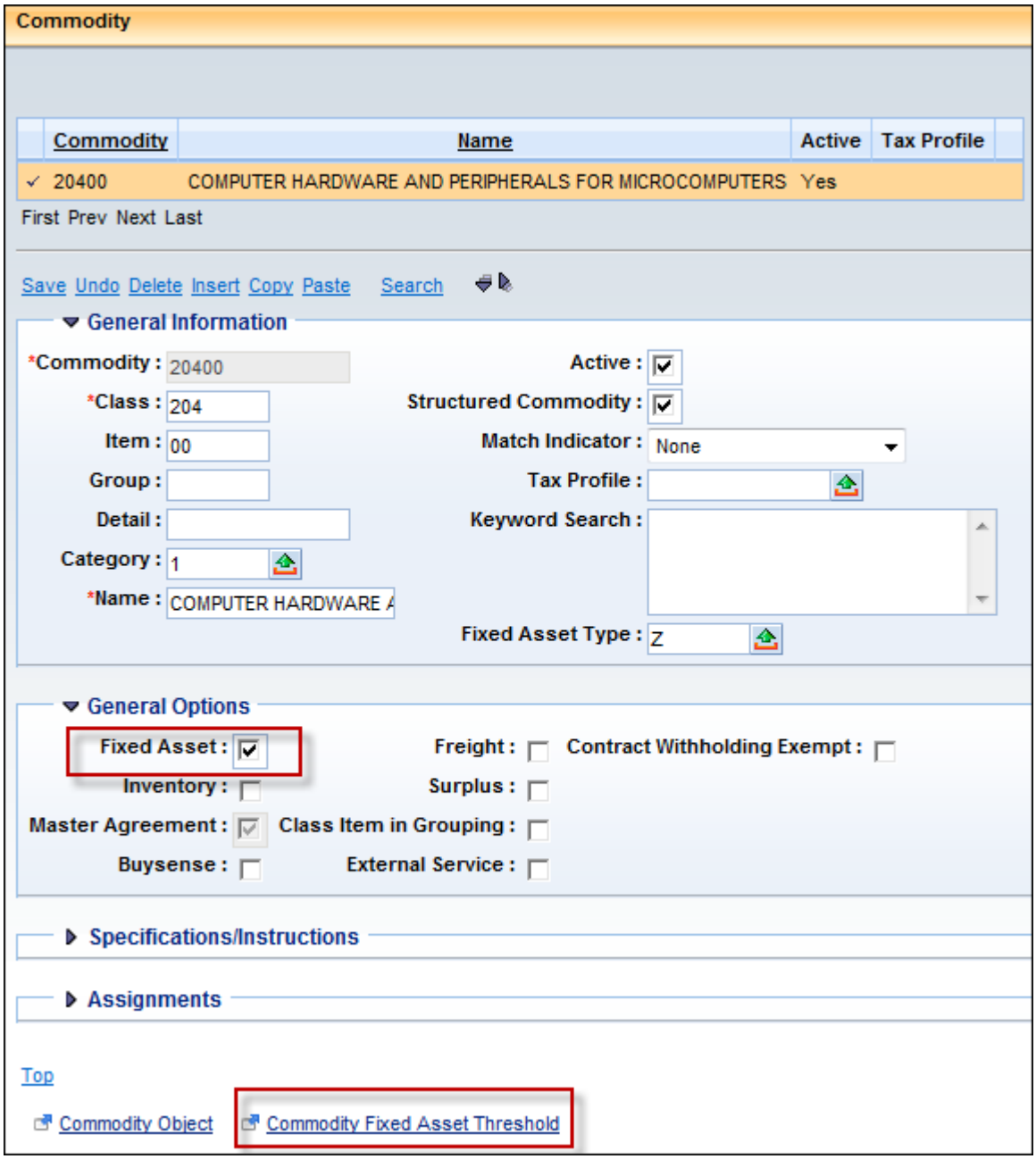
- Commodity Code (**COMM**)
- Commodity Fixed Asset Threshold (**COMMFA**)
- Fixed Asset Payment Request (**FAPR**)

Each of these tables is described in this section, as well as the shell generation process.

Note: Refer to Appendix E for an explanation of error messages received when processing generated Fixed Asset shells.

Establishing Commodity Codes on the COMM Table

The Commonwealth establishes commodity codes on the Commodity (**COMM**) table in eMARS. Commodities which are considered fixed assets are flagged by checking the Fixed Assets field as shown below.



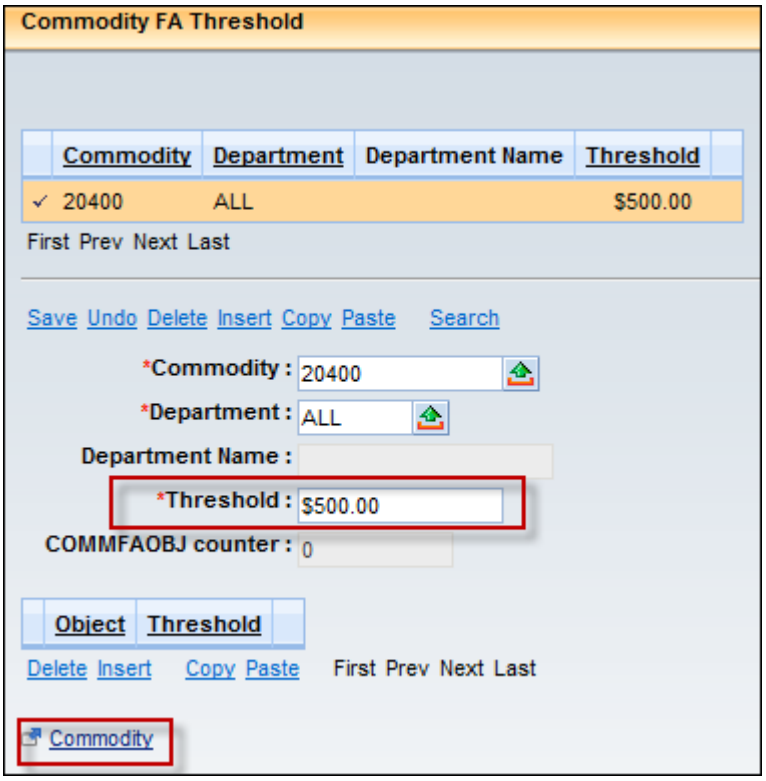
Contact the Office of Material and Procurement Services to have new Commodity codes established on this table.

Note: To transition from the **COMM** table to the **COMMFA** table, click **Commodity Fixed Asset Threshold** at the bottom left of the table.

Establishing Commodity Dollar Thresholds on the COMMFA Table

Once the commodity has been entered on the Commodity (**COMM**) table, the commodity's dollar threshold can be established on the Commodity Fixed Asset Threshold (**COMMFA**) table.

Note: Another way to navigate to **COMMFA** is from **Page Search** by entering **COMMFA** in the **Page Code** field, clicking **Browse** and selecting the table. The Commodity **FA** Threshold page opens.



Contact the Office of Material and Procurement Services to have new Commodity codes established on this table.

Note: To transition from the **COMMFA** table back to the **COMM** table, click **Commodity** at the bottom left of the table.

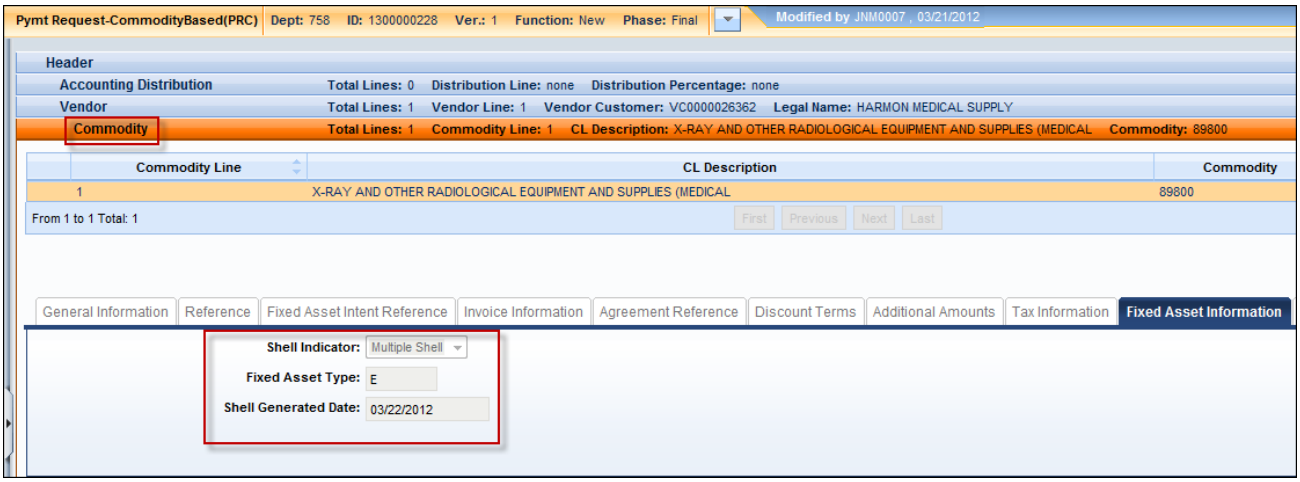
Locating a Fixed Asset Shell by Payment Document (PRC, PRC2, PRM)

Commodity codes which are flagged as fixed assets and meet the dollar threshold established on the Commodity Fixed Asset Threshold table (**COMMFA**) are generally eligible for shell generation. (Complete criteria for shell generation is provided in a later section.)

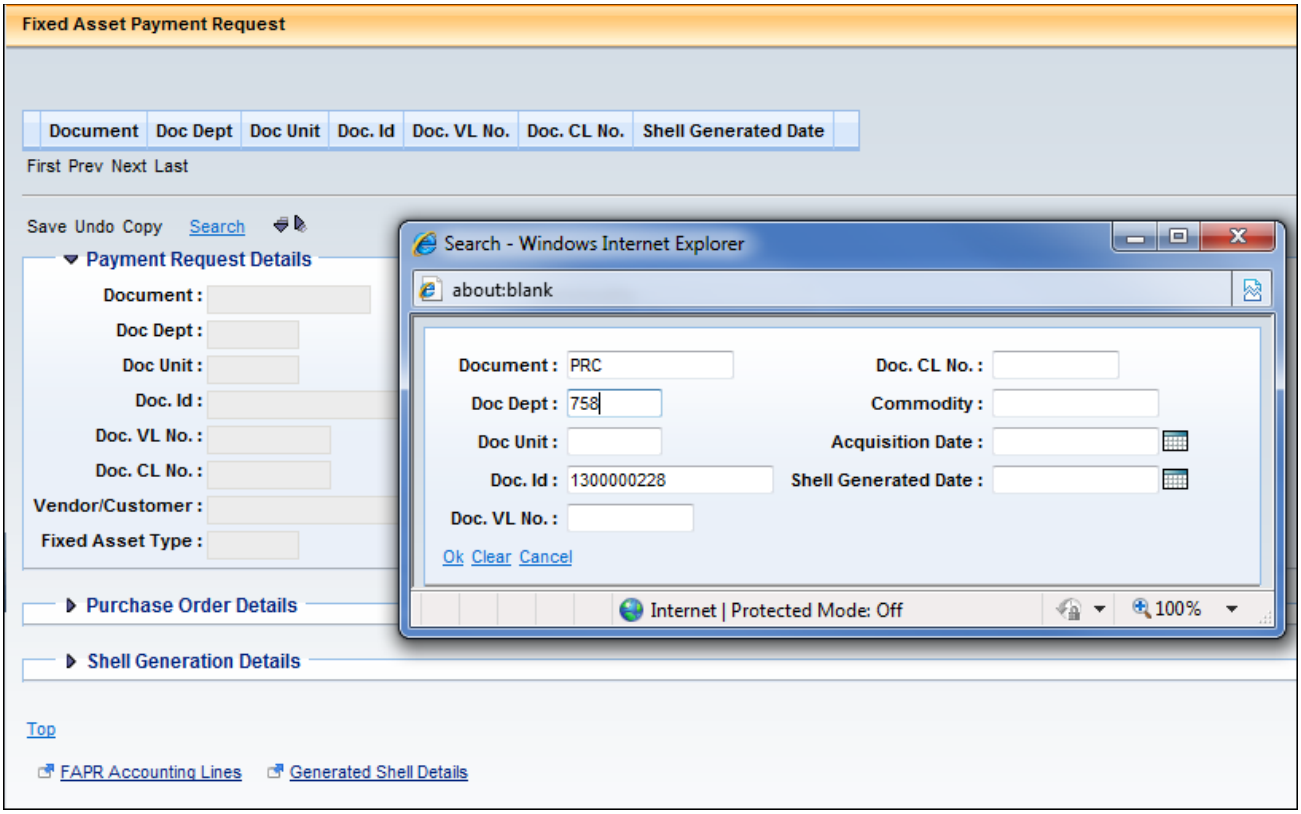
The Fixed Asset Shell Generation offline process creates a fixed asset acquisition "shell" document for every eligible commodity purchased. It is referred to as a "shell" document because it includes some but not all required fields and must be processed further by users. The shell generation process creates Fixed Asset "shell" documents based on updates to the Fixed Asset Payment Request (**FAPR**) table that result from accepted payment request (**PRC**, **PRC2**, and **PRM**) documents which are **fully disbursed** on Manual Disbursement or Automated Disbursement documents.

Note: If the minimum dollar value is not set for the commodity on the Commodity **FA** Threshold (**COMMFA**) table, but the commodity is flagged as a fixed asset on the Commodity (**COMM**) table, a shell will still be generated.

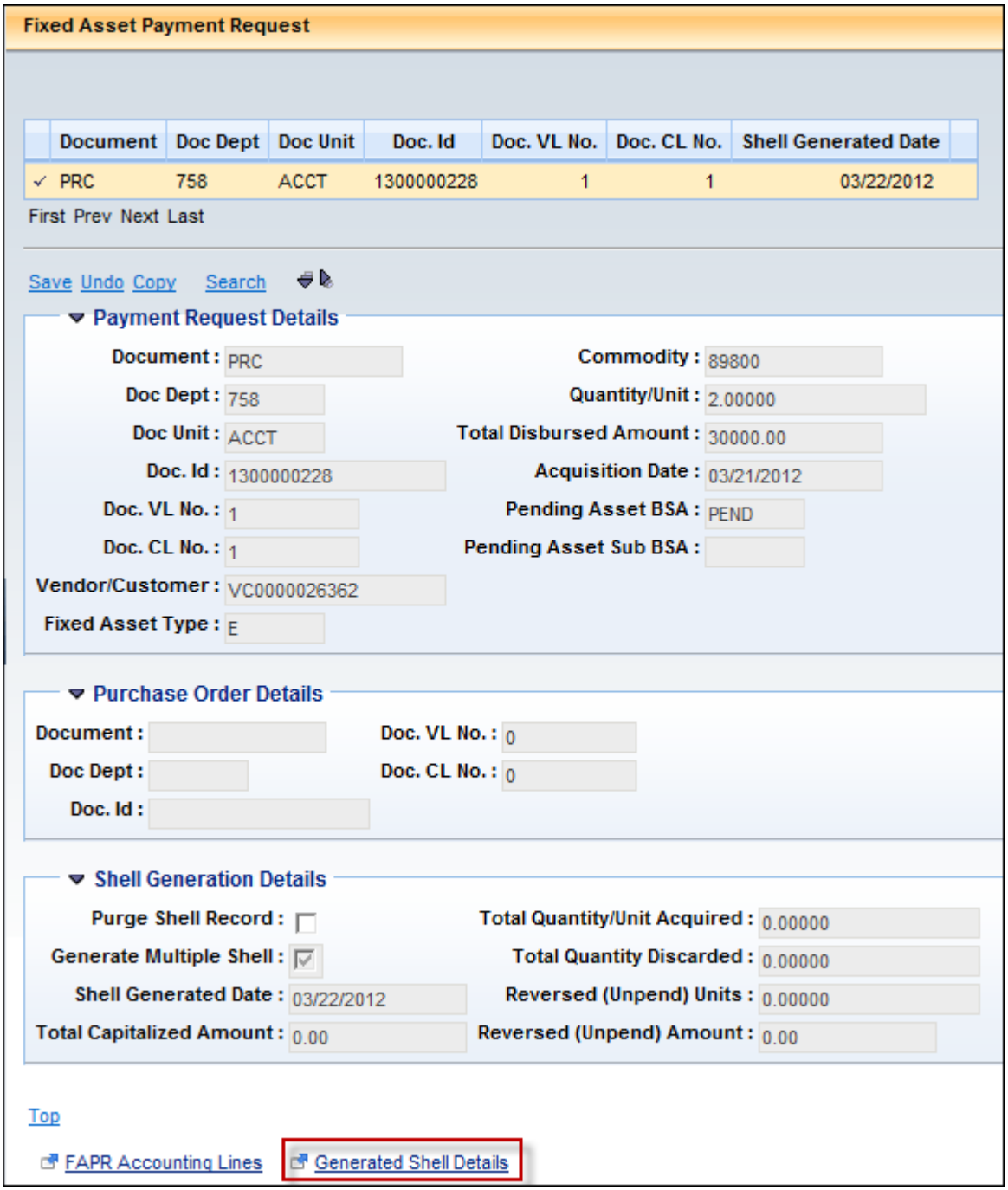
*A **PRC** document that generates multiple fixed asset shells.*



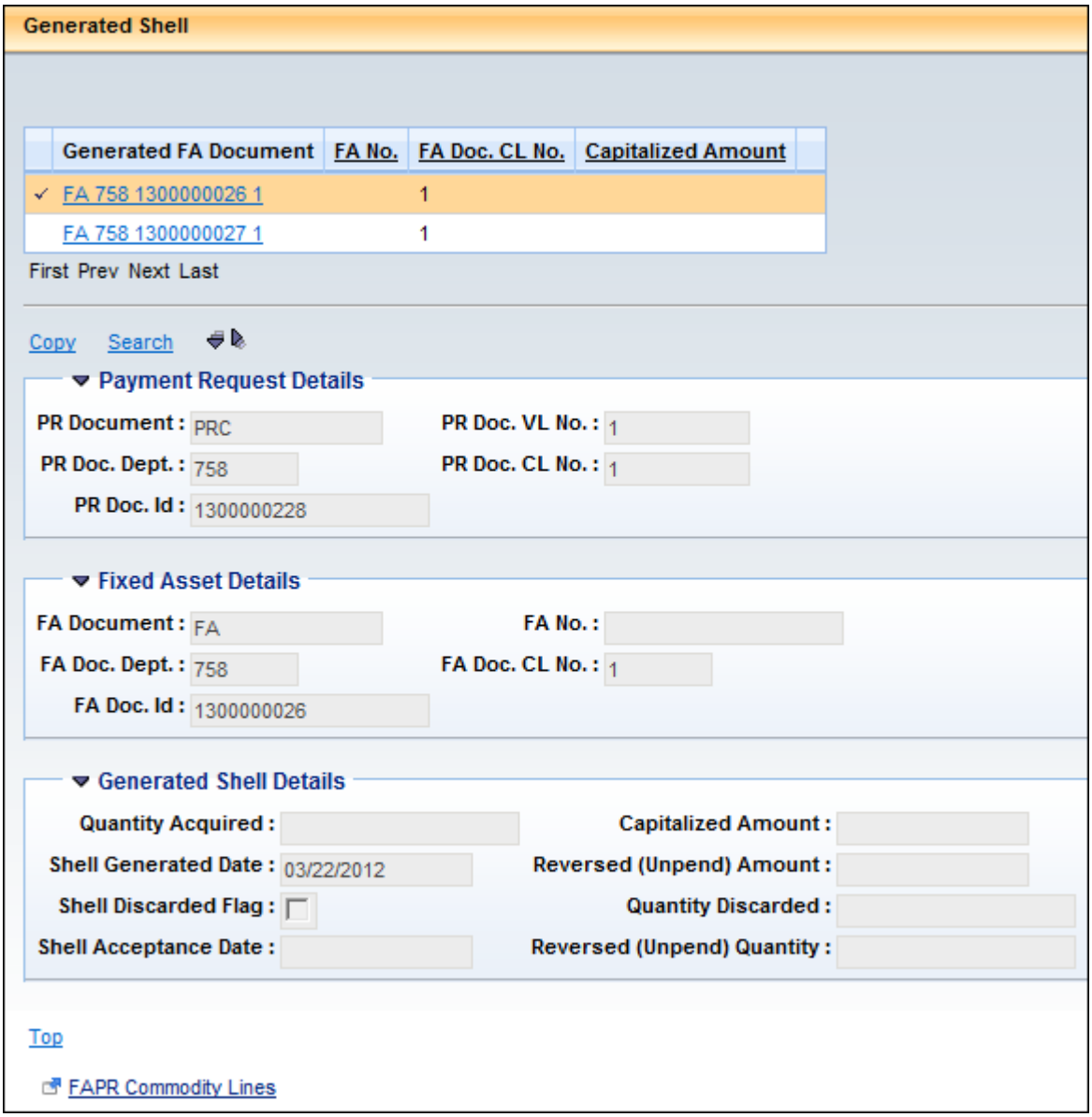
From **Page Search**, enter **FAPR** in the **Page Code** field. The Fixed Asset Payment Request page opens. A search window also opens. Enter the payment request document specifics.



Click **OK**. The results appear.



Click **Generated Shell Details** to see the created shells (**FA** documents).

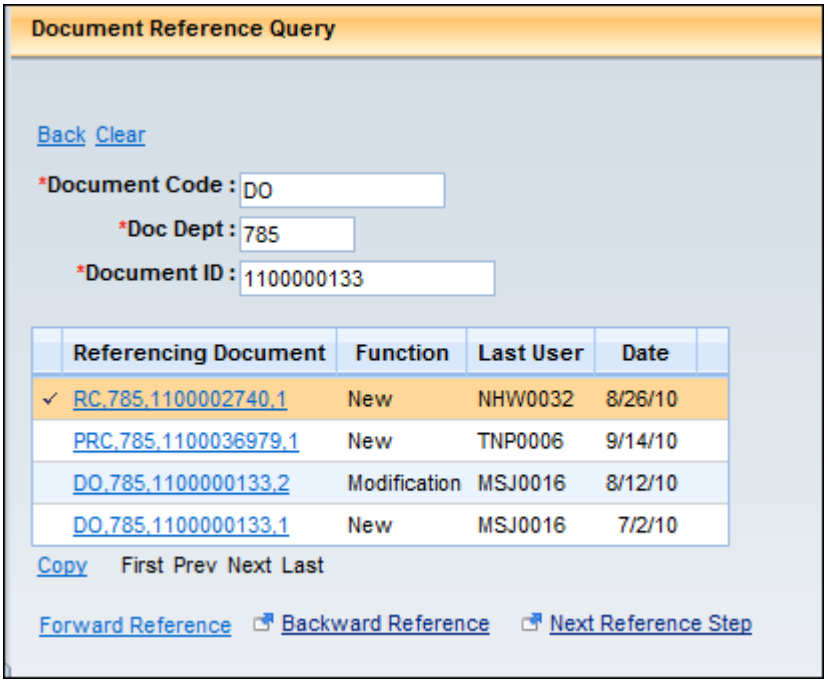


Click one of the **FA document links**, under the Generated FA Document column, to view the generated shell.

Note: If you have an **FA** shell but the payment document number has been removed from it, you can come directly to the Generated Shell page to look up that number. From **Page Search**, enter "*XX148*" as the Page Code and click **Browse**. A link to the Generated Shell page will appear.

Locating a Fixed Asset Shell by Delivery Order (DO)

There may be times when your procurement officer gives you a Delivery Order (**DO**) number and asks that you complete the related fixed asset shell(s). You can obtain the payment document number needed to look up the shell on the Document Referencing Query (**FWDRF**) page.



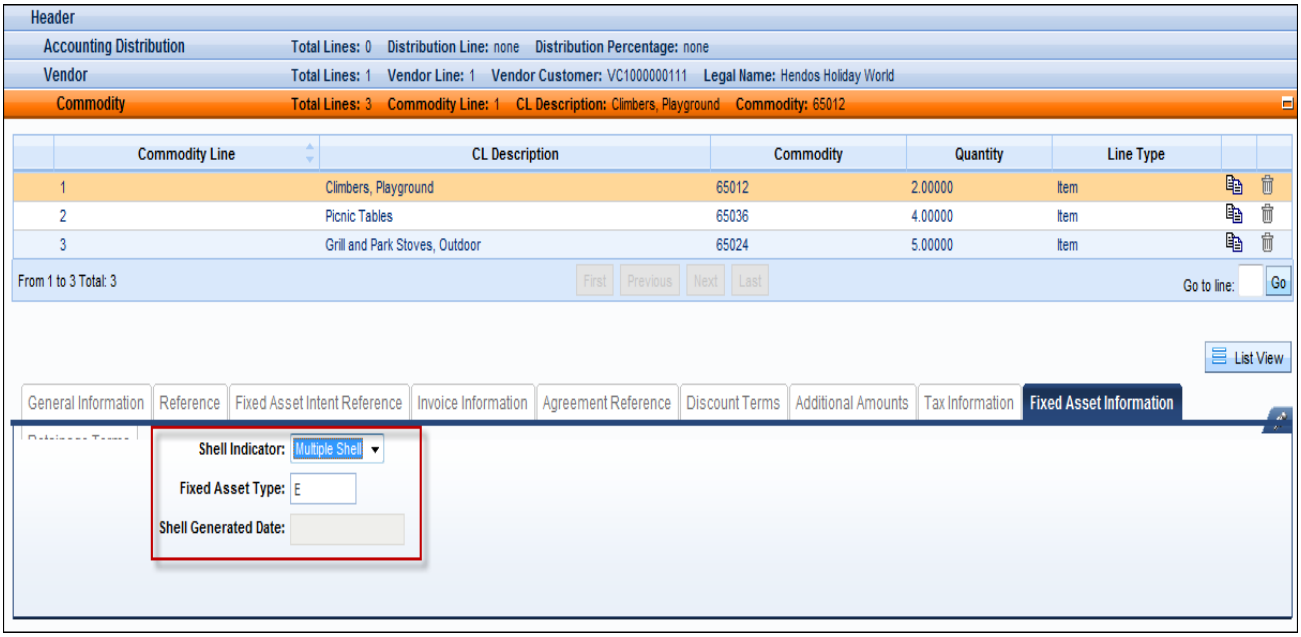
Enter the Delivery Order number and press the Enter key. You will see a list of the documents that reference the Delivery Order. Remember, payment document numbers begin with **PRC**, **PRC2**, or **PRM**. If you do not see a payment document in the list, click **Forward Reference** until you do. Then you can follow the instructions previously described.

Note: If your procurement officer gives you a contract number, the best thing to do is to ask them for the document number of the encumbrance. Often there are too many encumbrances and payments against a contract for the contract number to be helpful.

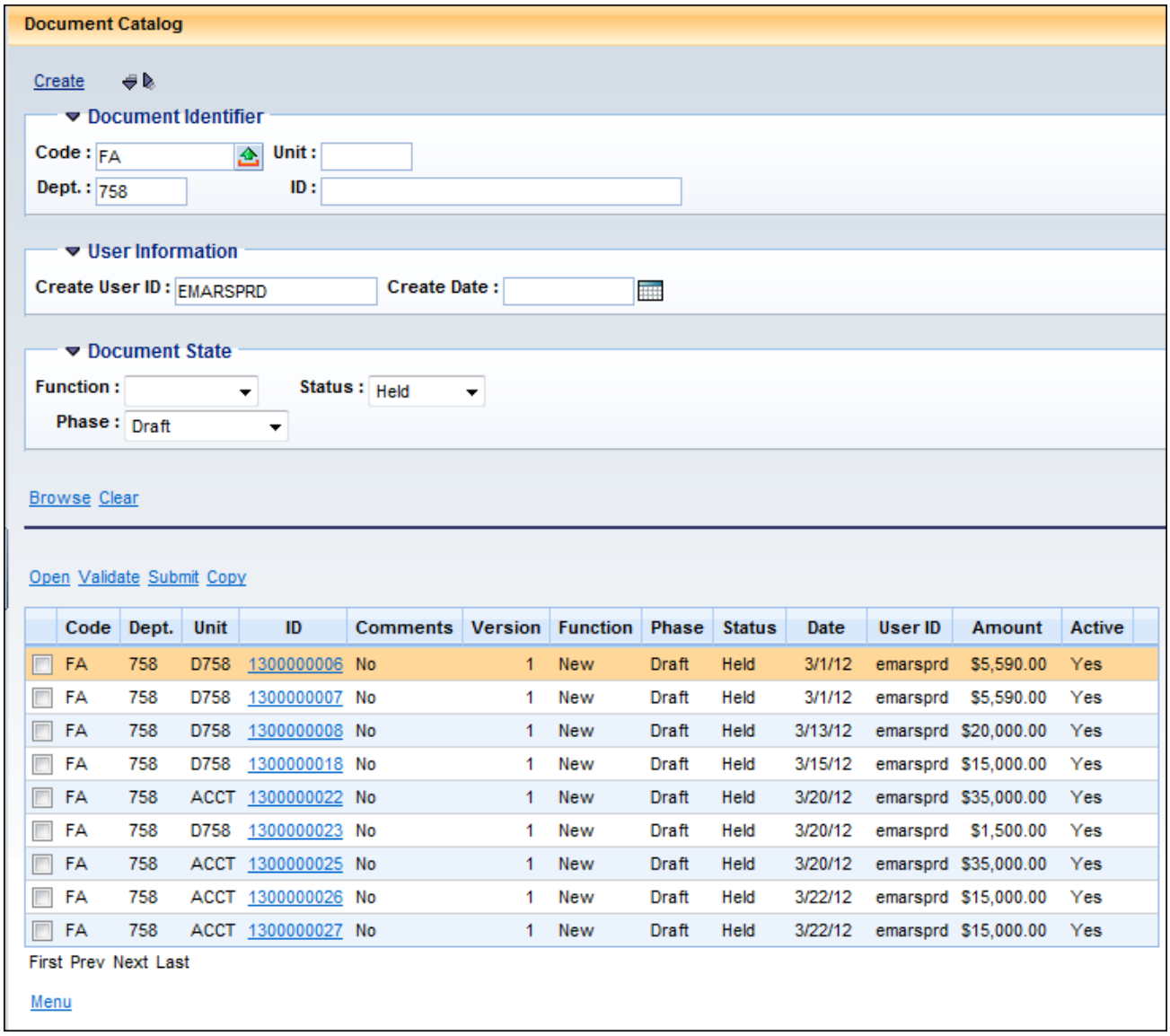
Number of Shells Generated

The Commonwealth has defaulted the system to multiple shells. One shell is generated for each unit on the commodity line. In the example below, if the system default is not over-ridden, 11 shells will be generated. Eleven shells are generated because there are 2 for playground climbers, 4 for picnic tables and 5 for outdoor grills. This default can be over-ridden on the **PRC**, **PRC2** or **PRM** document by selecting "*Single Shell*" or "*No Shell*" on the commodity line of the document:

- The selection of "*No Shell*" will result in no shells being generated and an **FAPR** reference will not be created.
- The selection of "*Single Shell*" will result in one shell being created for each qualifying commodity line. In the screen shot that follows, three shells will be generated. One for each commodity line.
- An enhancement in the newest version of eMARS automatically infers the fixed asset type on the payment document. Therefore the fixed asset shell is created with the actual fixed asset type is on the shell instead of type Z.



The batch process sets the **FA** document shell on the Document Catalog, once the commodity line is fully disbursed.



	Code	Dept.	Unit	ID	Comments	Version	Function	Phase	Status	Date	User ID	Amount	Active
	FA	758	D758	1300000006	No	1	New	Draft	Held	3/1/12	emarsprd	$5,590.00	Yes
	FA	758	D758	1300000007	No	1	New	Draft	Held	3/1/12	emarsprd	$5,590.00	Yes
	FA	758	D758	1300000008	No	1	New	Draft	Held	3/13/12	emarsprd	$20,000.00	Yes
	FA	758	D758	1300000018	No	1	New	Draft	Held	3/15/12	emarsprd	$15,000.00	Yes
	FA	758	ACCT	1300000022	No	1	New	Draft	Held	3/20/12	emarsprd	$35,000.00	Yes
	FA	758	D758	1300000023	No	1	New	Draft	Held	3/20/12	emarsprd	$1,500.00	Yes
	FA	758	ACCT	1300000025	No	1	New	Draft	Held	3/20/12	emarsprd	$35,000.00	Yes
	FA	758	ACCT	1300000026	No	1	New	Draft	Held	3/22/12	emarsprd	$15,000.00	Yes
	FA	758	ACCT	1300000027	No	1	New	Draft	Held	3/22/12	emarsprd	$15,000.00	Yes

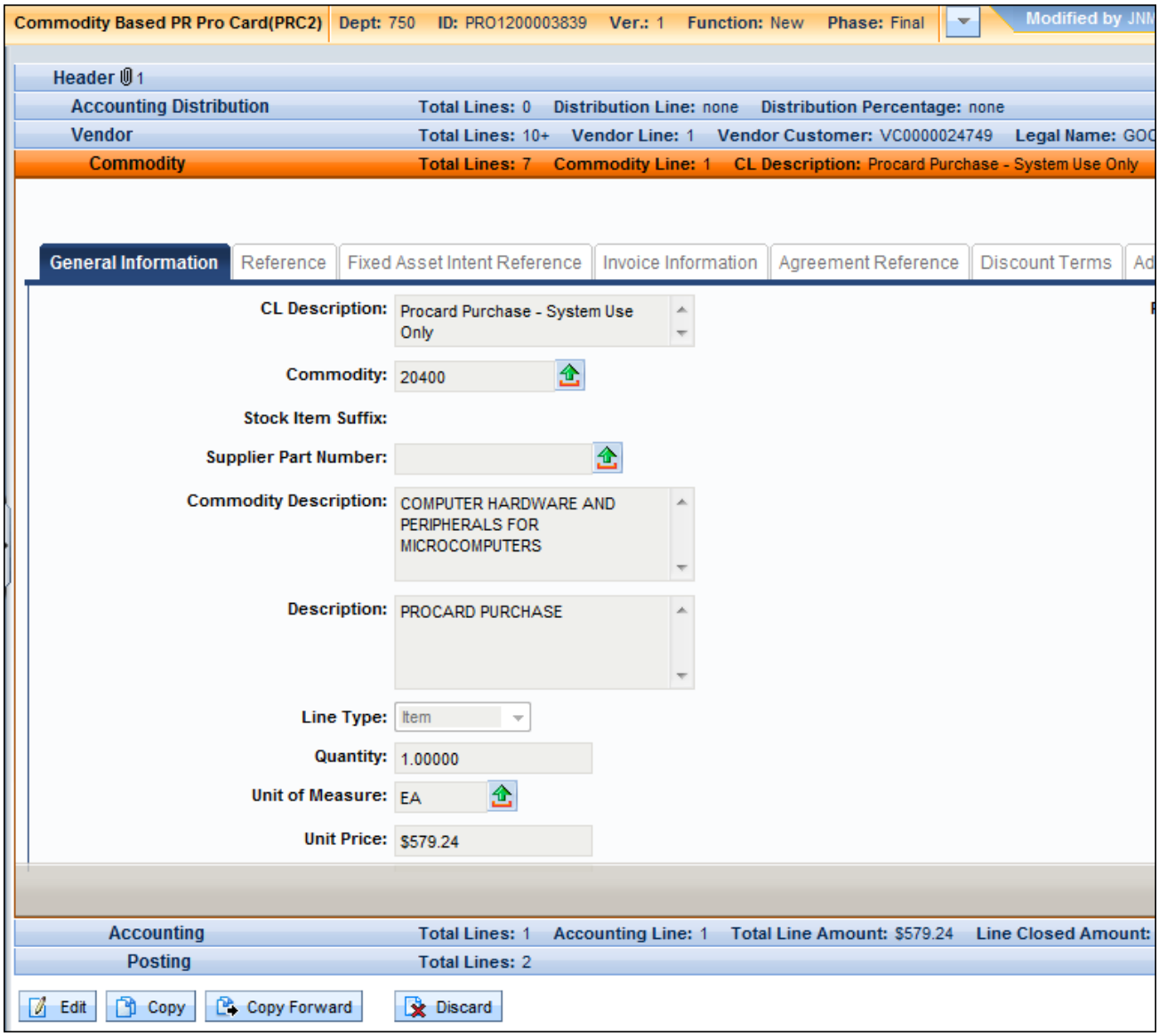
Note: Purchases recorded through Internal Billing functionality do not create shells because a payment request document is not generated for internal billings. The **FA** document for these purchases must be created "from scratch" as previously described.

Types of Purchases That Result in a Shell

Two types of purchases will result in a generated FA shell document:

- **Regular Purchases** – purchase of a commodity flagged as a fixed asset that meets the dollar thresholds.

- **Procard Purchases**—when a cabinet purchases a fixed asset with a Procard, they will change the default commodity code to the appropriate fixed asset commodity. The Procard payment request is a clone of the **PRC** document. A **PRC2** is created to process Procard payments with a commodity reference.



Procard payments in eMARS will generate shells when a fixed asset commodity code is used and the dollar threshold is met. If the cabinet forgets to enter the fixed asset commodity code on the payment request document, then a shell will not be generated. An **FA** document will then have to be created from scratch; refer to the "Create an **FA** document from Scratch" section for further detail.

Note: Agencies are responsible for having a procedure in place to identify all acquired assets that do not generate shells. The agency Property Officer should be notified when this occurs.

Complete Shell Generation Criteria

To summarize, the specific criteria for creating a Shell document include:

The minimum dollar threshold established on the Fixed Asset Commodity Threshold (**COMMFA**) is met

- There must be a **PRC**, **PRM** or **PRC2** reference on the **FAPR** table that is fully disbursed
- The user did not override the system default by selecting the "No Shells" option
- The option to Generate Fixed Asset Shells is selected on the System Options (**SOPT**) table and is controlled by the Finance and Administration Cabinet
- The commodity code specified on the payment request commodity line is flagged as a fixed asset on the Commodity (**COMM**) table

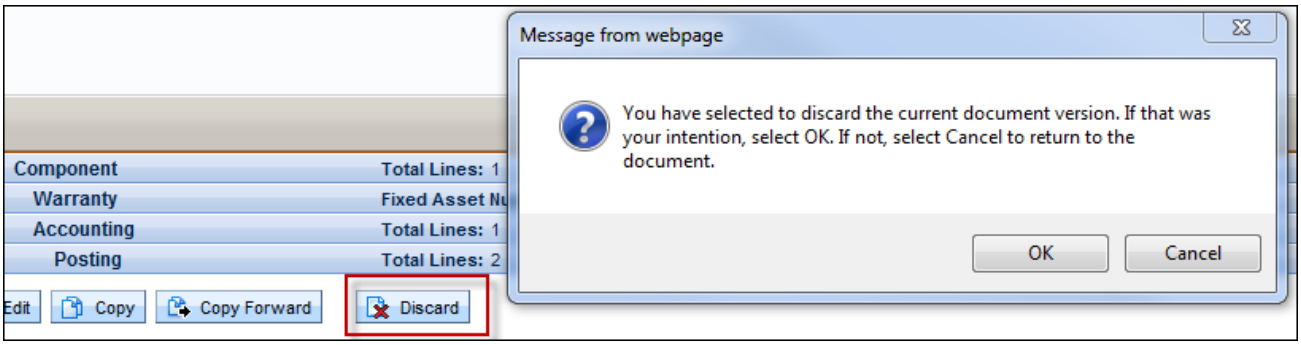
Discarding Unwanted Fixed Asset Shells

Several conditions result in generation of Fixed Asset shells which cannot be used, such as:

- The Commodity code entered on the payment document was a fixed assets Commodity code, but the item purchased is not a fixed asset.
- A single Commodity line was entered on the payment even though the line amount covered multiple fixed assets.
- Multiple Commodity lines were entered for a single fixed asset because there were multiple funding sources.
- An incorrect Accounting Template or incorrect COA elements were entered on the Accounting Lines on the payment document.

In any of these cases, the generated fixed asset shells will not be usable since these fields cannot be changed on the generated shells. The shells must be discarded and any affected fixed assets entered on **FA** documents "from scratch" as described in the previous chapter. Here are the steps for discarding an **FA** document:

1. On the **bottom of the document click**, **Discard**. A box will pop up and ask if you are sure you want to discard the document. Once a document is discarded, it cannot be retrieved.



Note: See Appendix E for details about which fields cannot be changed on generated shells and the error messages that result from changing them.

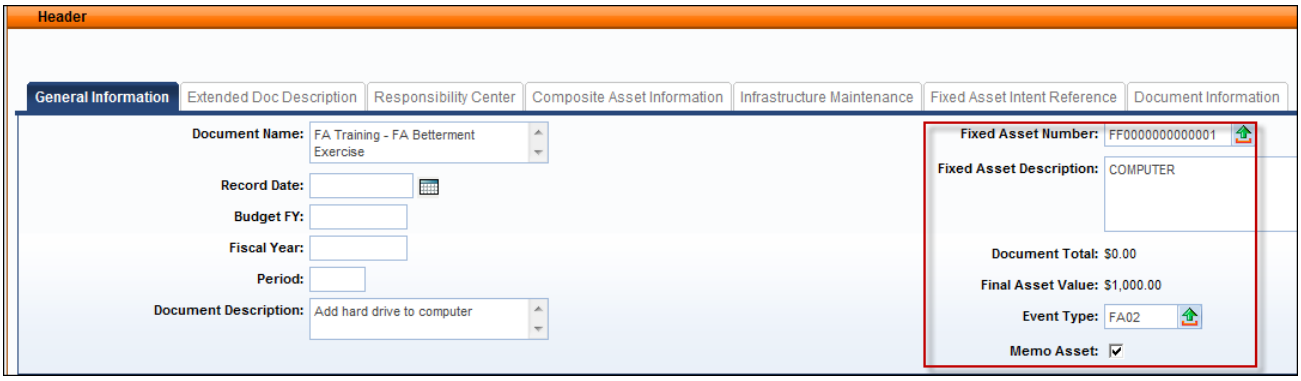
4 – Fixed Asset Betterment (FA)

The Commonwealth betters fixed assets through hardware upgrades, the purchase of equipment accessories, the renovation or expansion of existing real property. Examples are the purchase of a snow plow for an existing Transportation truck, or a hard drive for a computer. Significant betterments are tracked as capital assets by the Commonwealth. The betterment refers to the addition or improvements to existing recorded assets.

Betterments are tracked using the fixed asset number of the asset being bettered with a component number sequentially increased by one. A betterment can be entered and tracked independently of other betterments or with the original asset. Betterments allow the cost and salvage value of the betterment to be allocated to its own funding sources, independent of the original asset. Most importantly though, eMARS allows for the tracking of useful life and acquisition dates for individual betterments.

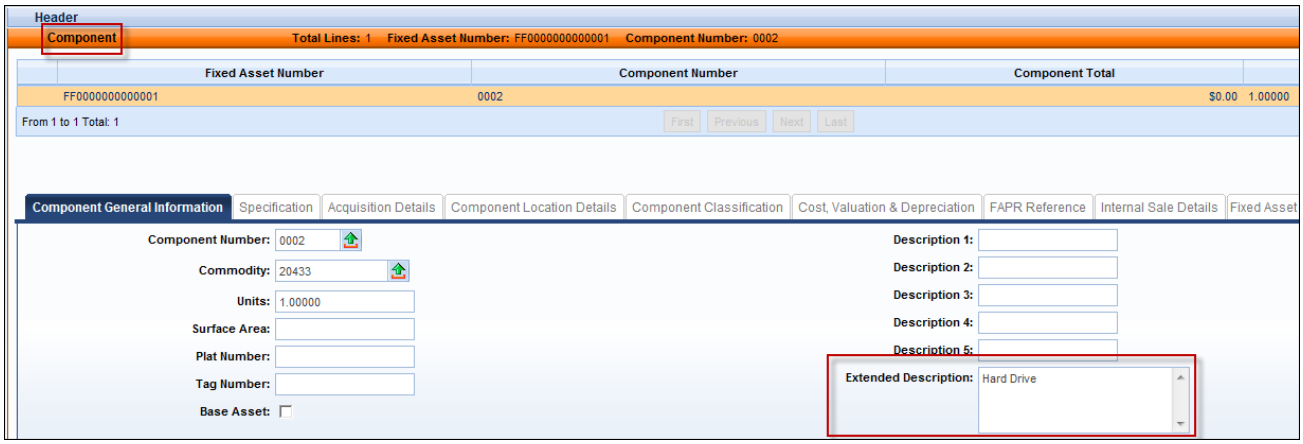
To Process a betterment to an existing fixed asset:

- Create a new **FA** document
- Use the pick list to select the appropriate Fixed Asset Number
- Change the Event type from *FA01* to *FA02*
- **Validate** the **FA** document. Note the following fields are inferred: custodian, department, unit, activity, and function. These inferred field values cannot be written over.



You must add a unique Component Number for each new **Component** line processed as a betterment to an existing asset. The Component lines identify the commodity-based elements that comprise the fixed asset.

The new Component Number is added on the **Component** page under **General Information** subsection by clicking **Insert New Line**. Each new component is subject to the standard field requirements necessary to describe the attributes associated with the new component. Additionally, separate accounting distribution information must be added on **Accounting** lines.



The Extended Description field is used to identify the betterment. All betterments should include an Extended Description so that the betterment can be distinguished from the base asset on statewide reports.

Exercise 3 — Better a Fixed Asset Using the FA Document

Scenario

Your department wants to add a hard drive to the donated computer. It is purchased for $600 and has a useful life of 5 years. Create an **FA** betterment document using the same FA number on your Student ID Card.

Note: Before attempting an **FA** betterment document, you should ensure that the asset is already in the system. Search by fixed asset number on the Fixed Asset Registry – Header (**FARHDR**) table. For this exercise, the Fixed Asset Number on your Student ID card is the one you used on your **FA** document "from scratch", so this step is not necessary.

Task Overview

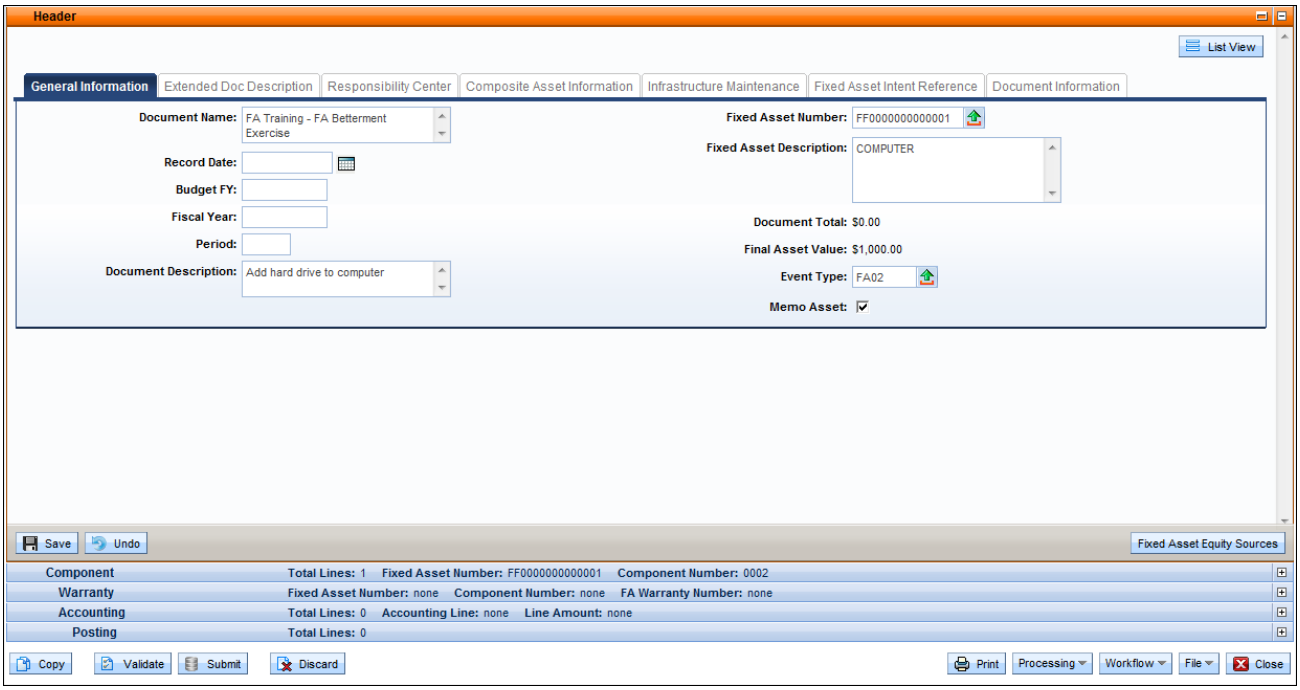
Create an **FA** betterment document.

Procedures

1. Click **Search** from the Secondary Navigation panel. Select **Document Catalog** and click **Create.** A new page opens. Enter the following information.

Required Fields	Values
Code	***FA***
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

2. Click **Create.** The new **FA** document opens to the **General Information** section.



3. Enter the following information:

Required Fields	Values
Document Name	***FA** Training – **FA** Betterment Exercise*
Document Description	*Add hard drive to computer*
Fixed Asset Number	Click the Pick List and select the one you created in Ex 1.
Event Type	*FA02*
Memo Asset	Check the box

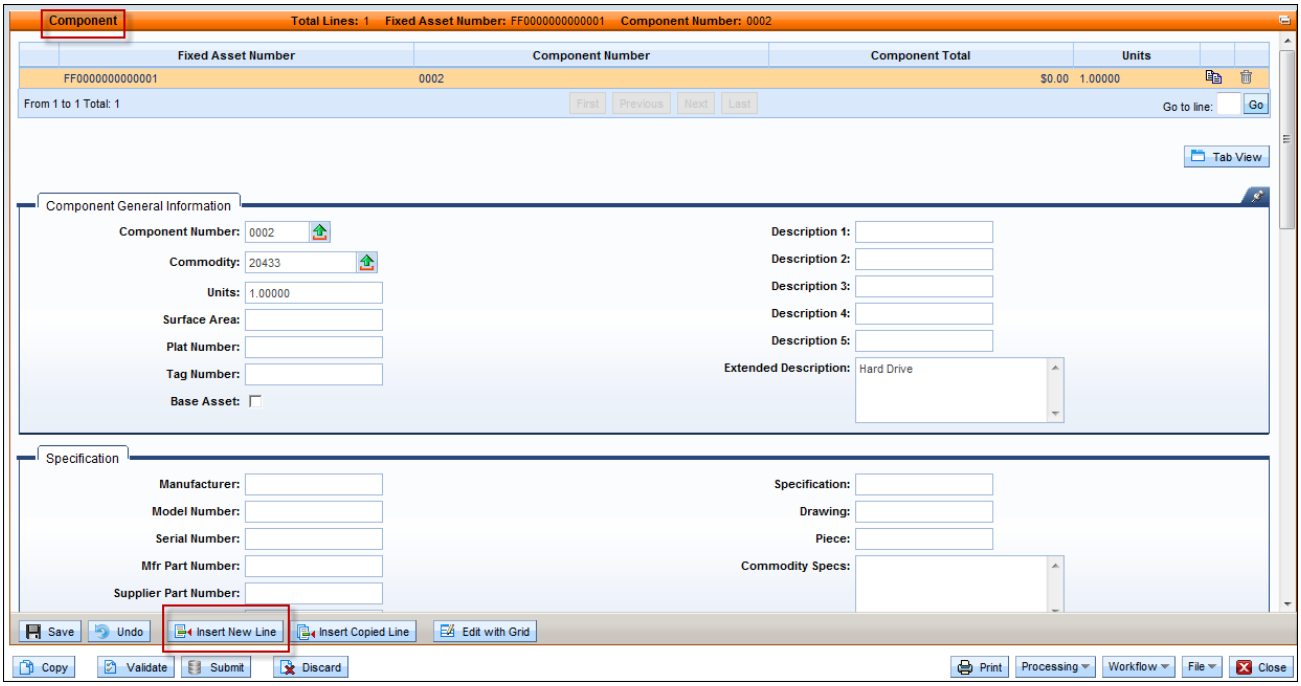
4. Access the **Responsibility Center** subsection and enter the following information:

Required Fields	Values
Custodian	Please refer to your Student ID card.
Accounting Template	Please refer to your Student ID card.

5. Click **Validate**.

Note: ***Please ignore error messages until time to submit the document in Step 15.***

6. Click **Component** from the Secondary Navigation panel. The page opens to the General Information section. Click **Insert New Line**. (You are adding an additional component)

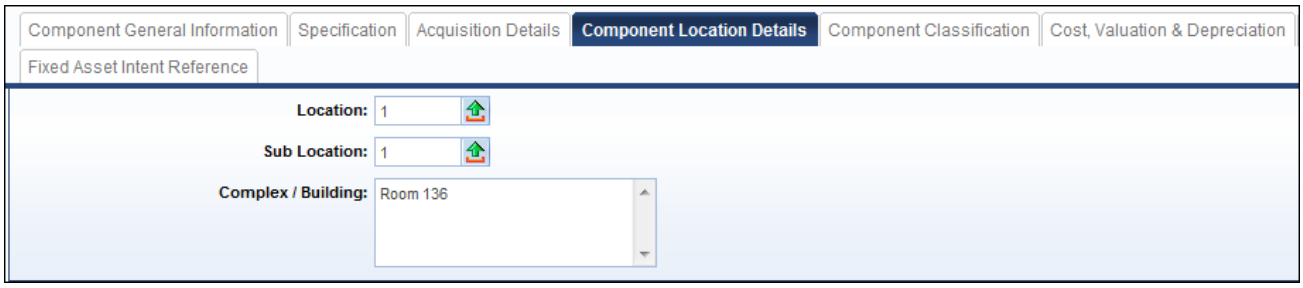


7. Enter the following information in the **General Information** subsection:

Required Fields	Values
Component Number	*0002*
Commodity	*20433*
Units	*1*
Extended Description	*Hard Drive*

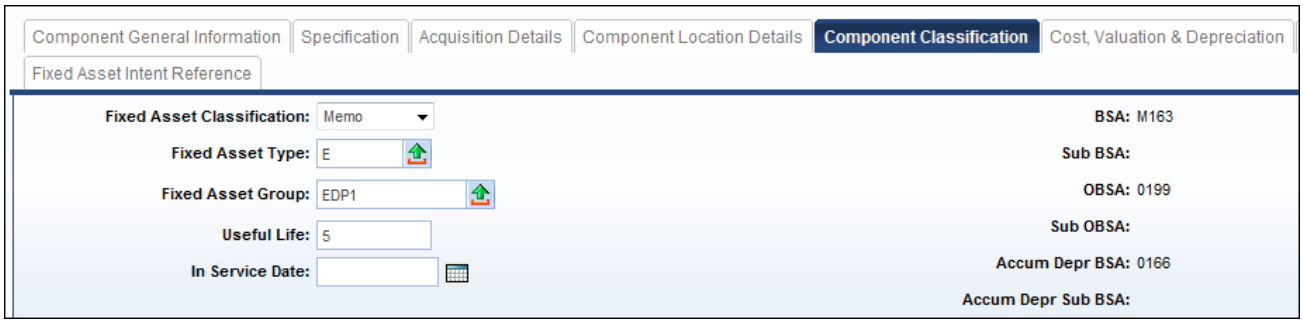
8. Access the **Acquisition Details** subsection and enter the following information:

Required Fields	Values
Acquisition Date	*3/26/2012*
Acquisition Method	Click the Pick List and Select *P* (Purchased)
Vendor	Click the Pick List and Select the Vendor Number for Microtech



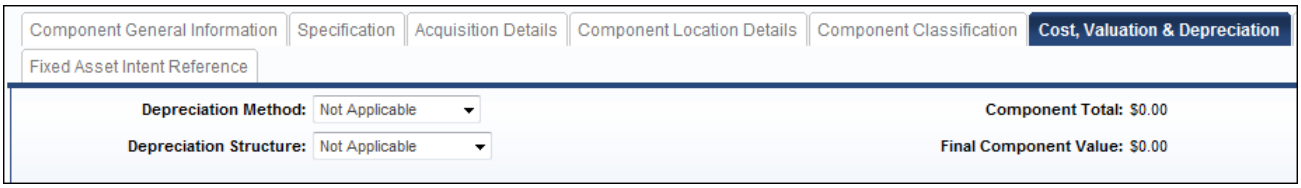
9. Access the **Component Location Details** subsection and enter the following information:

Required Fields	Values
Location	*1*
Sub Location	*1*
Complex / Building	*Room 136*



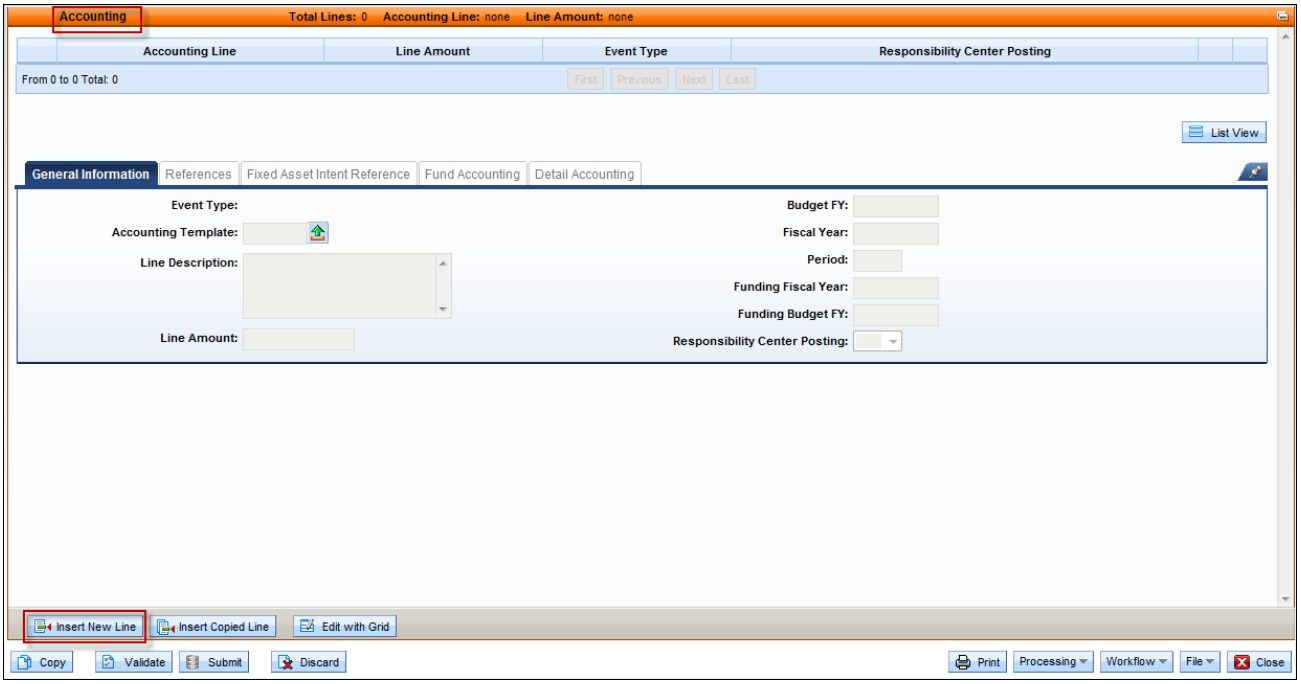
10. Access the **Component Classification** subsection and enter the following information:

Required Fields	Values
Fixed Asset Classification	Click the Drop Down Menu and Select *Memo*
Fixed Asset Type	Click the Pick List and Select *E* (Equipment)
Fixed Asset Group	Click the Pick List and Select *EDP1* (Equipment)
Useful Life	*5*



11. Access the **Cost, Valuation & Depreciation** subsection and enter the following information:

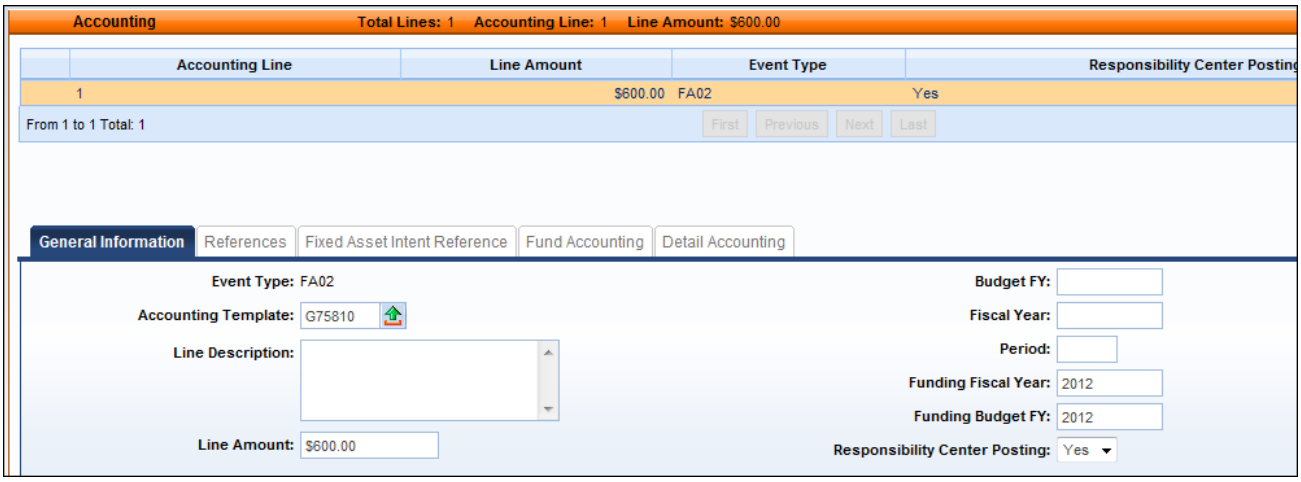
Required Fields	Values
Depreciation Method	Click the Drop Down Menu and Select *Not Applicable*
Depreciation Structure	Click the Drop Down Menu and Select *Not Applicable*



12. Click **Accounting** from the Secondary Navigation panel. The page opens to the General Information section. Click **Insert New Line**.
13. Enter the following information in the **General Information** subsection:

Required Fields	Values
Accounting Template	Please refer to your Student ID card
Line Amount	*600.00*
Funding Fiscal Year	*2012*
Funding Budget Yr	*2012*

14. Click **Save**. Click **Validate.** Check for errors and correct them. Click **Validate** again.
15. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is now a New Final document in the Document Catalog.

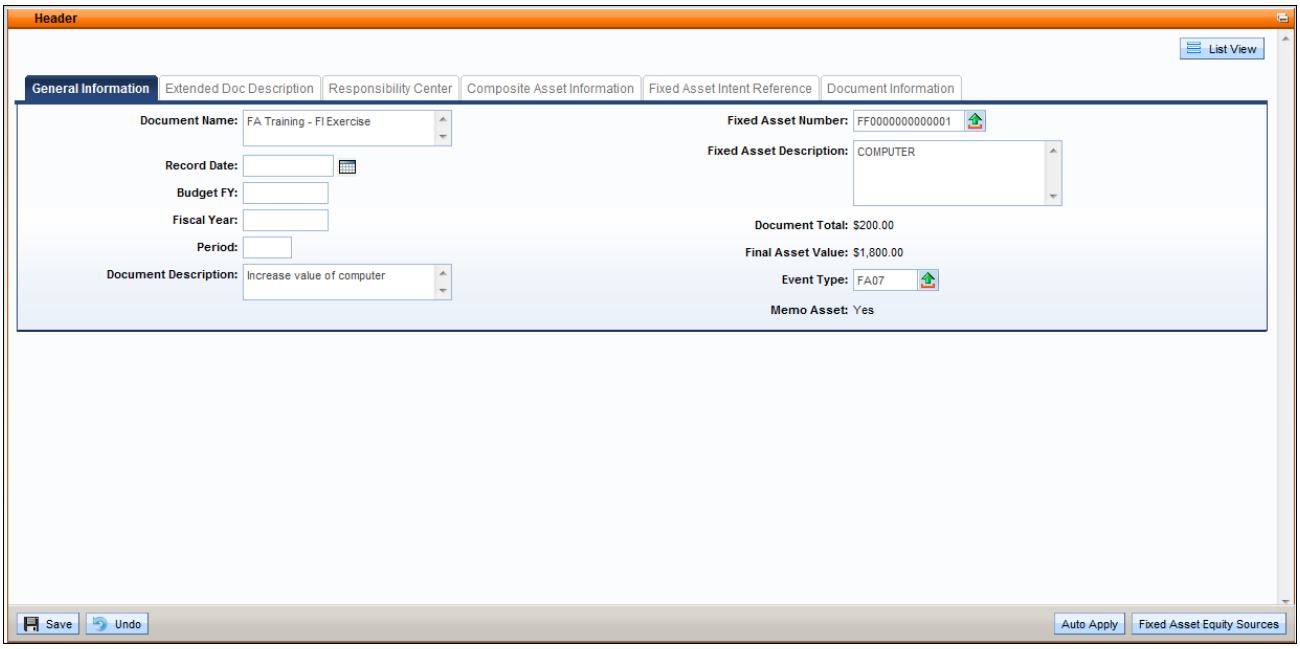


16. Click **Close** to exit the document.

5 – Fixed Asset Adjustments (FI/FM)

The Property Officer is notified of the change to a fixed asset and verifies the need for the change. There are several changes that can occur, each of which require the creation of a specific document.

The Fixed Asset Increase/Decrease **(FI)** document is primarily used to change funding source for a fixed asset. Adjustments may be necessary to account for additional expenditures, accounting adjustments, or accounting reclassifications related to the expense recorded for a specific asset. The **FI** document can also be used change the fixed asset cost.

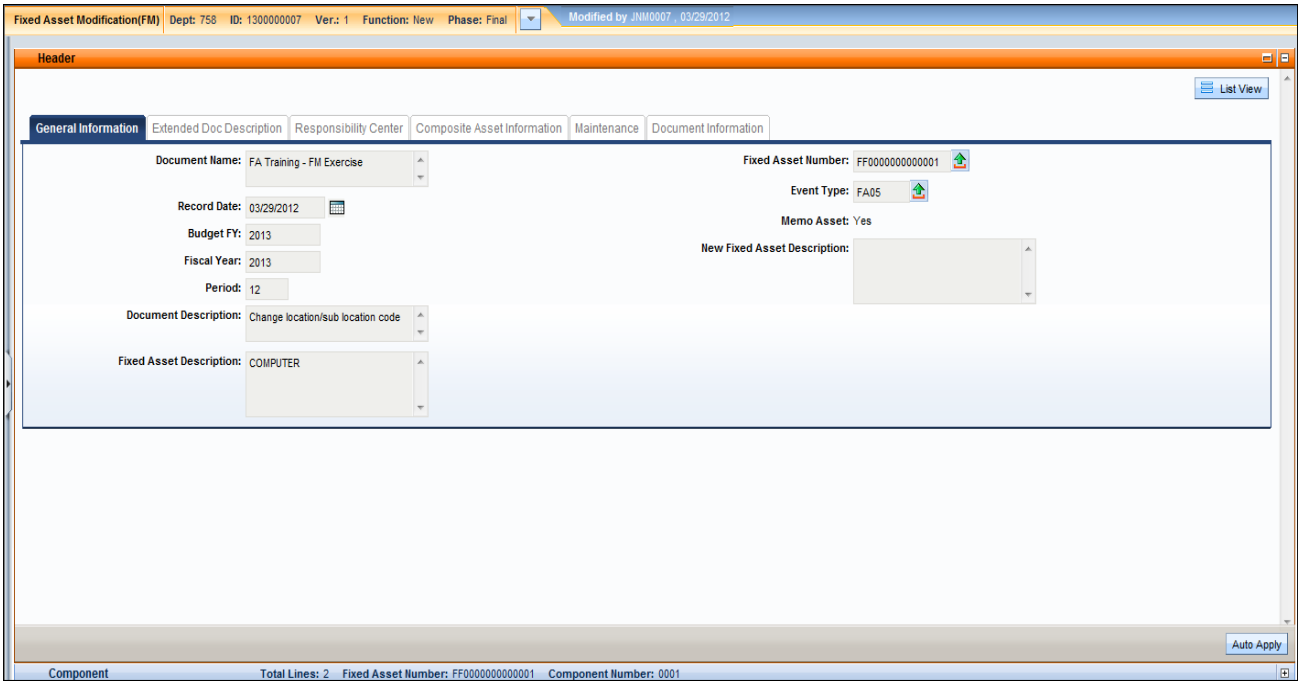


The **FI** document is the *only* way to correct funding information on a previously entered fixed asset without canceling it and potentially losing valuable historical information.

Tips for entry of an **FI** document:

- Enter the fixed asset number on the header in the Fixed Asset Number field and click **Auto Apply**. This will bring in the Fixed Asset Description and **Responsibility Center** information, as well as all Component and Accounting lines.
- Delete any Component lines that are not being increased or decreased.
- Enter the amount of the increase or decrease for the Component – *not* the value of the Component.

The Fixed Asset Modification **(FM)** document is used to change descriptive fixed asset information such as Custodian or Location/Sub-Location.



Exercise 4 — Create FI and FM Documents

Scenario

It was determined that the donated computer (Component 0001) was valued at $1200, not $1000. Your department wants to correct the value of the computer. At the same time, your department would like to change the physical location of the computer (both components 0001 and 0002) from the Capitol Building to the Capitol Annex.

Task Overview

Create an **FI** document to record the increase.

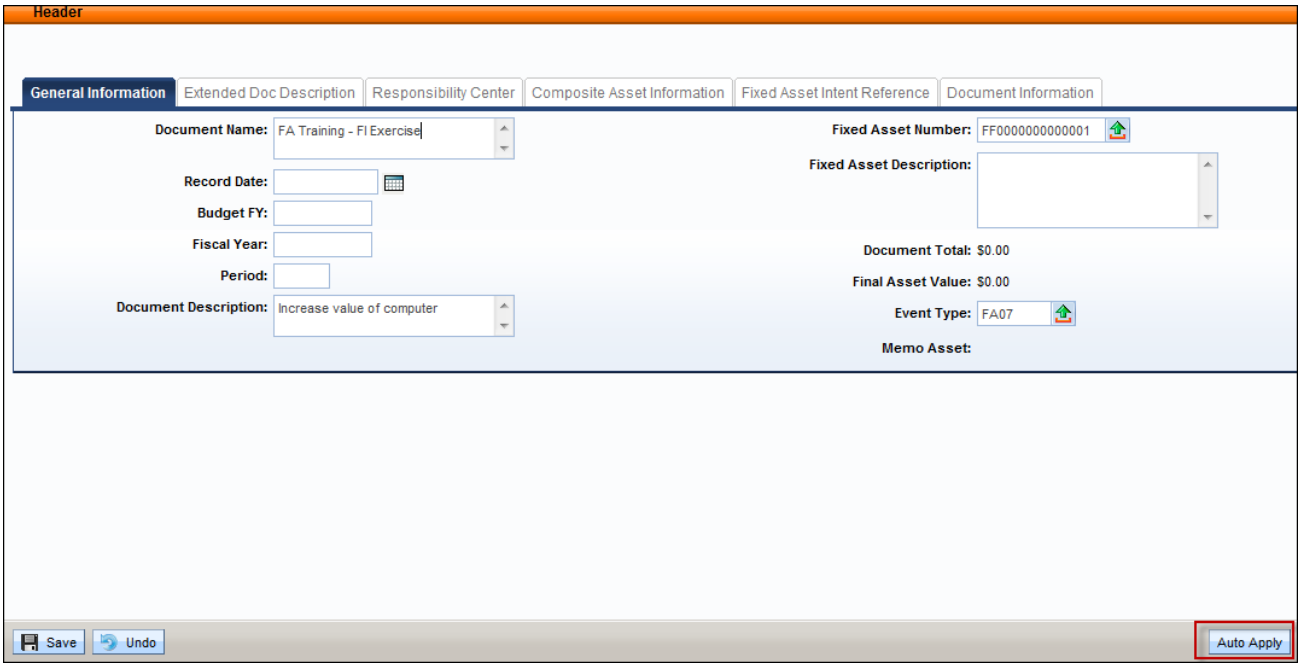
Create an **FM** document to record the move.

Procedures

1. Click **Home**.
2. Click **Search** from the Secondary Navigation panel. Open the **Document Catalog** and click **Create** to open a new page. Enter the following information.

Required Fields	Values
Code	***FI***
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

3. Click **Create.** The new **FI** document opens to the **General Information** section.

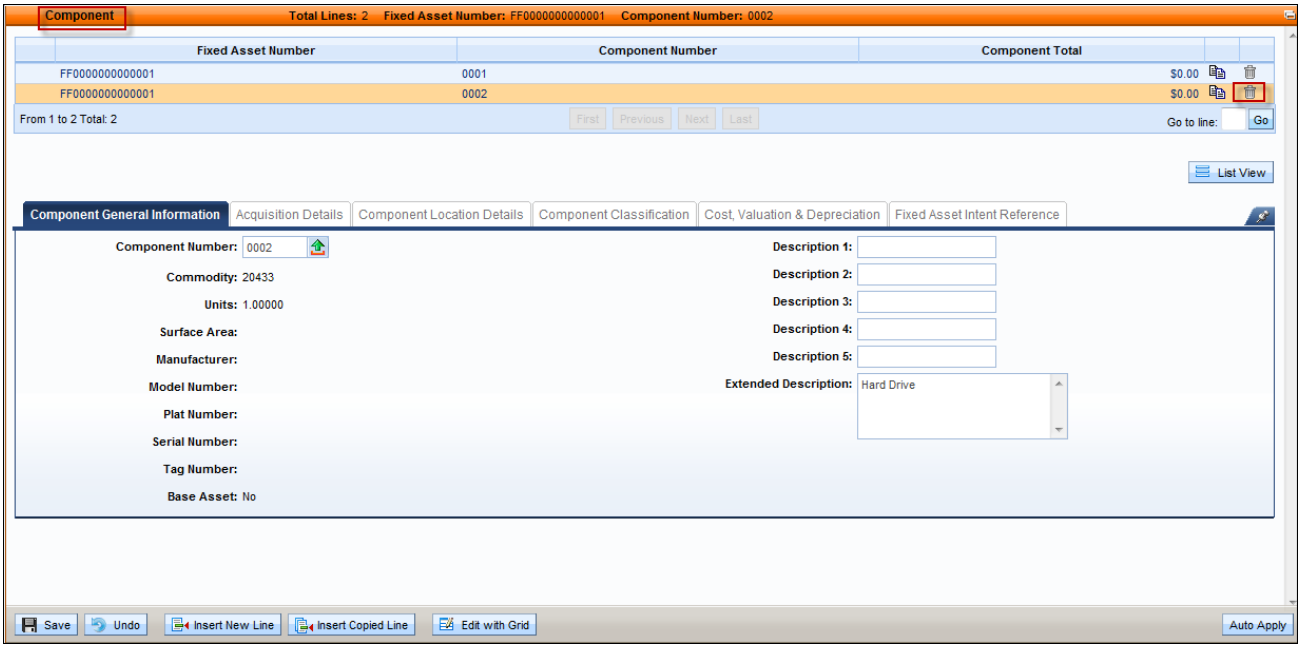


4. Enter the following information:

Required Fields	Values
Document Name	***FA** Training – **FI** Exercise*
Document Description	*Increase value of a computer*
Fixed Asset Number	Click the Pick List and select the one you created in Ex 1
Event Type	*FA07*

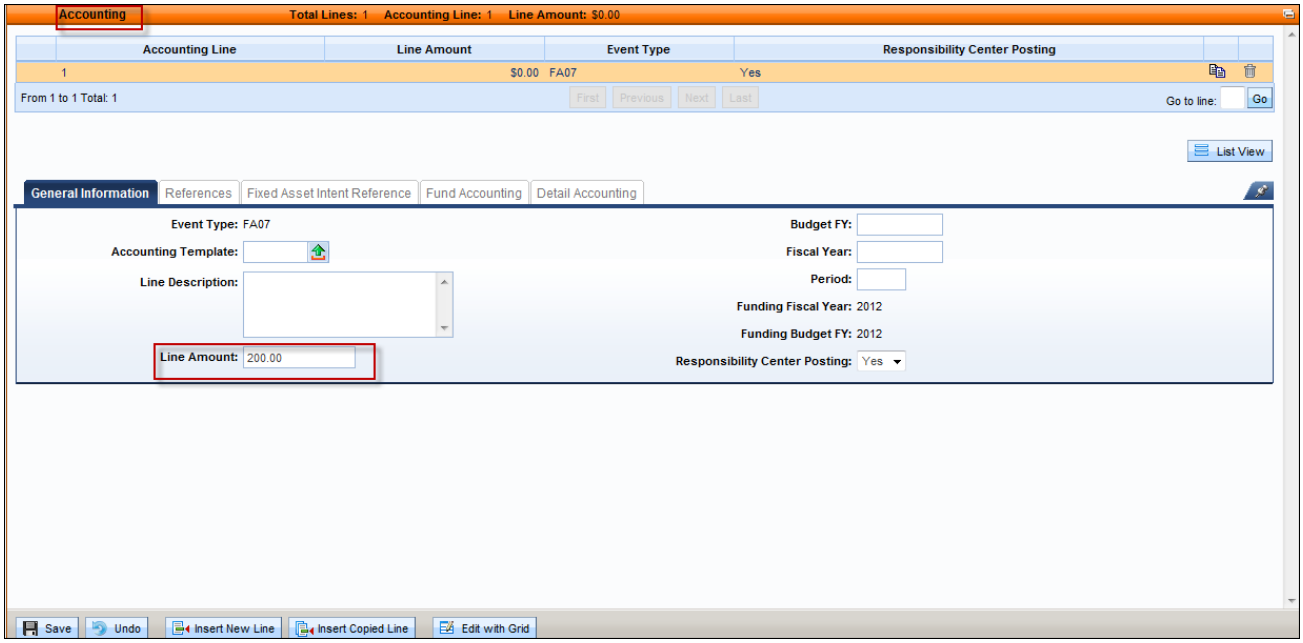
5. Click **<u>Auto Apply</u>**. All asset components and accounting lines associated with the selected Fixed Asset Number will be inferred.

6. Click **Component**.



7. Since only Component 0001 is changing, you need to delete Component 0002. Click the **trash can icon** next to the second Component Line.

8. Click **Accounting**. The **General Information** section opens.

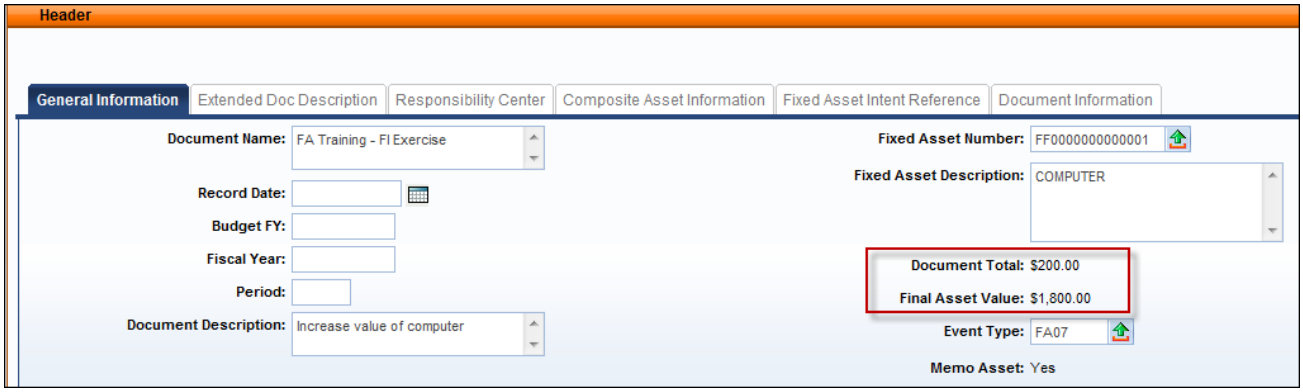


9. Enter the following information:

Required Fields	Values
Line Amount	*200.00*

10. Click **Save**. Click **Validate.**

11. Check for errors and correct them. In particular, review the header and be sure the *Final Asset Value* shows the correct amount. Click **Validate** again.



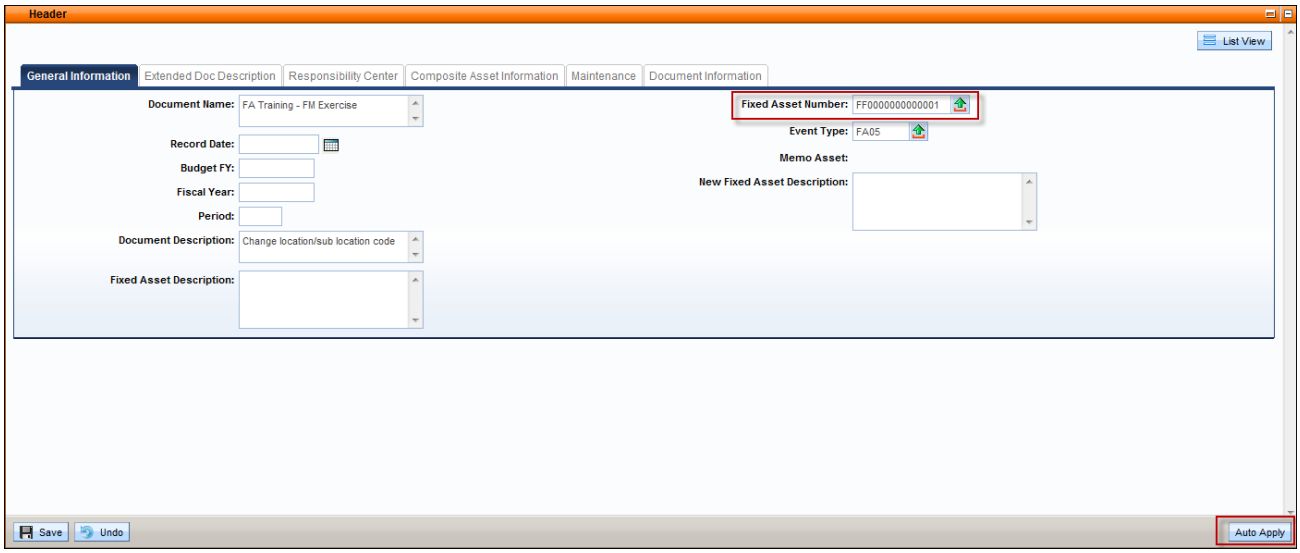
12. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is now a New Final document in the Document Catalog.

13. Click **Close** to exit the document. Your **FI** document has been submitted.

14. Next, create an **FM** document to record the move. Click **Search** from the Secondary Navigation panel. Open the **Document Catalog** and click **Create** to open a new page. Enter the following information.

Required Fields	Values
Code	*FM*
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

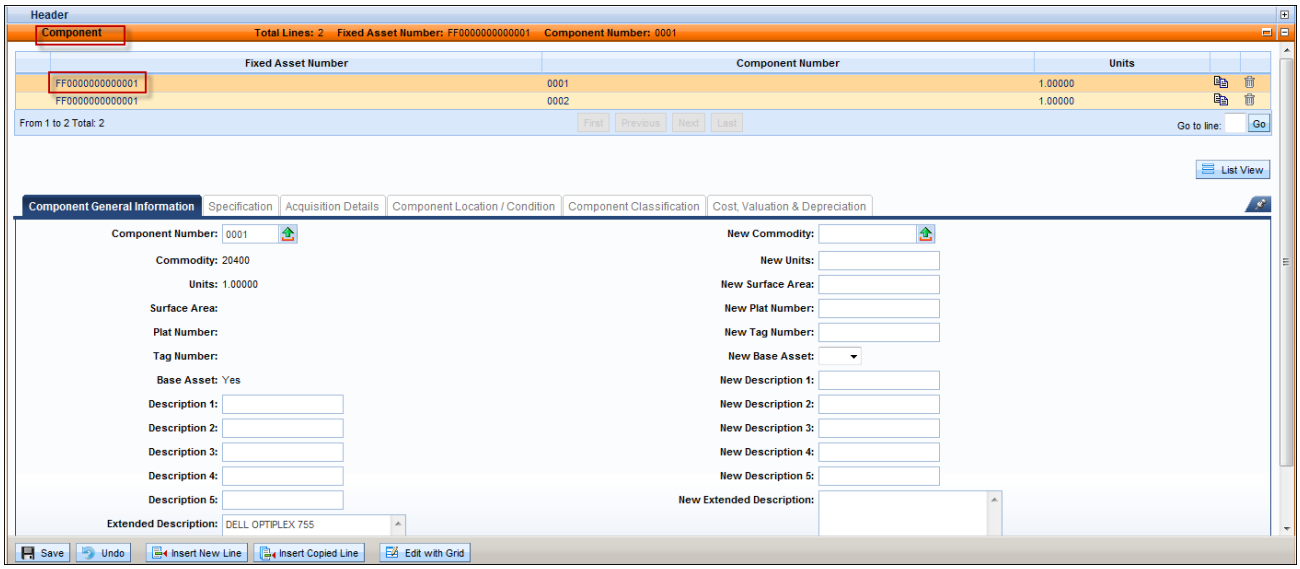
15. Click **Create.** The new **FM** document opens to the **General Information** section.



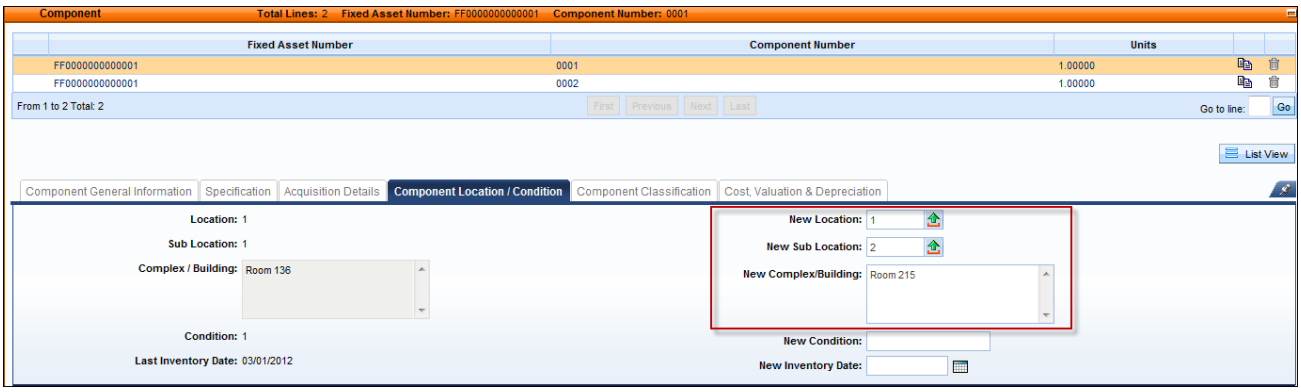
16. Enter the following information:

Required Fields	Values
Document Name	***FA** Training – **FM** Exercise*
Document Description	*Change of Location/Sub-Location*
Fixed Asset Number	Click the Pick List and select the one you created in Ex 1
Event Type	*FA05*

17. Click **Auto Apply**. All asset components and accounting lines associated with the selected Fixed Asset Number will be inferred.

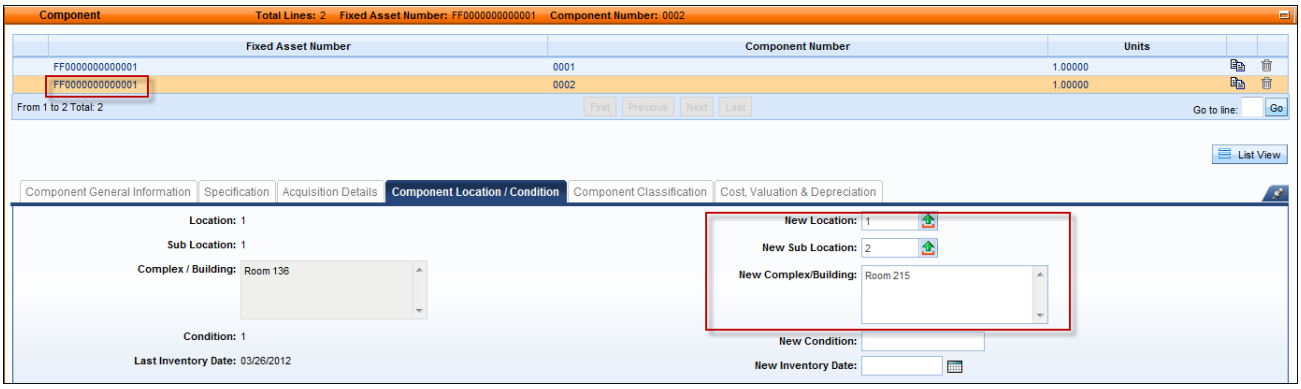


18. Click **Component**. The General Information subsection opens. The information for Component 0001 is displayed; the line is checked.



19. Expand the **Component Location/Condition** section and enter the following information:

Required Fields	Values
New Location	Click the Pick List and Select *1*
New Sub Location	Click the Pick List and Select *2*
New Complex / Building	*Room 215*



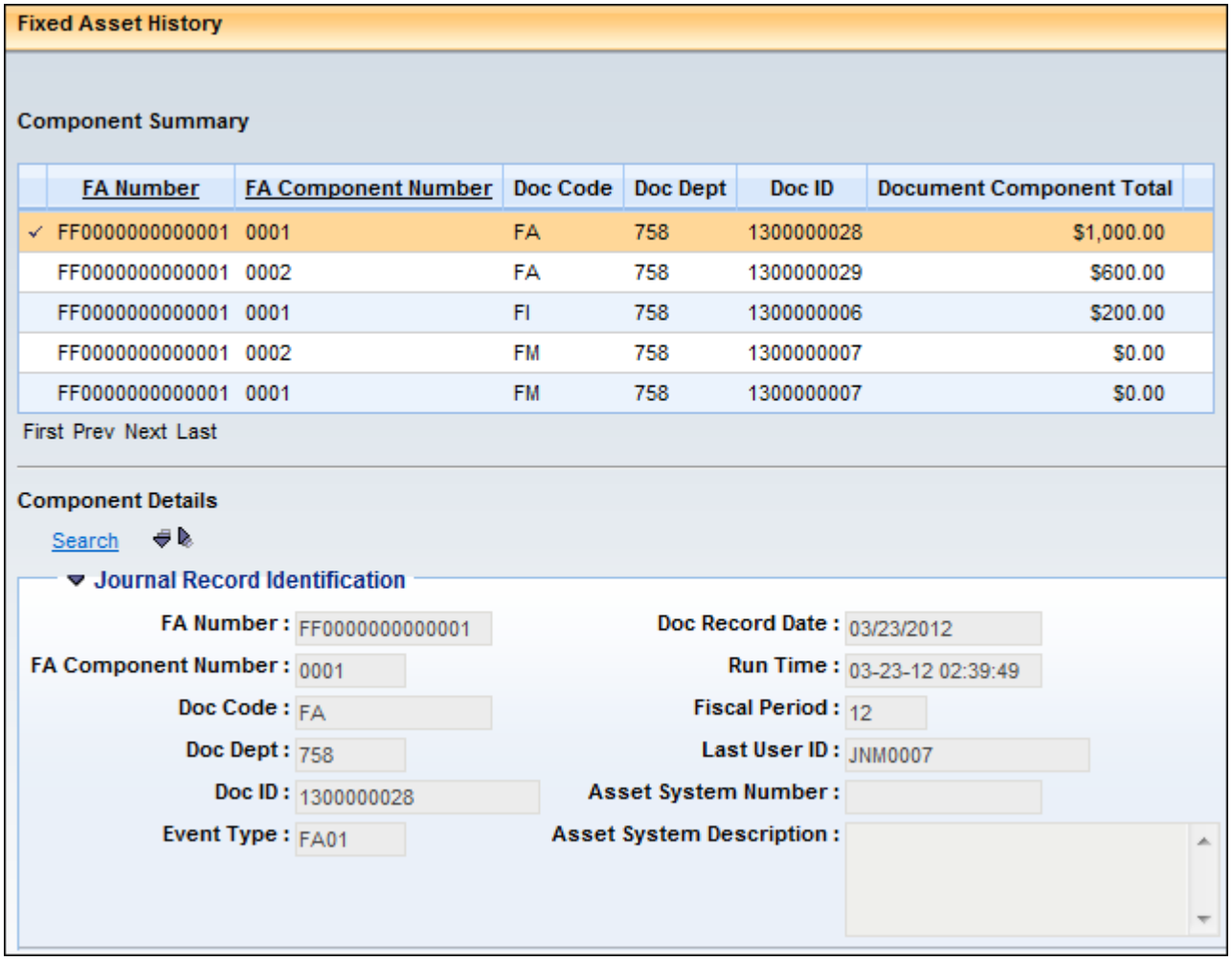
20. Click the **second component line** so the information for component 0002 is displayed. Click **Component Location/Condition** and enter the following information:

Required Fields	Values
New Location	Click the Pick List and Select *1*
New Sub Location	Click the Pick List and Select *2*
New Complex / Building	*Room 215*

21. Click **Save**. Click **Validate.** Check for errors and correct them. Click **Validate** again.
22. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is now a New Final document in the Document Catalog.
23. Click **Close** to exit the document.

6 – Fixed Asset Cancellation (FC)

When fixed assets have been submitted successfully into the system, and the record contains errors which cannot be corrected using any adjustment documents, then the cancellation document is completed and submitted to remove the record and make the Fixed Asset Number available for reuse. Once submitted, the **FC** document removes the fixed asset from all system tables, except the Fixed Asset History (**FAHIST**) table.



The fixed asset to be cancelled on the document is based on the asset number entered in the document **Header**. The components to be cancelled are inferred on the document by clicking **Auto Apply** on the header (if the entire asset is to be cancelled). Any **Component** lines for components *not* to be cancelled must then be deleted before the document is processed.

Here are a few additional notes regarding use of the **FC** document:

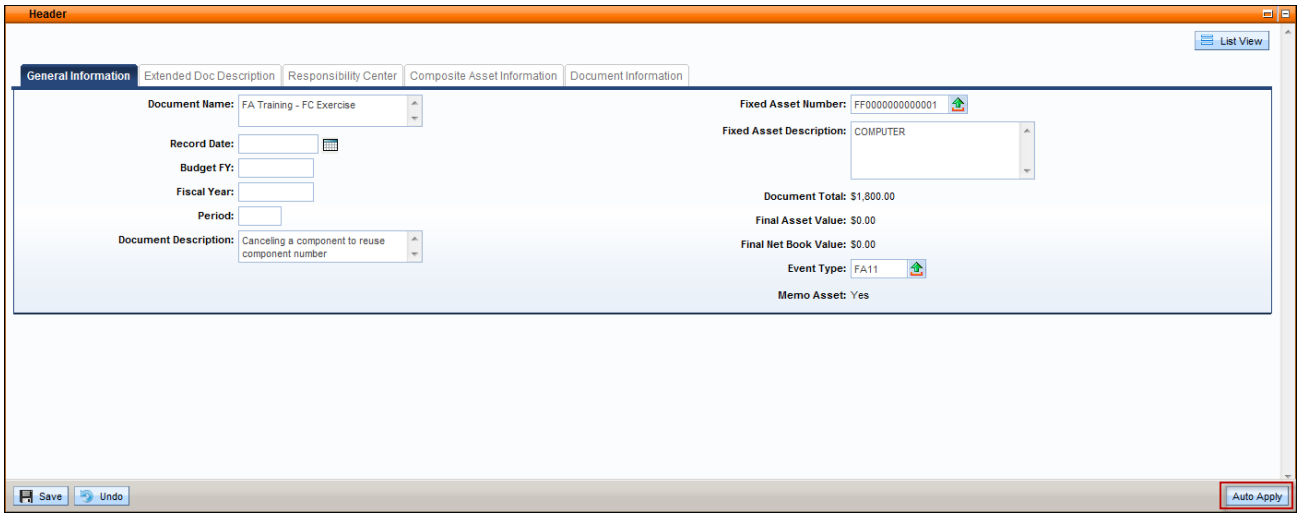
- The **FC** document does not update the Fixed Asset Payment Request (**FAPR**) table or any other shell generation related tables.

- A component has to be cancelled completely. That is, all units must be cancelled if any of them are cancelled. Nor can only one accounting line of a component be cancelled (though the amount of individual accounting lines may be reduced to zero using the **FI** document, in which case the asset entry will not be removed from the three Fixed Asset Registry tables).

- If only a component and not a complete asset are cancelled, entries from the Fixed Asset Registry – Component (**FARCOMP**) and Fixed Asset Registry – Accounting (**FARACTG**) tables relevant for that component will be deleted. An asset entry will remain on the Fixed Asset Registry – Header (**FARHDR**) table, and component entries will remain on the Fixed Asset Registry – Component (**FARCOMP**) for any components not cancelled. The asset number will therefore not be available for reuse.

- If **FAPR** references were recorded for the asset being cancelled, shell generation detail must be manually updated by removing the shell reference from the listing on the **FAPR** table. This will make it possible to re-enter the same **FAPR** reference information on a new asset if necessary.

*The entire asset will be cancelled by clicking **Auto Apply** on the Header line*



Exercise 5 — Create an FC document

Scenario

Component 0002 (for a hard drive) was not added to the computer after all, so it was incorrectly entered on the Betterment (**FA**) document. Therefore, the hard drive needs to be cancelled, in order for your department to reuse the Component Number.

Task Overview

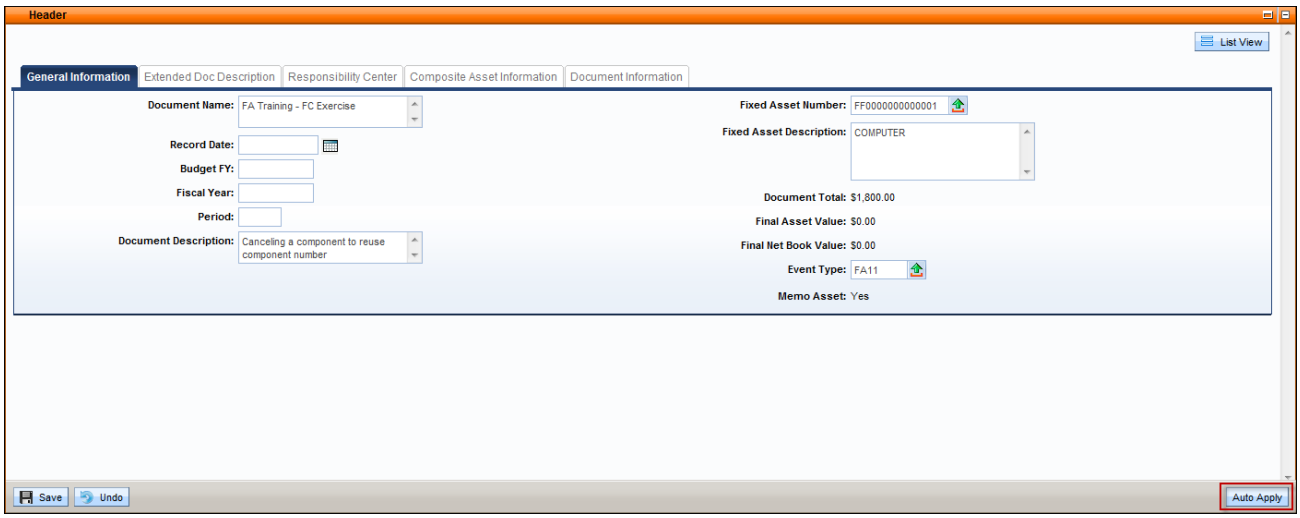
Create an **FC** document.

Procedures

1. Click **Home**.
2. Click **Search** from the Secondary Navigation panel. Select **Document Catalog** and click **Create.** A new page opens. Enter the following information.

Required Fields	Values
Code	*FC*
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

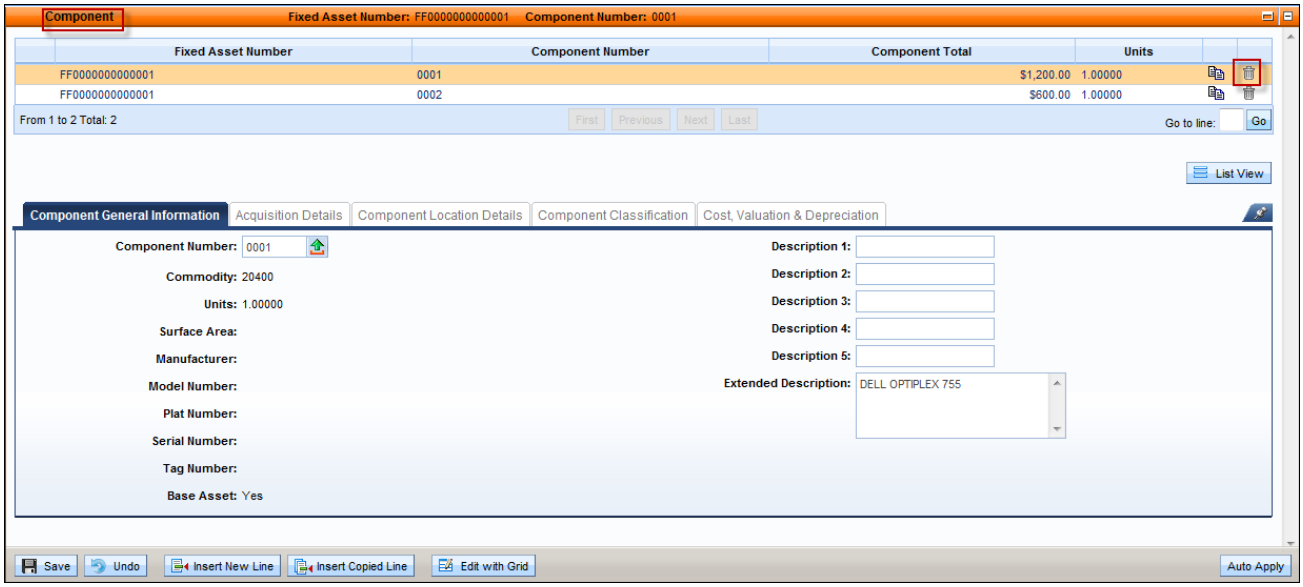
3. Click **Create.** The new **FC** document opens to the **General Information** section.



4. Enter the following information:

Required Fields	Values
Document Name	***FA** Training – **FC** Exercise*
Document Description	*Canceling a component to reuse Component Number*
Fixed Asset Number	Click the Pick List and select the one you created in Exercise 1
Event Type	*FA11*

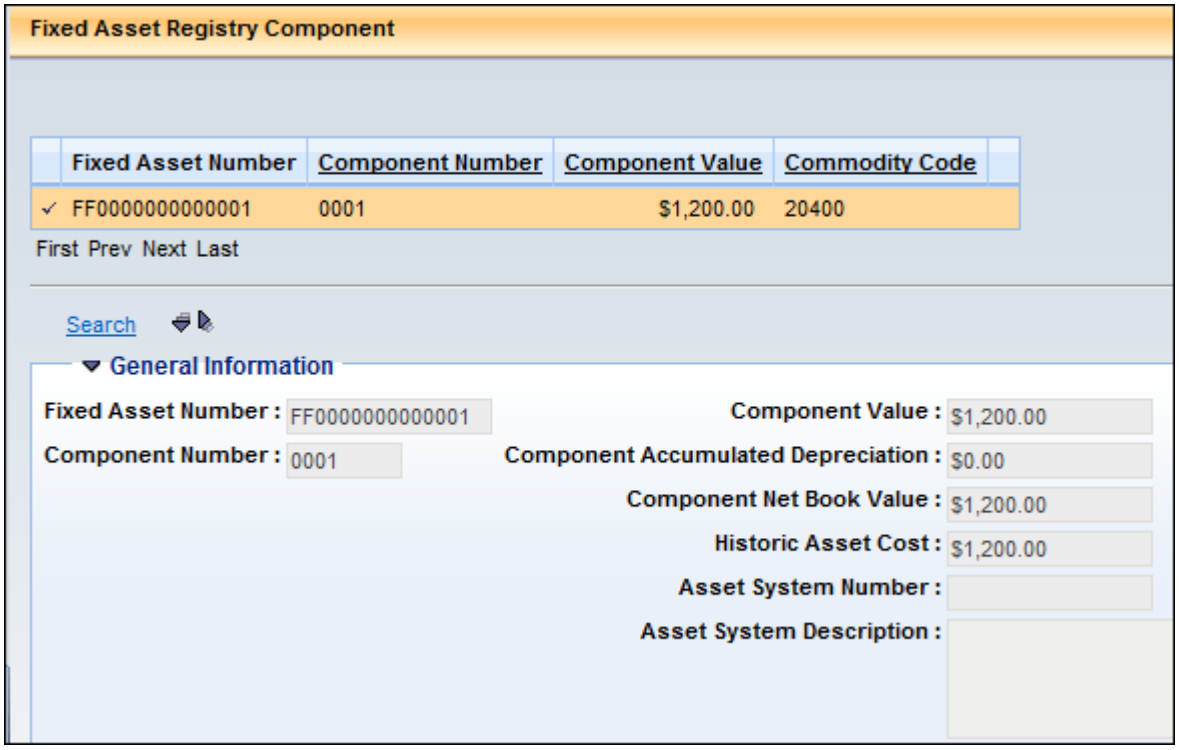
5. Click **Auto Apply**. All asset components and accounting lines associated with the selected Fixed Asset Number will be inferred.
6. Click **Component**. Notice that two component lines exist.



Note: If you do not want to cancel one of the component lines, click the **trash can** icon . This will delete the component you want to keep from this **FC** document.

7. Since we only want to cancel Component 0002, click the **trash can** to delete the line for Component 0001.
8. Click **Save**. Click **Validate.** Check for errors and correct them. Click **Validate** again.
9. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is now a New Final document in the Document Catalog.
10. Click **Close** to exit the document.

11. To verify that the asset has been cancelled, Click **Search** from the Secondary Navigation panel. Select **Page Search** and enter **FAR** in the **Page Code** field**.**
12. Click **Fixed Asset Registry Component**. The Fixed Asset Registry – Component (**FARCOMP**) page opens. A search window also opens.
13. In the **Fixed Asset Number** field on the search window, enter the Fixed Asset Number from your Student ID card. Click **OK**.
14. Notice that since your document was a partial cancellation, the asset will still appear, but the value will represent only the remaining component.



15. To verify that the complete history of the asset is still present on the Fixed Asset History (**FAHIST**) table, click **Search** from the Secondary Navigation panel. Select **Page Search** and enter **FAHIST** in the **Page Code** field**.**
16. Click **Fixed Asset History**. The Fixed Asset History page opens. A search window also opens.
17. In the **Fixed Asset Number** field on the search window, enter the Fixed Asset Number from your Student ID card.

18. Click **OK**. The Fixed Asset History (**FAHIST**) page displays the complete history of your fixed asset, including the cancellation (**FC**) information for Component 0002.

Fixed Asset History

Component Summary

FA Number	FA Component Number	Doc Code	Doc Dept	Doc ID	Document Component Total
✓ FF0000000000001	0001	FA	758	1300000028	$1,000.00
FF0000000000001	0002	FA	758	1300000029	$600.00
FF0000000000001	0001	FI	758	1300000006	$200.00
FF0000000000001	0002	FM	758	1300000007	$0.00
FF0000000000001	0001	FM	758	1300000007	$0.00
FF0000000000001	0002	FC	758	1300000005	$600.00

First Prev Next Last

Component Details

Search

Journal Record Identification

FA Number : FF0000000000001
FA Component Number : 0001
Doc Code : FA
Doc Dept : 758
Doc ID : 1300000028
Event Type : FA01
Doc Record Date : 03/23/2012
Run Time : 03-23-12 02:39:49
Fiscal Period : 12
Last User ID : JNM0007
Asset System Number :
Asset System Description :

Responsibility Center

Custodian :
Fund : 0100
Sub Fund :
Government Branch : EXEC
Cabinet : 39
Department : 758
Division : ACCT
Appr Unit :
Object :
Sub Object :
Revenue :
Sub Revenue :
Dept Object :
Dept Revenue :
Task :
Sub Task :
Task Order :
Major Program :
Program :
Phase :
Program Period :

7 – Fixed Asset Disposition (FD/FP)

When fixed assets are disposed or retired, they must be declared “surplus” through the Division of Surplus Property before a Fixed Asset Disposition (**FD**) document is processed with the appropriate disposition method, disposal reasons, comments and asset description. The disposition methods are pre-defined by Statewide Accounting Services (**SAS**) in the Fixed Asset Disposition Method (**FADM**) table. Examples of disposition methods are: the item may be destroyed, become obsolete, traded in, sold, discarded, donated, transferred in a reorganization, vandalized, etc.

Acquisition Disposition

Acquisition/Disposition	Acquisition Disposition Method	Acquisition Disposition Method Short Name	Gain/Loss Posting
✓ Disposition	A	Trans State Agy	Revenue
Disposition	B	Trans Non Prof	Revenue
Disposition	D	Destroyed	Revenue
Disposition	E	Input Error	Revenue
Disposition	H	On Site Disp	Revenue
Disposition	K	Cannibalized	Revenue
Disposition	L	Lease Expired	Revenue
Disposition	P	Surplus Prop	Revenue
Disposition	R	Recycled	Revenue
Disposition	S	Sold	Revenue

First Prev Next Last

Save Undo Delete Insert Copy Paste Search

Acquisition/Disposition : Disposition
Acquisition Disposition Method : A
Acquisition Disposition Method Name : Transfer Another State A
Acquisition Disposition Method Short Name : Trans State Agy
Gain/Loss Posting : Revenue

The Fixed Asset Price Change (**FP**) document was designed to record a change in the sales price of a disposed asset. It is used by the Commonwealth to correct the Disposition Date, Disposition Method or Disposition Authority for a disposed fixed asset. Both documents are described in this chapter.

Though it is not required that Agency Insurance Coordinators be involved in the approval process of **FD** and **FP** documents, it is important that they be kept informed of dispositions and major changes for insurance reporting needs.

Surplus Property and Delegated Authority

Prior to submitting an **FD** document, the disposing agency must either obtain Disposition Authority (in the form of a D.S. Number) from the Finance and Administration Cabinet, Division of Surplus Property or use delegated authority if it has been prearranged. FAP 220-19-00 describes the provisions for obtaining delegated authority.

Even agencies with delegated authority may not dispose of items with a Certificate of Title (such as vehicles, boats, or mobile homes), and agencies with locations within five miles of Franklin County must dispose of fixed assets through the Division of Surplus Property. Additional information regarding surplus property is available via training materials on the following web page:

http://finance.ky.gov/services/surplus/Pages/default.aspx

Approval for personal property disposal is obtained using the Surplus Property form B217-2 available on the web based Surplus Management System. All items to be turned into the Surplus Property Warehouse shall be processed using this system. Each agency shall assign one person as the Surplus Administrator and this individual will be the person who currently does the final "sign off" on the B-217-2. Below is the link to the Surplus Management System and a sample of the form. If you have questions about using the Surplus Management System contact the Division of Surplus Property.

http://205.204.134.57/surplusdemo/default.aspx

B 217-2: Declared Surplus

Commonwealth of Kentucky
Finance and Administration Cabinet
Division of Surplus Property
Frankfort, Kentucky, 40601

Date:	D.S. # (if delegated, assigned by agency):
Account #:	Cabinet/Dept. #:
Dept:	Division or Institution:
Location of Property	

The following property is surplus to this agency's needs. List property in order by tag number. List at the end supplies and property not tagged, and specify quantity. (Computer listing may be attached in lieu of the following.)

#	Description	Inventory Tag #	Serial #	Original Cost	Present Value	Reason for Surplus			
						Lost/ Stolen	Obsolete	Damaged	Other

Disposal by the following method is recommended:

(a) Intra/Inter Agency Transfer: ☐
(b) Trade-in ☐
(c) Transfer to Local Government ☐
(d) Transfer to Non-Profit ☐
(e) Sale to General Public by Auction or Sealed Bid ☐
(f) Disposal as Solid Waste ☐
(g) Deliver to Finance Surplus ☐
(h) Cannibalized for parts ☐
(i) Other Method (Requires Approval of Director, Division of Surplus Property) ☐

NOTE: For agencies located within 5 miles of Franklin County, choose (a), (b), (f), or (g)

Recommended by: _____ Dept. Inventory Officer

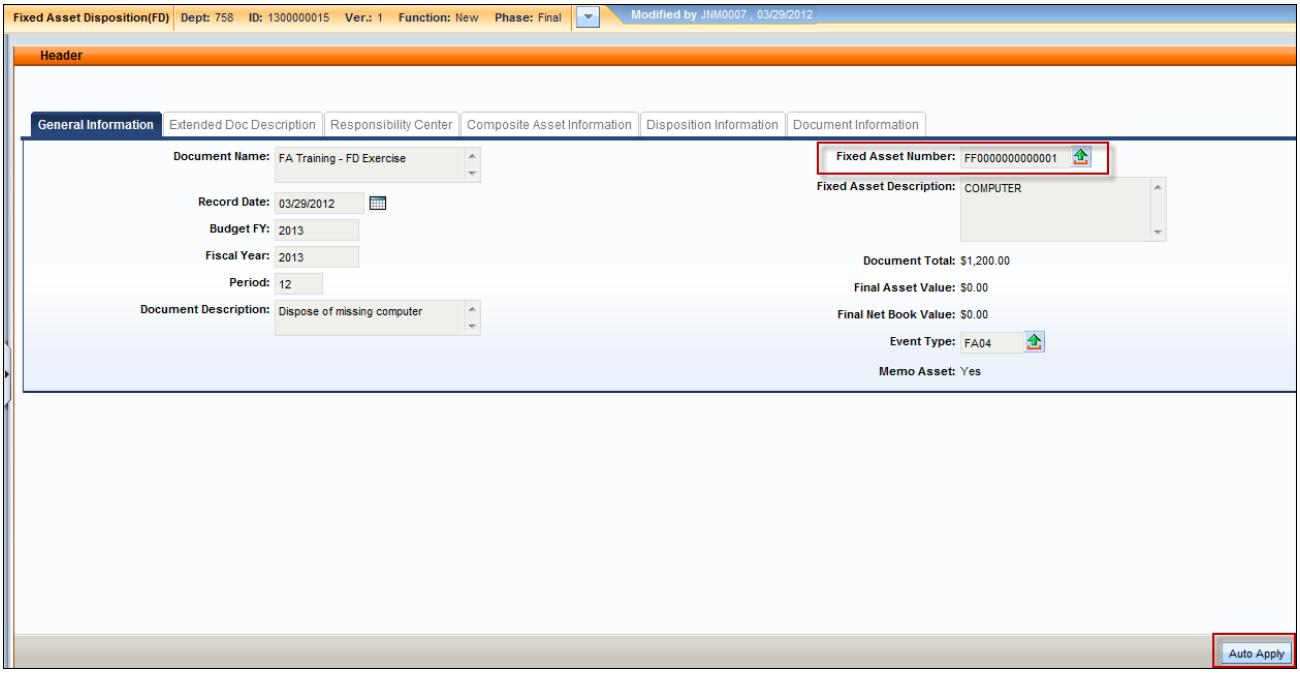
Endorsed by: _____ Agency Property Representative

Again, this form must be completed and approved by Finance Surplus Property and a D.S. Number assigned before the **FD** document is completed to mark the fixed asset for disposal in eMARS. Assets located in Frankfort or brought to the Frankfort Surplus Property Office for disposal must be accompanied by a completed B217-2 form regardless of the Disposition Authority.

If an **FD** document is processed with the Disposition Authority accidentally omitted or entered in error, process an **FP** document to make the correction.

Here are some additional notes about the use of the Fixed Asset Disposition (**FD**) and Fixed Asset Price Change (**FP**) documents:

- Using the **FD**, betterments can be disposed of independently of the original asset.
- eMARS enables you to record the disposition of an asset and all of its components, to record the disposition of individual components, or to dispose a portion of the available units for components with multiple units.
- The **FD** marks fixed assets tables with results of the disposition, where it remains until it is archived.
- For a lost or stolen fixed asset, an **FD** document should only be processed after the agency has exhausted its recovery options.
- The **Disposition Method**, in the **Disposition Information** section of the **Header** is required when all components are disposed for a fixed asset. Valid disposition methods are defined on the Fixed Asset Disposition Method (**FADM**) table and correspond to the Disposal Method values used on the B217-2 form.
- The **FD** recognizes a gain or loss and generates the appropriate accounting to dispose the asset off the books. Cash Receipt (**CR**) documents must be processed separately to record cash and revenue for the proceeds from the sale of an asset.
- The **FD** and **FP** documents do require that you click **Auto Apply** on the document header. If the asset has more than one component and not all will be disposed, then just as with a cancellation, delete component lines by clicking the trash can icon.



Exercise 6 — Create FD and FP documents

Scenario

Your department realizes that the computer is missing. They want to dispose of it by recording it as lost.

After disposing of the fixed asset, the computer is found and surplused. You want to correct the disposition date and method.

NOTE: Before attempting an **FD** document to dispose of a fixed asset, you should ensure that the asset is still in the system. Search by fixed asset number on the Fixed Asset Registry – Header (**FARHDR**) table. For this exercise, the Fixed Asset Number on your Student ID card is the one you have used on throughout these exercises, so this step is not necessary.

Task Overview

Create an **FD** document to record the disposition of the fixed asset.

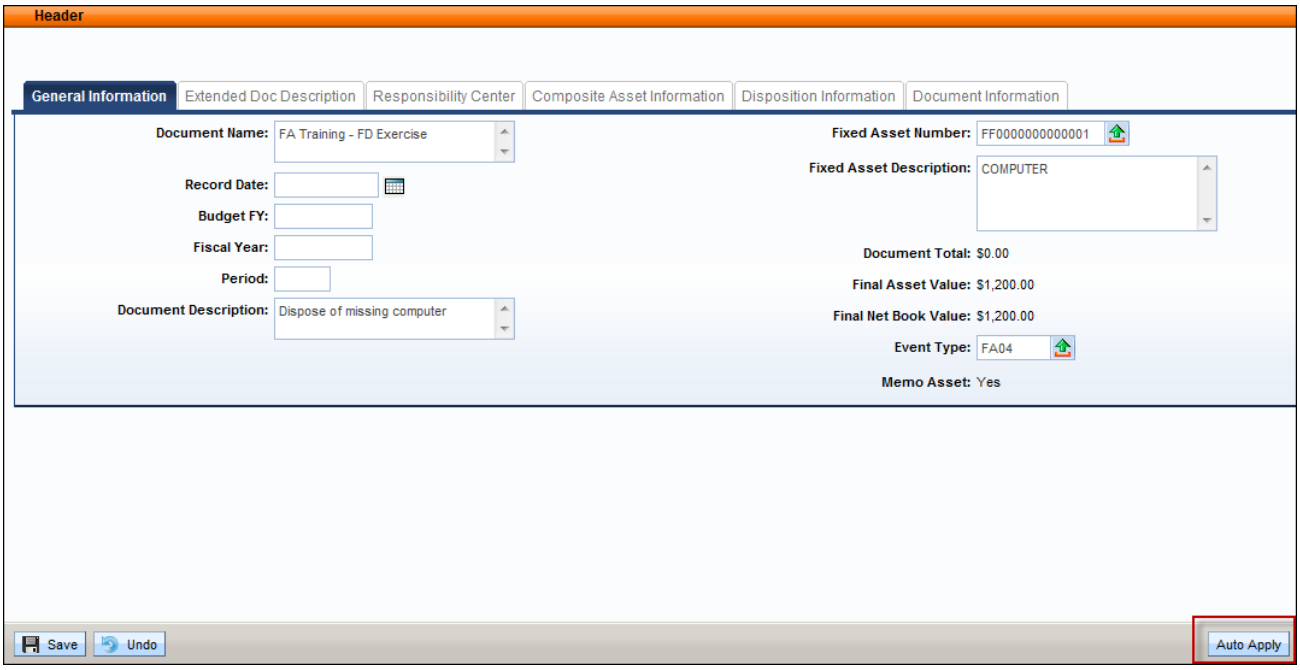
Create an **FP** document to correct the disposition date and method.

Procedures

1. Click **Home**.
2. Click **Search** from the Secondary Navigation panel. Open the **Document Catalog** and click **Create** to open a new page. Enter the following information.

Required Fields	Values
Code	***FD***
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

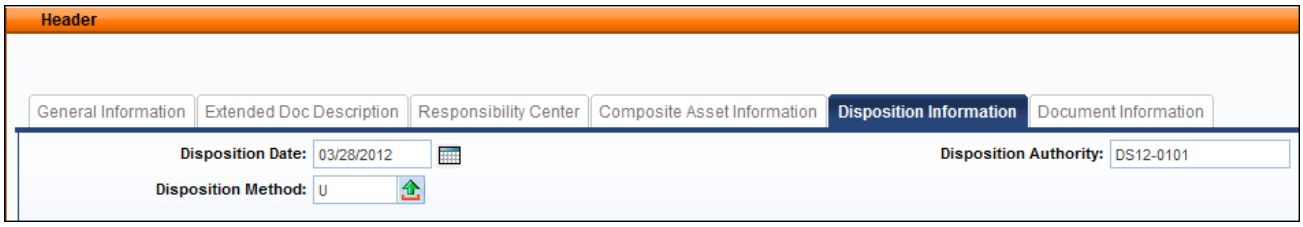
3. Click **Create.** The new **FD** document opens to the **General Information** section.



4. Enter the following information:

Required Fields	Values
Document Name	***FA** Training – **FD** Exercise*
Document Description	*Dispose of a missing computer*
Fixed Asset Number	Click the Pick List and select the one you created in Exercise 1
Event Type	*FA04*

5. Click **<u>Auto Apply</u>** (in the upper right hand corner of the page). All asset components and accounting lines associated with the selected Fixed Asset Number will be inferred.



6. Access the **Disposition Information** subsection and enter the following information:

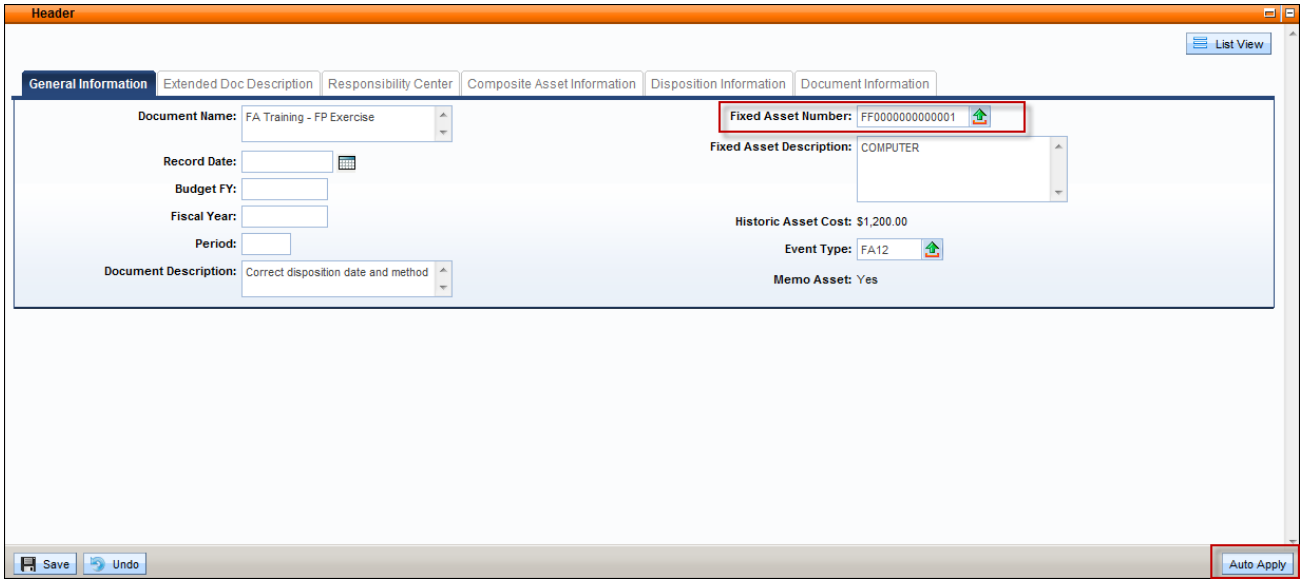
Required Fields	Values
Disposition Date	*3/28/2012*
Disposition Method	Click the Pick List and Select *U* (Lost/Stolen)
Disposition Authority	*DS12-0101* (Surplus Property assigned a Approval Number or Department Internal Tracking number)

7. Click **Save**. Click **Validate.** Check for errors and correct them. Click **Validate** again.
8. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is now a New Final document in the Document Catalog.
9. Click **Close** to exit the document. You have recorded the disposition of the fixed asset.

10. Next, you need to correct the disposition date and method. Click **Search** from the Secondary Navigation panel. Open the **Document Catalog** and click **Create** to open a new page. Enter the following information.

Required Fields	Values
Code	***FP***
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

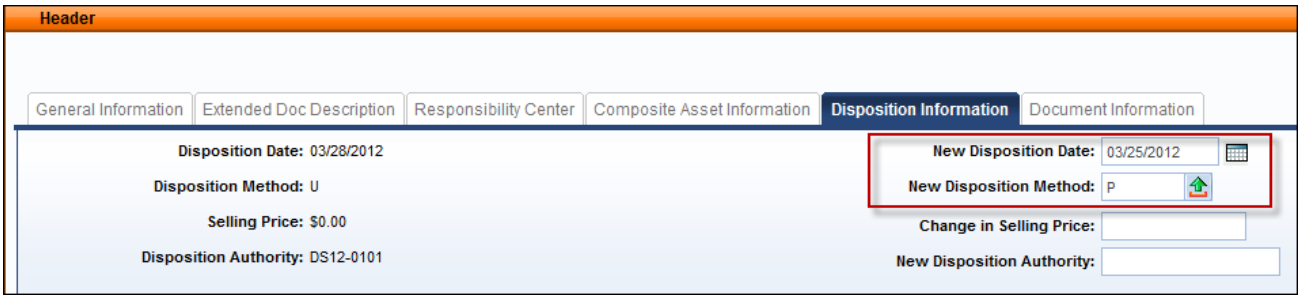
11. Click **Create.** The new **FP** document opens to the **General Information** section.



12. Enter the following information:

Required Fields	Values
Document Name	***FA*** *Training –* ***FP*** *Exercise*
Document Description	*Correct disposition date, method*
Fixed Asset Number	Click the Pick List and select the one you created in Exercise 1
Event Type	*FA12*

13. Click **Auto Apply**.



14. Access the **Disposition Information** subsection and enter the following corrections. (New Disposition Authority is left empty because there is no change in this value.)

Required Fields	Values
New Disposition Date	*3/25/2012*
New Disposition Method	Click the Pick List and Select *P* (Surplus Prop)

15. Click **Save**. Click **Validate.** Check for errors and correct them. Click **Validate** again.

Note: Informational errors or warnings are standard for this document. They do not prevent the document from posting.

16. Click **Submit** after all the errors have been corrected. A message is returned *Document submitted successfully*. The document is now a New Final document in the Document Catalog.
17. Click **Close** to exit the document. You have updated the disposition of the fixed asset.

8 – Reorganization and Transfers (FT)

Reorganization and relocation of fixed assets is a common occurrence in state government. The Fixed Asset Transfer (**FT**) document is used in the reorganization process. Create an **FT** document when a reorganization is between Governmental Funds or within the same proprietary fund. If the reorganization is not within the same fund type, the acquiring department creates the **FA** document while the selling department creates the **FD** document.

There are other times when an **FT** document may be processed:

- To record the transfer of a fixed asset between departments serving similar functions within the same cabinet (e.g., CHFS);
- To correct the **Responsibility Center** for a fixed asset where one or more of the Chart of Accounts elements (e.g., **Fund** or **Function**) has become inactive in eMARS.

Here are general instructions for the entry of an **FT** document:

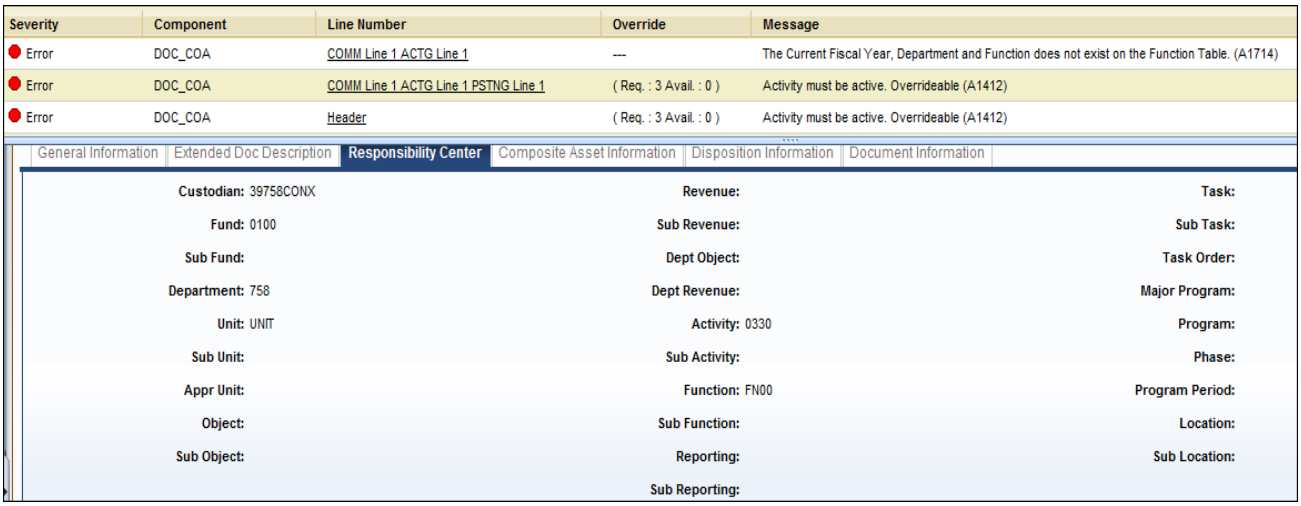
- In the **General Information** subsection, use the **Fixed Asset Number** pick list or enter the number for the asset you need to change. The system will infer the available header information from the Fixed Asset Registry (**FAR**).
- Click **Auto Apply** to infer all asset components and accounting lines associated with the selected Fixed Asset Number.
- Move to the **Responsibility Center** subsection of the document's header section. Enter the Responsibility Center changes in the **New Department** and **New Unit** fields (required).
- Enter new Responsibility Center **COA** codes for any codes which are required or desired by your department (e.g., **Function**).
- Enter "*BLNK*" in any fields for which the old codes (either in the Responsibility Center or on the accounting lines) are invalid. (Note that "*BLNK*" will not work for Custodian, Fund, Department or Unit codes.)
- Click **Auto Apply** a second time to apply the Responsibility Center changes to the Component and Accounting lines.
- **Validate** the document. Correct any errors and **Submit** your document.

The following notes also apply to the use of **FT** documents:

- You can only change the location on the **FT** document if you are also changing some or all fields on the Responsibility Center. You must use an **FM** document if you want to modify only the location data. If you are going to enter a new Department, then the Location/Sub-Location must be updated.
- Per Finance policy, a fixed asset cannot be transferred from a Proprietary Fund to a Governmental Fund, or vice versa.
- Per Finance policy, the **New Department** and **Old Department** must serve the same **CAFR** Governmental Function in order for the documents to be submitted.

As mentioned, there are cases where the **FT** document is used to correct Responsibility Center codes so that further documents can be processed. For example, suppose your department, 758, wants to dispose of an old phone system, but when the **FD** document is entered, errors are received:

> *The Fiscal Year, Department and Function do not exist on the Function table.*
> *Activity must be active. (Overrideable)*



Severity	Component	Line Number	Override	Message
Error	DOC_COA	COMM Line 1 ACTG Line 1	---	The Current Fiscal Year, Department and Function does not exist on the Function Table. (A1714)
Error	DOC_COA	COMM Line 1 ACTG Line 1 PSTNG Line 1	(Req. : 3 Avail. : 0)	Activity must be active. Overrideable (A1412)
Error	DOC_COA	Header	(Req. : 3 Avail. : 0)	Activity must be active. Overrideable (A1412)

General Information | Extended Doc Description | Responsibility Center | Composite Asset Information | Disposition Information | Document Information

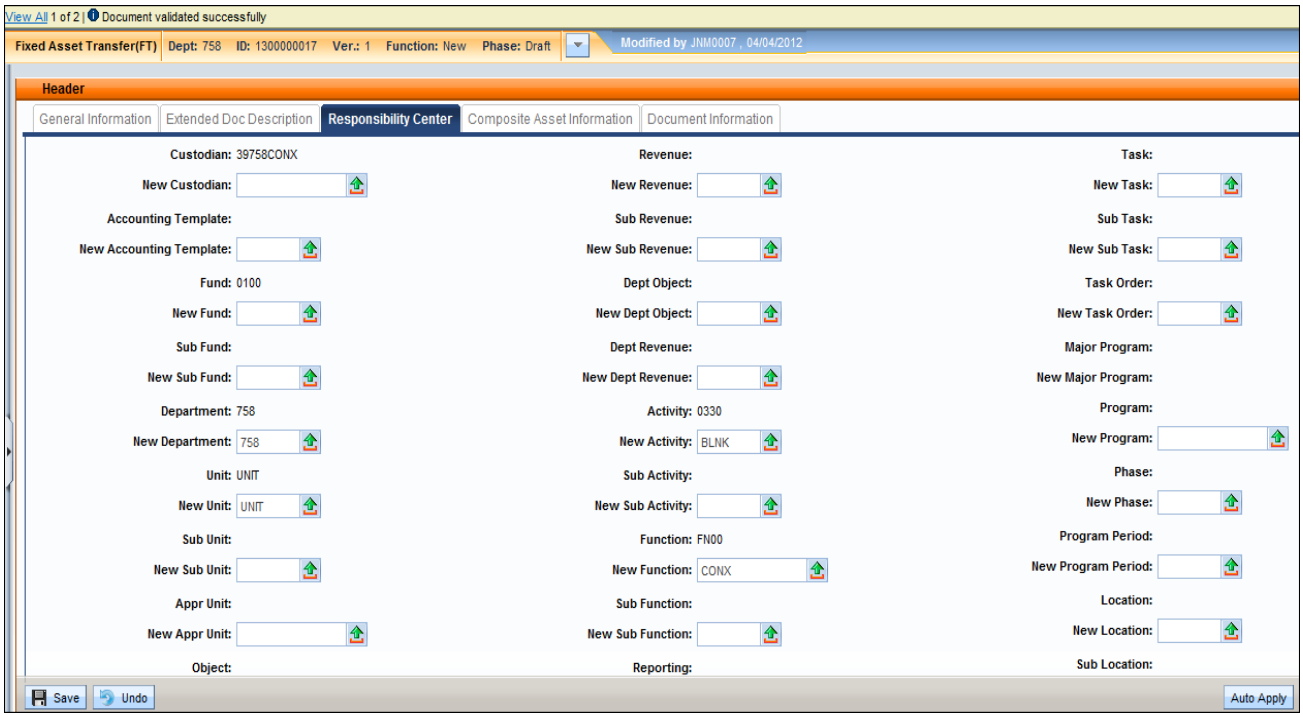
Custodian:	39758CONX	Revenue:		Task:	
Fund:	0100	Sub Revenue:		Sub Task:	
Sub Fund:		Dept Object:		Task Order:	
Department:	758	Dept Revenue:		Major Program:	
Unit:	UNIT	Activity:	0330	Program:	
Sub Unit:		Sub Activity:		Phase:	
Appr Unit:		Function:	FN00	Program Period:	
Object:		Sub Function:		Location:	
Sub Object:		Reporting:		Sub Location:	
		Sub Reporting:			

When looking at the "FN00" **Function** code on the Function (**FUNC**) table, there is an entry, but has an end date of 3/31/2012 – therefore it is invalid. Similarly, when looking at the Activity (**ACTV**) table for the "0330" **Activity** code, the Active flag is unchecked, indicating the Activity code is no longer in use.

Both errors can be addressed by processing an **FT** document to correct the invalid codes. Enter an **FT** document according to the earlier instructions, including the following:

- Enter **New Department** "*758*" and **New Unit** *"UNIT*", because these are required fields on the **FT**.
- Enter "*BLNK*" in the **New Activity** field (to clear the old code).
- Enter a valid **Function** (because your department requires this). In this example, **Function** "*CONX*" has been used.

Remember that you must click **<u>Auto Apply</u>** a second time after making these entries, so that the changes will be applied to all lines on the document.



Once this **FT** document has been processed, the **FD** document will also validate and submit successfully (after **Auto Apply** has been used to bring in the new Responsibility Center values and apply them to the document lines).

Mass Changes via Spreadsheets

There are times when groups of related assets must be transferred to a different location or organizational unit. The best way to handle this is by loading the documents (**FM**, **FT** or **FD**/**FA**) via a batch process. Statewide Accounting Services (SAS) has designed a process by which these documents can be submitted in a way similar to the inbound interfaces used for other eMARS documents.

Departments needing to submit large numbers (i.e., more than 200) of documents to record changes to Custodian, Location, Responsibility Center or other descriptive information (or FD documents to record dispositions) may contact SAS to submit the information on a spreadsheet.

Exercise 7 – Create FT document

Scenario

Your department wishes to transfer a computer from another department within your cabinet. The computer was originally recorded using Chart of Accounts elements (Activity and Function) which are no longer valid in either department.

Task Overview

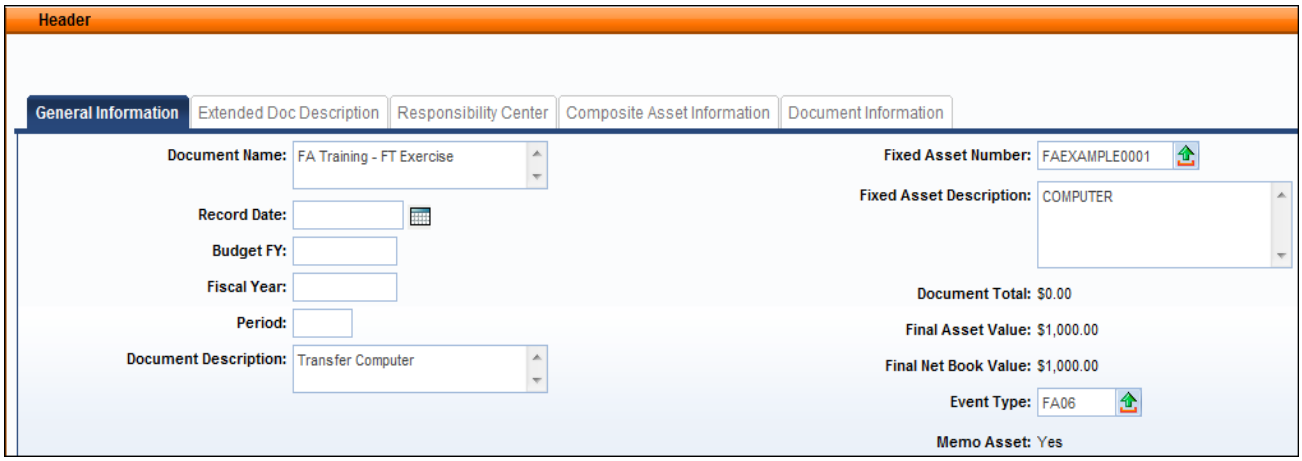
Create an **FT** document to record the transfer. Enter a new Function and use "BLNK" to clear the invalid Activity code, and use **Auto Apply** to apply the changes to the document lines.

Procedures

1. Click **Home**.
2. Click **Search** from the Secondary Navigation panel. Open the **Document Catalog** and click **Create** to open a new page. Enter the following information.

Required Fields	Values
Code	***FT***
Dept	Please refer to your Student ID card
Unit	*ACCT*
ID	*Select Auto Numbering.*

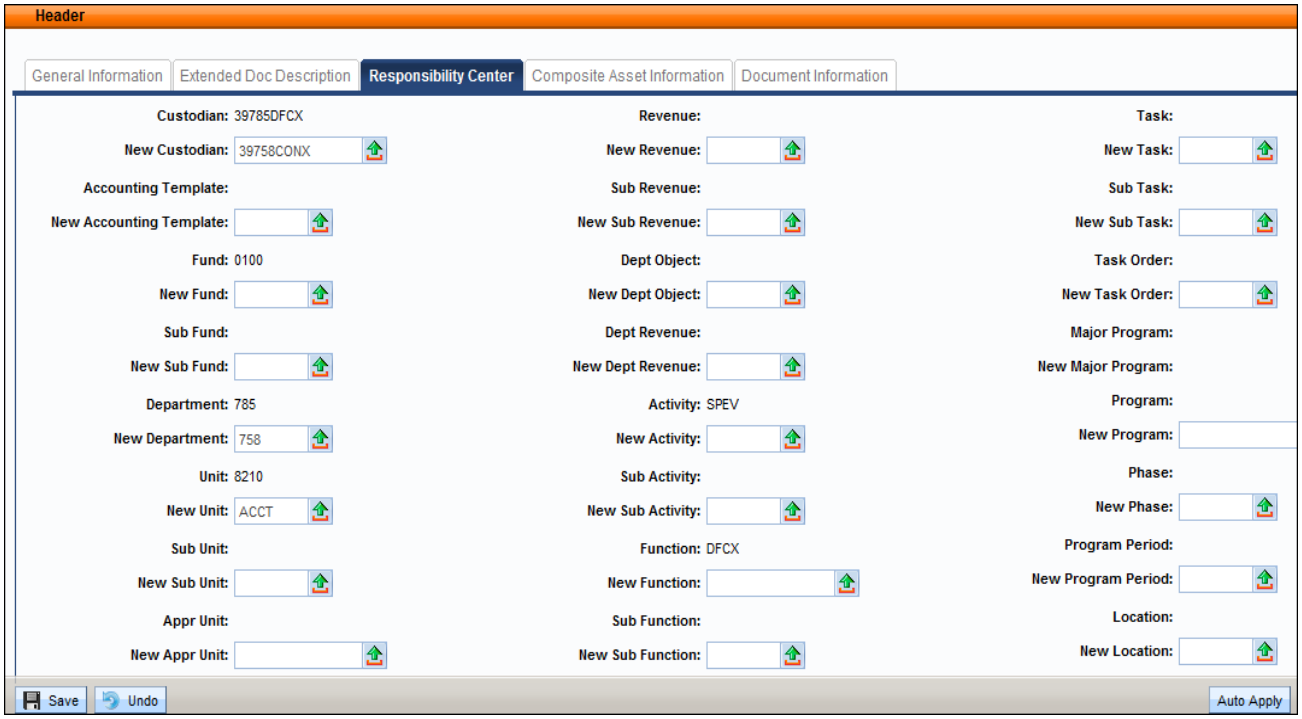
3. Click **Create**. The new **FT** document opens to the **General Information** section.



4. Enter the following information:

Required Fields	Values
Document Name	***FA** Training – **FT** Exercise*
Document Description	*Transfer computer*
Fixed Asset Number	Click the Pick List and select the Fixed Asset Number provided for Exercise 7 on your Student ID card.
Event Type	*FA06*

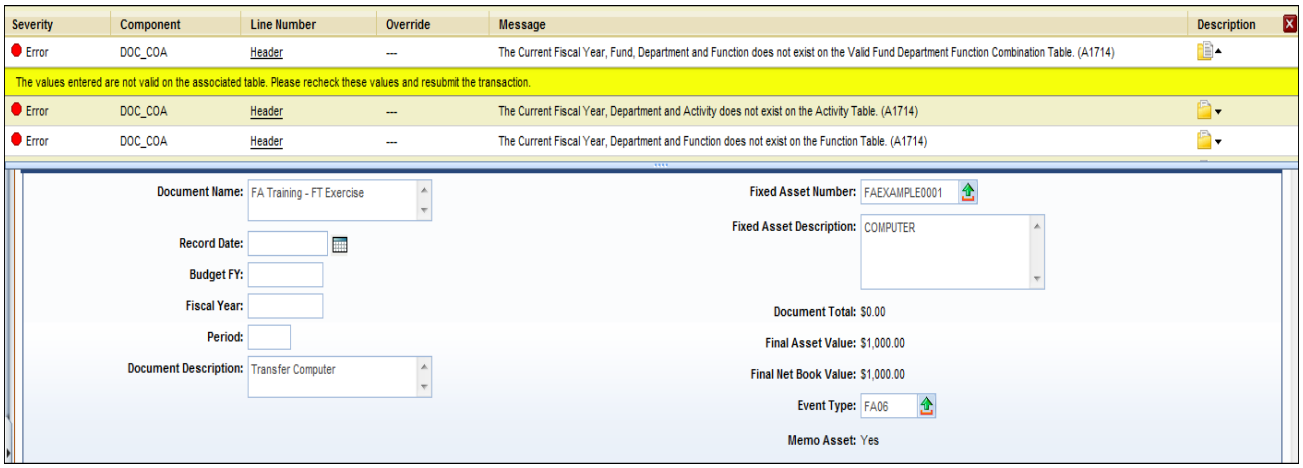
5. Click **<u>Auto Apply</u>**. All old Responsibility Center values will be inferred, as well as all asset components and accounting lines associated with the selected Fixed Asset Number.



6. Expand the **Responsibility Center** subsection. Enter the following information:

Required Fields	Values
New Custodian	Refer to your Student ID card.
New Department	Enter the Department from your Student ID card.
New Unit	*ACCT*

7. Click **<u>Auto Apply</u>** to apply these changes to all lines in the document.

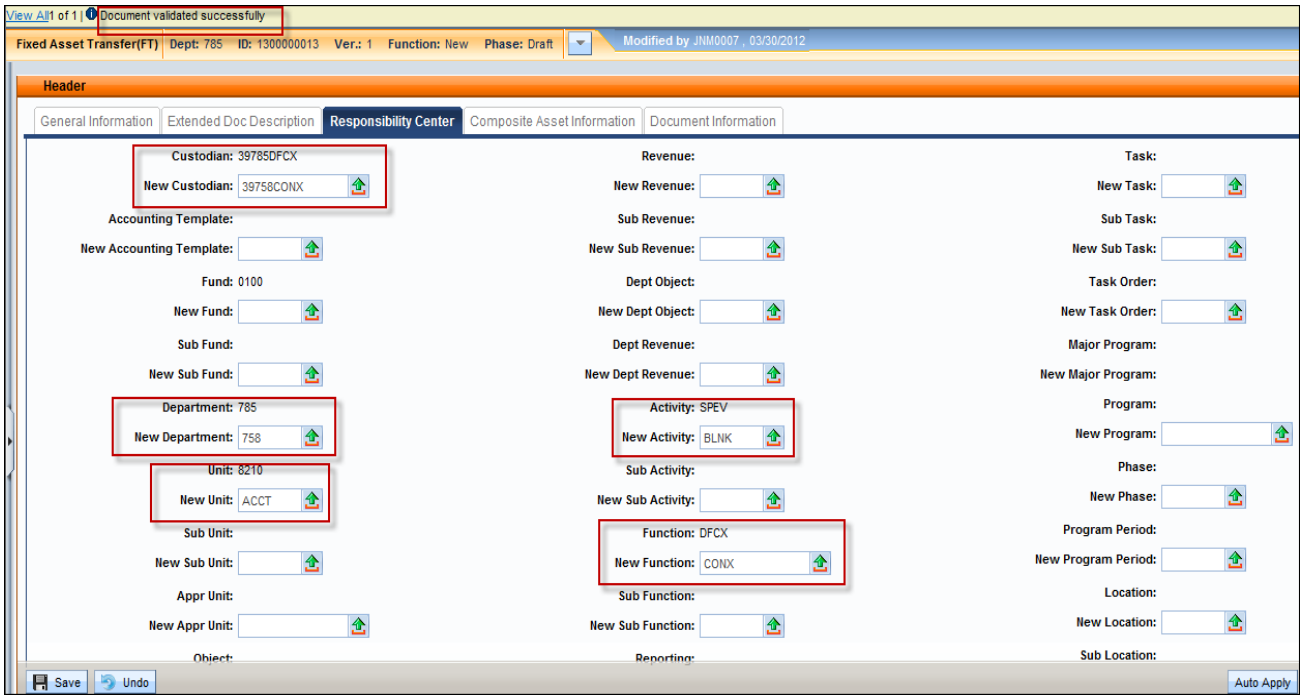


8. Click **Save**. Click **Validate**. Note that errors are received because the old **Activity** and **Function** codes are not valid for the **New Department**.

9. Enter the following information in the **Responsibility Center** subsection:

Required Fields	Values
New Activity	*BLNK*
New Function	Please refer to your Student ID card

10. Click **Auto Apply** to apply these changes to all lines in the document.



11. Click **Validate**. Check for additional errors and correct them. Click **Validate** again.

12. Click **Submit** after all errors have been corrected. A message is returned *Document submitted successfully.* The document is now a New Final document in the Document Catalog.
13. Click **Close** to exit the document.
14. You will conclude this exercise by logging out of the application:
15. Click **Logout**. This closes the eMARS application and ends your session. You can now close the open browser windows.

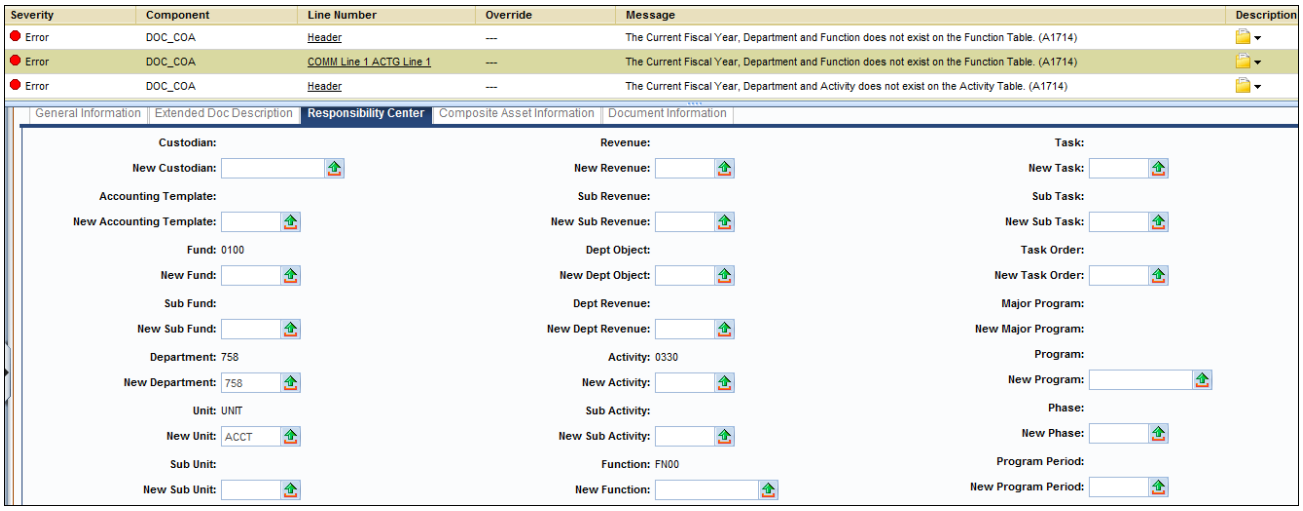
Note: Please remember to select **Logout** prior to closing your eMARS session. Just closing the page will not immediately end your session.

9 – Error Correction Using the FT Document

As mentioned in the previous chapter, the Fixed Asset Transfer (**FT**) document is sometimes used to correct Responsibility Center codes. It can also be used to override an invalid Chart of Accounts element appearing on the Accounting Lines of any Fixed Asset document. This chapter provides three examples of the various ways the **FT** document can be used for error correction.

Example 1 – Errors on FT Header

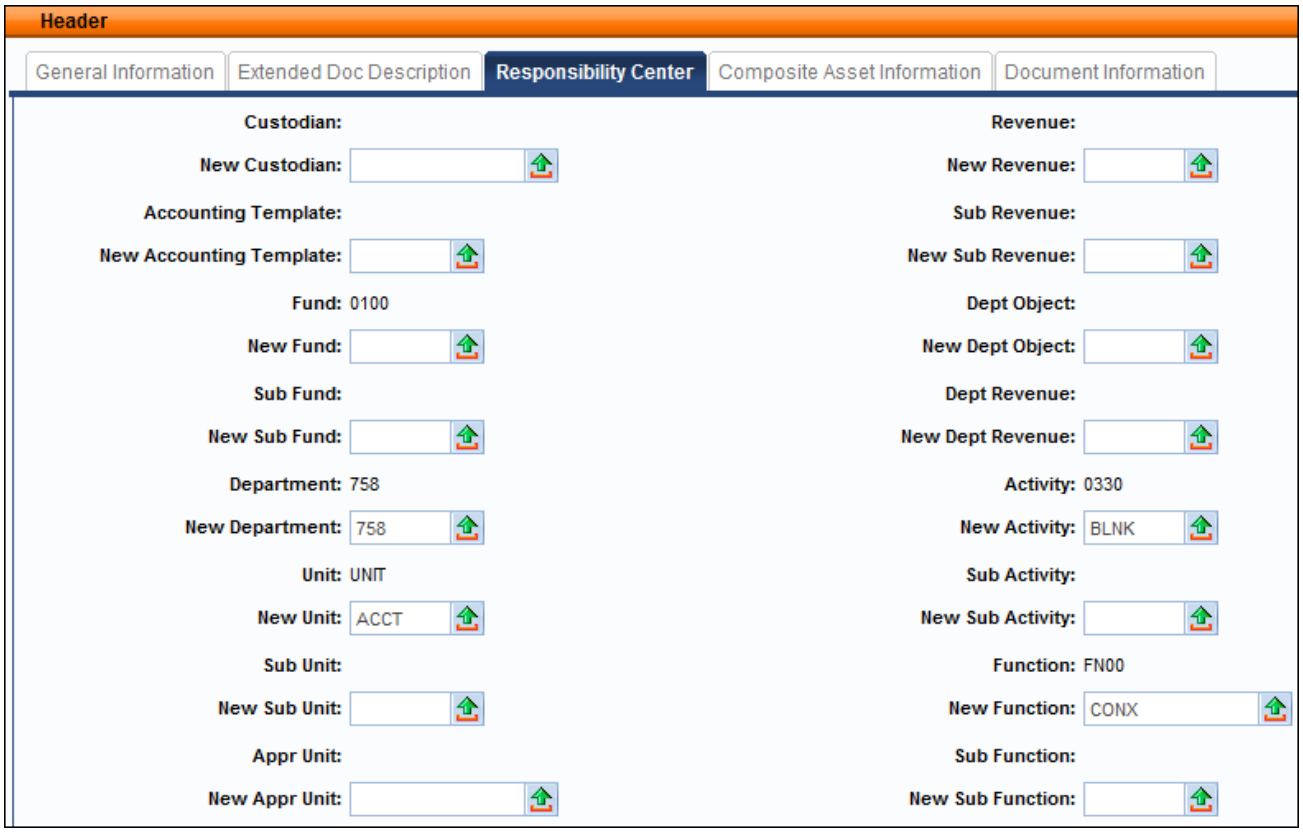
For the first example, suppose you had a computer with Fixed Asset Number "*FTERROR0001*", and you needed to process an **FT** document to transfer this computer from Unit "*UNIT*" to Unit "*ACCT*" within Department *758*. However, when you validated your document, you received errors.



The context column in the Error Messages window indicates that errors are being received on both the Header and on Accounting Line 1. In both cases, the error messages are for an inactive Activity code (overrideable) and an inactive Function code (non-overrideable). While Statewide Accounting Services could override the Activity error, something different must be done for the Function error. Both errors can be addressed at the same time on this **FT** document.

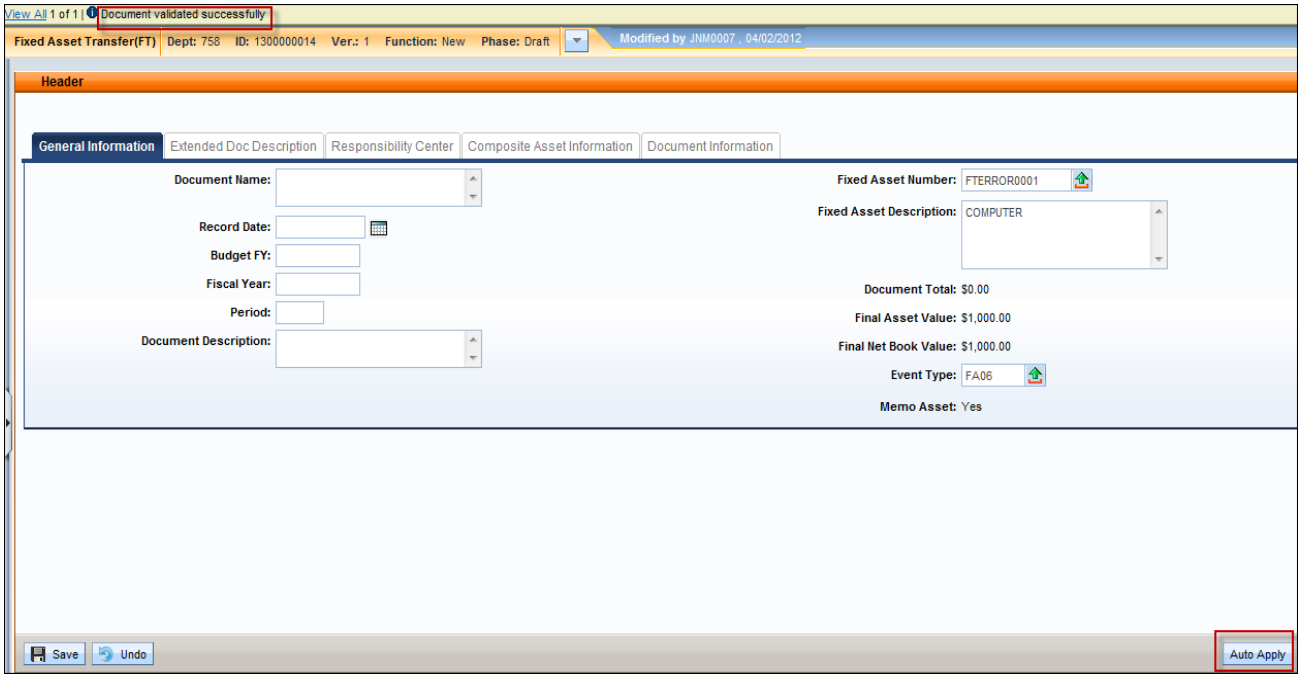
Notice that the header errors are due to existing Chart of Accounts elements entered in the Responsibility Center fields. These errors will be addressed by entering new values in those fields.

As previously discussed, errors in the Responsibility Center are addressed either by entering a valid code in the New field for the Chart of Account element, or by entering "*BLNK*" to clear that field. In this example, the Department does not need to keep track of the Activity code, but they do want to maintain a record of a Function code in the Responsibility Center. Therefore, a valid Function code is entered in the New Function, and "*BLNK*" is entered in the New Activity field, as shown.



Note that while the errors in this example are on the Activity and Function fields, the approach would be the same for any of the Responsibility Center fields (although "*BLNK*" cannot be used for Custodian, Fund, Department or Unit).

As previously mentioned, changes to the Responsibility Center do not take effect until **Auto Apply** is clicked at the top right corner of the page. Once **Auto Apply** has been clicked, the document can be validated and submitted successfully.

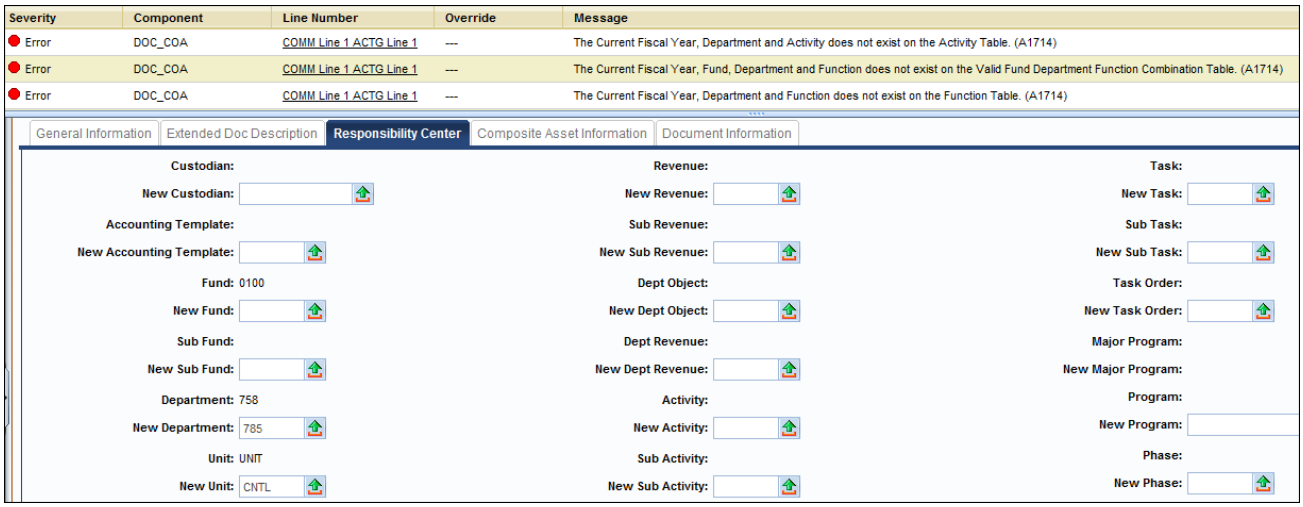


In this example, correcting the errors on the Header automatically corrected the errors on the Accounting Line.

Example 2 – Errors on FT Accounting Lines

Suppose you had a computer with Fixed Asset Number *"FTERROR0002*", and you needed to transfer that computer from one Department/Unit to a different Department/Unit. When you enter the **FT** document, click **Auto Apply** and Validate, the document receives errors on the Accounting Lines due to invalid Activity and Sub Function codes.

As in the previous example, one of these errors is overrideable, but the other is not. This time, there are no Chart of Accounts elements existing in the Responsibility Center. However, even though all of the errors are on the Accounting Lines, both errors can once again be addressed by making entries in the Responsibility Center section of this **FT** document.



Severity	Component	Line Number	Override	Message
Error	DOC_COA	COMM Line 1 ACTG Line 1	---	The Current Fiscal Year, Department and Activity does not exist on the Activity Table. (A1714)
Error	DOC_COA	COMM Line 1 ACTG Line 1	---	The Current Fiscal Year, Fund, Department and Function does not exist on the Valid Fund Department Function Combination Table. (A1714)
Error	DOC_COA	COMM Line 1 ACTG Line 1	---	The Current Fiscal Year, Department and Function does not exist on the Function Table. (A1714)

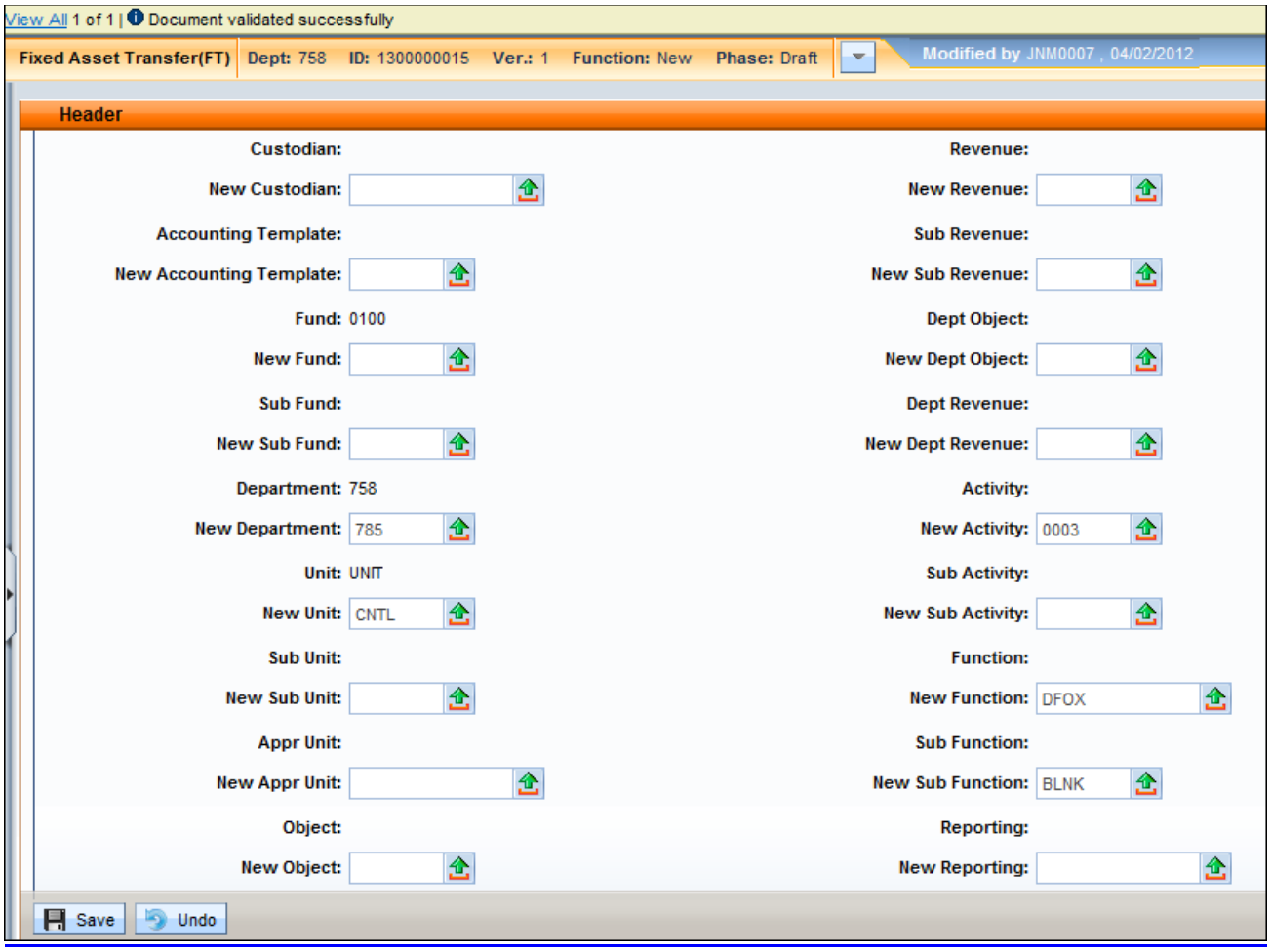
General Information | Extended Doc Description | Responsibility Center | Composite Asset Information | Document Information

Custodian:		Revenue:		Task:	
New Custodian:		New Revenue:		New Task:	
Accounting Template:		Sub Revenue:		Sub Task:	
New Accounting Template:		New Sub Revenue:		New Sub Task:	
Fund:	0100	Dept Object:		Task Order:	
New Fund:		New Dept Object:		New Task Order:	
Sub Fund:		Dept Revenue:		Major Program:	
New Sub Fund:		New Dept Revenue:		New Major Program:	
Department:	758	Activity:		Program:	
New Department:	785	New Activity:		New Program:	
Unit:	UNIT	Sub Activity:		Phase:	
New Unit:	CNTL	New Sub Activity:		New Phase:	

Suppose the new Department wants to track Activity, but does not need to track Sub Function. In this case, we enter a valid Activity code *(0003)* and "*BLNK*" in the Sub Function field in the Responsibility Center on the Header.

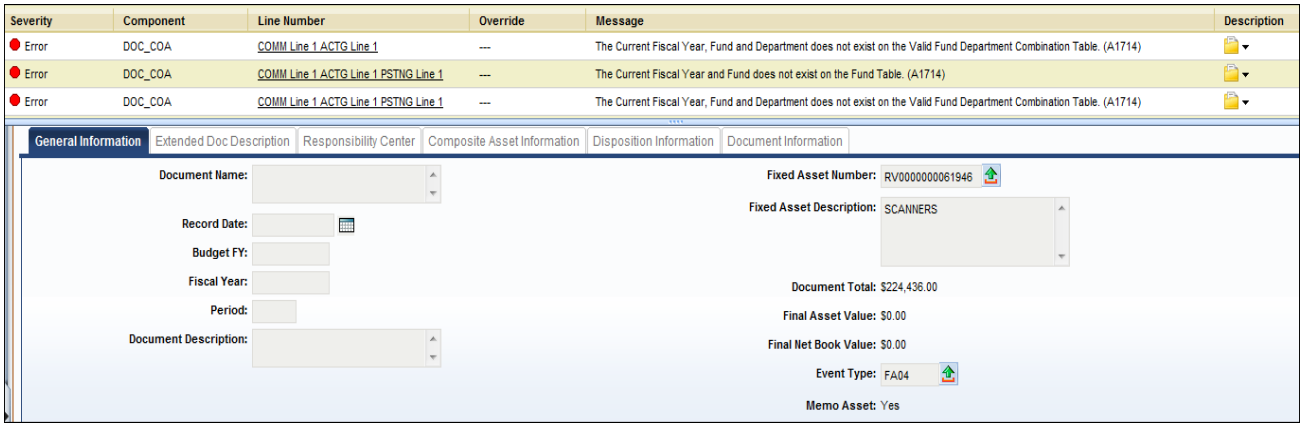
If we click **Auto Apply** and Validate the document, we receive another error. This is because we have made an entry in the Sub Function field without making any entry in the Function field. In order to clear a subordinate field, you must also either clear the higher order field (in this case, Function) by entering "*BLNK*" or correct it by entering a valid code.

Suppose the new Department wants to continue tracking Function code in the Responsibility Center. Therefore, the new error is resolved by entering a valid Function code (*DFOX)* in the New Function field, clicking **Auto Apply** and Validating again. This time the document validates and submits successfully.



Example 3 – Errors on FD Document Requiring FT

Suppose you were trying to dispose of a computer with Fixed Asset Number *"RV000000061946*", but the Fixed Asset Disposition (**FD**) document receives errors as shown.



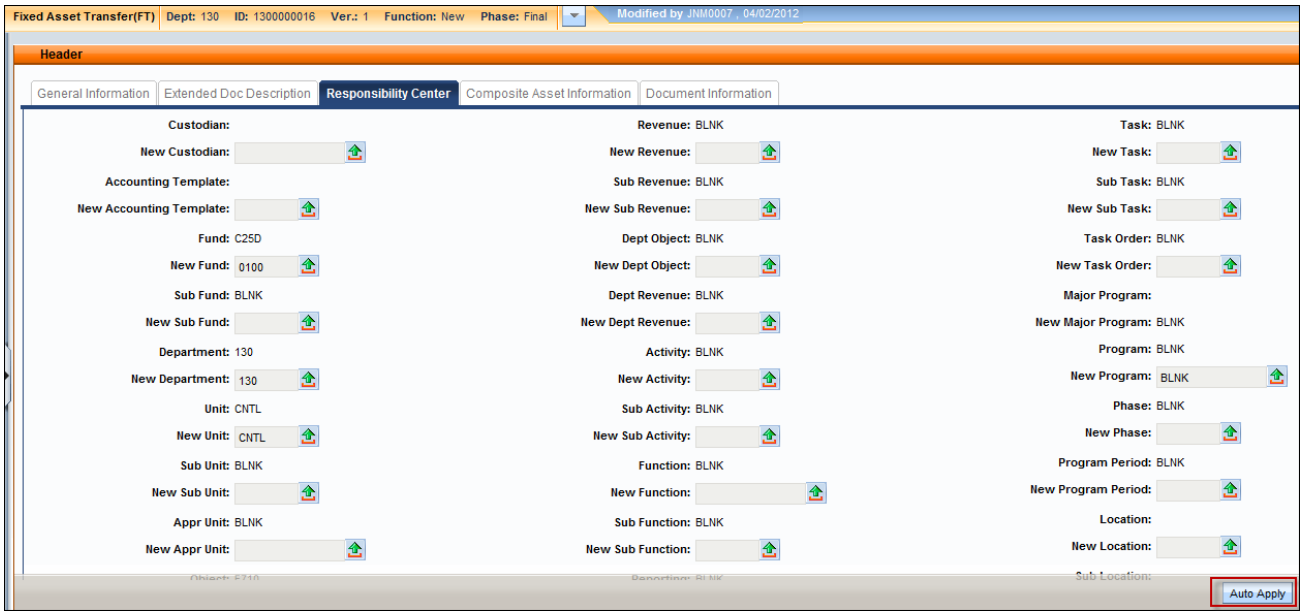
Severity	Component	Line Number	Override	Message	Description
Error	DOC_COA	COMM Line 1 ACTG Line 1	---	The Current Fiscal Year, Fund and Department does not exist on the Valid Fund Department Combination Table. (A1714)	
Error	DOC_COA	COMM Line 1 ACTG Line 1 PSTNG Line 1	---	The Current Fiscal Year and Fund does not exist on the Fund Table. (A1714)	
Error	DOC_COA	COMM Line 1 ACTG Line 1 PSTNG Line 1	---	The Current Fiscal Year, Fund and Department does not exist on the Valid Fund Department Combination Table. (A1714)	

General Information | Extended Doc Description | Responsibility Center | Composite Asset Information | Disposition Information | Document Information

Document Name:
Record Date:
Budget FY:
Fiscal Year:
Period:
Document Description:
Fixed Asset Number: RV0000000061946
Fixed Asset Description: SCANNERS
Document Total: $224,436.00
Final Asset Value: $0.00
Final Net Book Value: $0.00
Event Type: FA04
Memo Asset: Yes

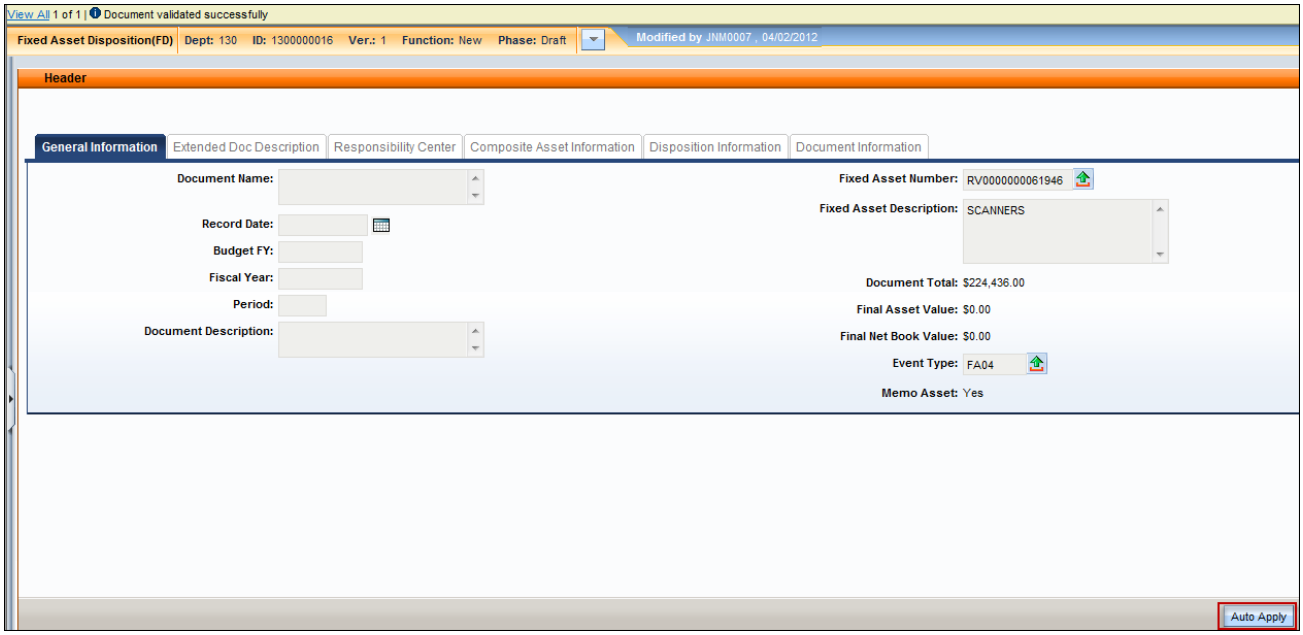
This **FD** document has Fund errors on both the Responsibility Center and the Accounting line, but neither the Accounting Line nor the Responsibility Center can be changed on an **FD** document. In order to work around this error, a Fixed Asset Transfer (**FT**) document must be processed to change the fund.

Note: This approach would work any other documents (**FC**, **FI**, etc.) having errors in the Responsibility Center or on the Accounting Lines.



Once **<u>Auto Apply</u>** is clicked again, the **FT** document will validate and submit. But remember, the **FT** document was only entered to override the Fund on the Responsibility Center and Accounting Line so that the **FD** document will process. Be sure the **FT** document is "*Final*" before attempting the **FD** again.

Going to the **FD** document, you must click **<u>Auto Apply</u>** to bring in the changes made by the **FT** document, but once that is done, the **FD** will submit successfully.



Points to Remember

Remember the following when processing **FT** documents to correct errors due to invalid Chart of Accounts elements:

- "*BLNK*" cannot be used for Custodian, Fund, Department or Unit.
- A New Fund can be entered to correct an outdated Fund code.
- **Auto Apply** must be clicked after each change to Responsibility Center, and on subsequent documents after an **FT** document is processed.
- **FT** documents must be processed to "*Final*" (that is, they must be approved) before **Auto Apply** will bring in the changes on subsequent documents.
- Statewide Accounting Services will still override errors where possible, but for non-overrideable errors and **FT** document must be processed.
- The **FT** document is entered with "*BLNK*" in the New Program field. However, if you click **Auto Apply** and validate, errors are received on the Accounting Line of the **FT** document due to the Program Period field. In order to clear Program, you must also enter "*BLNK*" in the New Program Period field.

10 – Typical Annual Cycle for Fixed Assets

The diagram on the next page outlines a typical year's activities relating to Fixed Assets. Here is a description of them:

- **Maintenance of Physical Inventory -** All year round, Property Officers maintain the physical inventory of items in eMARS by processing Fixed Assets documents to record the acquisition of new items, transfers, modifications, and dispositions on the eMARS Fixed Asset Registry (**FARHDR**, **FARCOMP**, **FARACTG**) tables.

- **Periodic Agency Inventory –** Agency heads are responsible to conduct an agency-wide inventory of all fixed assets valued at $500 and above.

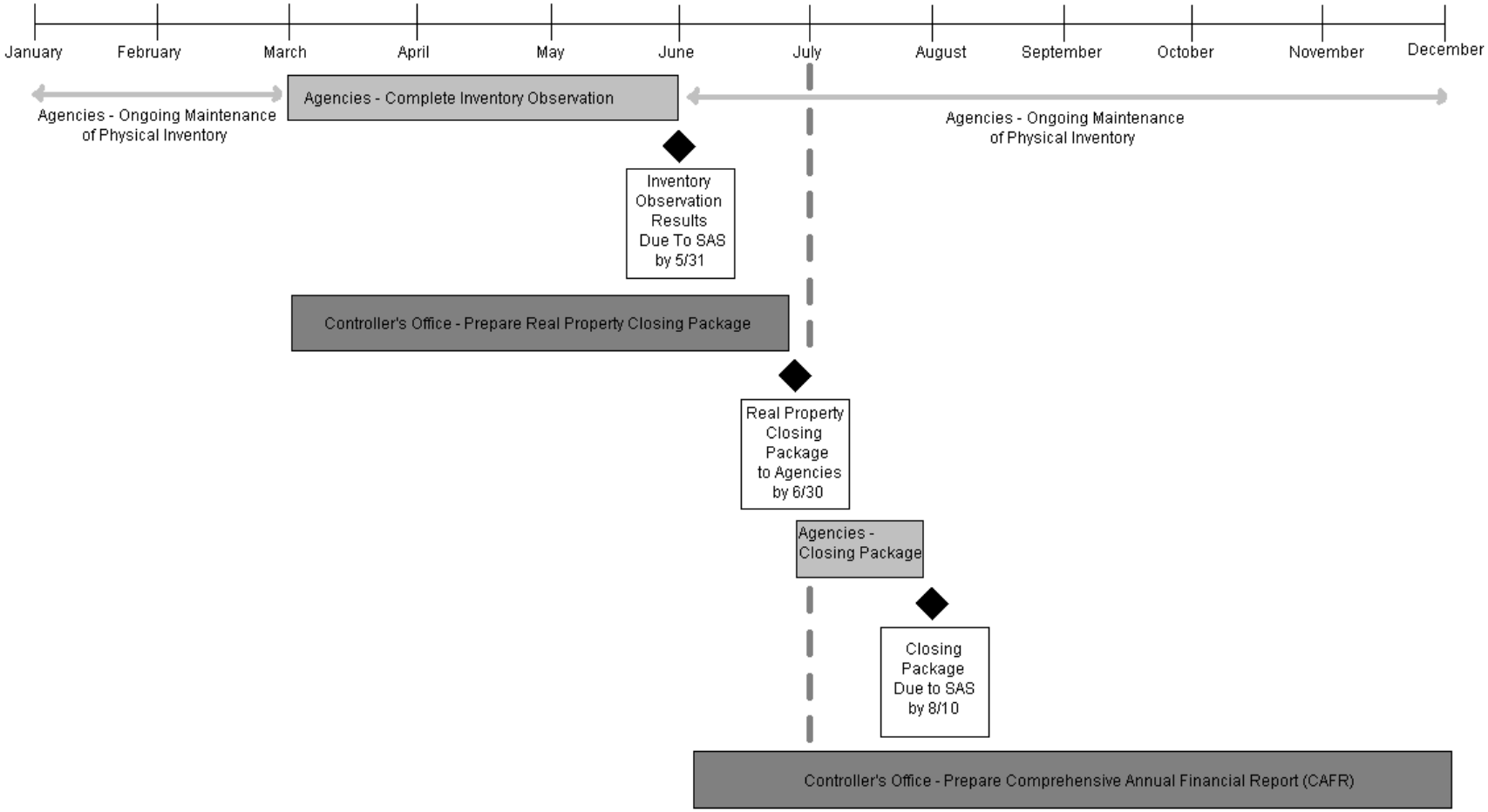
- **Annual Inventory Observation -** A physical inventory of fixed assets is conducted each year by all state agencies, usually beginning in March and concluding **May 31**. A department's fiscal officer is responsible for ensuring completion of the annual inventory observation. Equipment and vehicles are inventoried every year; real property every four years (see Chapter 11, "Annual Physical Inventory").

Note: The physical inventory observation of Real Property conducted by the Controller's Office every four years is distinct from the inventory of Real Property conducted by the Division of Real Properties annually.

- **Real Property Closing Packages –** At approximately the same time that agencies are completing the annual inventory observation, the Office of the Controller is preparing Real Property closing packages. In years when the inventory observation does not include Real Property, these closing packages will include reports and forms sent to agencies for review. Generally, agencies will receive these by **June 30** and must return signoff and corrective forms to the Office of the Controller by **August 10**.

- **Comprehensive Annual Financial Report (CAFR) –** Each year, the Controller's Office prepares this report of the Commonwealth's financial position at fiscal year-end. This report includes financial information for fixed assets primarily obtained from the eMARS Fixed Asset Registry (**FARHDR**, **FARCOMP**, **FARACTG**) tables.

Figure 1
Typical Fixed Assets Timeline



11 – Annual Physical Inventory

When and Why to Inventory

To comply with changing governmental accounting standards (GASB 34), the Finance and Administration Cabinet, Division of Statewide Accounting Services requires a periodic physical inventory of fixed assets by all state departments. A physical inventory of fixed assets is essential in order for the Commonwealth to:

- Maintain accurate records,
- Demonstrate stewardship of assets, and
- Report accurately the Commonwealth's financial position at year-end, through the Comprehensive Annual Financial Report (CAFR).

Non-expendable personal property observations are required every year. Real property is inventoried every four years. Specific instructions for each year's physical inventory are found on the Office of the Controller's web site.

Note: The physical inventory observation of Real Property conducted by the Controller's Office every four years is distinct from the inventory of Real Property conducted by the Division of Real Properties annually.

Departments usually begin planning the inventory in **March** of each year, concluding by **May 31**.

What to Inventory

Generally speaking, the fixed asset inventory observation for personal property is to include the following items:

- Equipment, vehicles, art work, and historical treasures valued at $5,000.00 or more,
- Software valued at $500,000.00 or more,
- All other intangibles valued at $100,000.00 or more.

Statewide reports are available in infoAdvantage to facilitate this inventory for departments.

Who Conducts the Inventory

Each department fiscal officer is required to ensure completion of the physical inventory for their department. When the inventory is completed, the following must be submitted to the Director of Statewide Accounting Services:

- A certification letter,
- A copy of the report used for the observation (including any comments),
- A log of documents processed as part of the inventory (to make the corrections indicated on the report).

12 – Reporting

The statewide reports for Fixed Assets are available in infoAdvantage. For reporting needs not met by these reports, use the mapping in Appendix G to develop queries in infoAdvantage from the FA Registry class in the Fixed Assets universe. The statewide reports include:

Day-to-Day Reports:

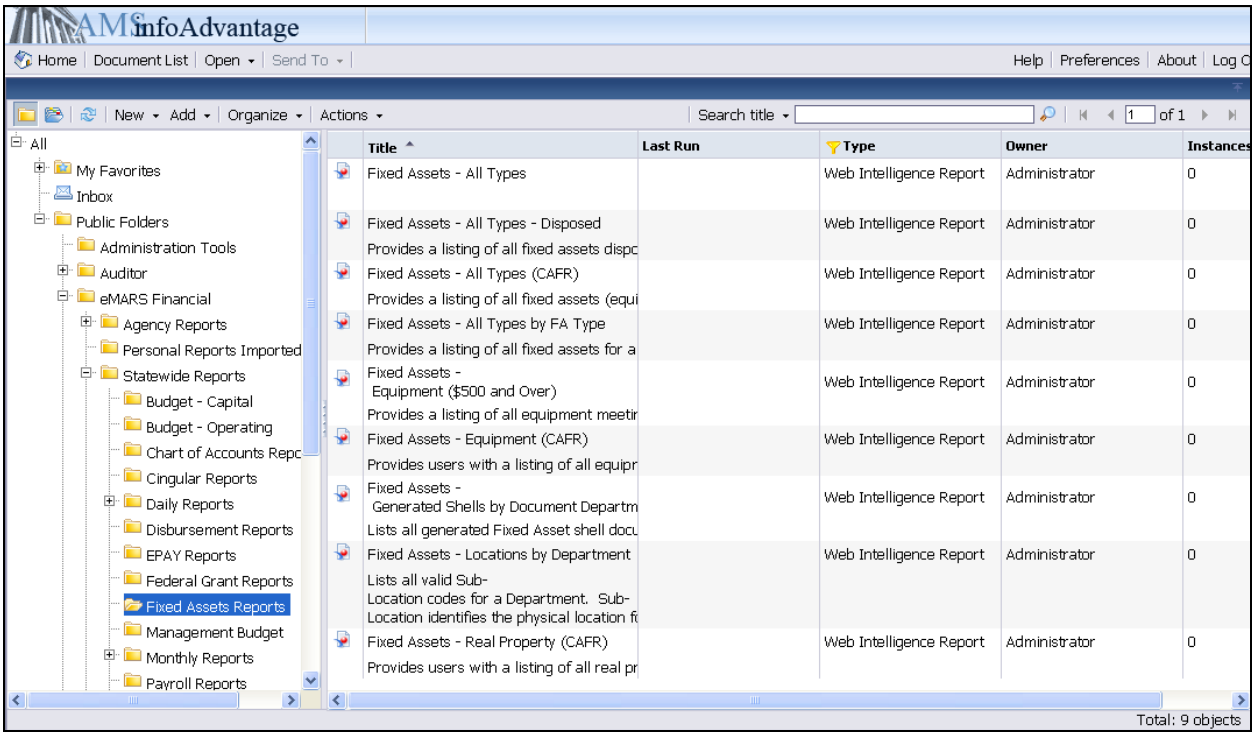
- **Fixed Assets – Generated Shells by Document Department** – Lists all Fixed Asset Acquisition (**FA**) "shell" documents generated since a specified date.
- **Fixed Assets – Locations by Department** – Lists all Sub Location codes for one Department or for all Departments.

Inventory Reports:

- **Fixed Assets – All Types** – Lists all Fixed Assets, regardless of value or type. Useful as an inventory report.
- **Fixed Assets – All Types – Disposed** – Lists all disposed Fixed Assets, regardless of value or type.
- **Fixed Assets – All Types by FA Type** – Lists all Fixed Assets, regardless of value or type. Separate tabs display fixed assets for each valid Fixed Asset type. (If no data is displayed on a report, select the tab for the correct Fixed Asset type.)
- **Fixed Assets – All Types (CAFR)** – Lists Fixed Assets meeting CAFR-reportable selection criteria for all Fixed Asset types. (See Appendix F.)
- **Fixed Assets – Equipment (CAFR)** – List Fixed Assets meeting CAFR-reportable selection criteria for equipment (Fixed Asset types E, G, K and V). (See Appendix F.)
- **Fixed Assets – Real Property (CAFR)** – Lists Fixed Assets meeting CAFR-reportable selection criteria for real property (Fixed Asset types B, F, I, L and M). (See Appendix F.)
- **Fixed Assets** – **Vehicles** – lists Vehicles for a specific department regardless of cost. (See Appendix I)
- **Fixed Assets** – **Equipment $500 and Over** – Lists Fixed Assets that costs $500 or more and meet the selection criteria for equipment (Fixed Asset types E, G, K and V).

Instructions for opening a Fixed Assets statewide report:

1. Log into infoAdvantage.
2. Select **Document List**.
3. Under **Public Folders**, select **eMARS Financial**.
4. Under **Statewide Reports**, select **Fixed Assets Reports**.
5. Select the report you wish to open by double-clicking its title.
6. Refresh the report by responding to the prompts. Department must be specified. Use % in other fields if all values are desired.


AMS infoAdvantage
Home | Document List | Open | Send To
Help | Preferences | About | Log O
New | Add | Organize | Actions
Search title
1 of 1
All
My Favorites
Inbox
Public Folders
Administration Tools
Auditor
eMARS Financial
Agency Reports
Personal Reports Imported
Statewide Reports
Budget - Capital
Budget - Operating
Chart of Accounts Repo
Cingular Reports
Daily Reports
Disbursement Reports
EPAY Reports
Federal Grant Reports
Fixed Assets Reports
Management Budget
Monthly Reports
Payroll Reports
Title
Last Run
Type
Owner
Instances
Fixed Assets - All Types
Web Intelligence Report
Administrator
0
Fixed Assets - All Types - Disposed
Provides a listing of all fixed assets dispo
Web Intelligence Report
Administrator
0
Fixed Assets - All Types (CAFR)
Provides a listing of all fixed assets (equi
Web Intelligence Report
Administrator
0
Fixed Assets - All Types by FA Type
Provides a listing of all fixed assets for a
Web Intelligence Report
Administrator
0
Fixed Assets - Equipment ($500 and Over)
Provides a listing of all equipment meetir
Web Intelligence Report
Administrator
0
Fixed Assets - Equipment (CAFR)
Provides users with a listing of all equipr
Web Intelligence Report
Administrator
0
Fixed Assets - Generated Shells by Document Departm
Lists all generated Fixed Asset shell docu
Web Intelligence Report
Administrator
0
Fixed Assets - Locations by Department
Lists all valid Sub-Location codes for a Department. Sub-Location identifies the physical location fo
Web Intelligence Report
Administrator
0
Fixed Assets - Real Property (CAFR)
Provides users with a listing of all real pr
Web Intelligence Report
Administrator
0
Total: 9 objects

13 – Session Summary

Fixed Asset Business Process Summary

- **Inquiry Tables** – Several tables are available to verify asset number, asset type, dollar threshold, acquisition code and method, shell generation with commodity line and the current status of an asset .
- **Acquisition** – When a fixed asset is acquired, an **FA** document is created, which establishes a master record and is the first detail record for the master asset. The Shell Generation offline process creates Fixed Asset "shell" documents based on updates to the Fixed Asset Payment Request (**FAPR**) table that result from accepted payment request and disbursement documents related to the purchase of capital assets
- **Betterment** – The Commonwealth betters fixed assets through hardware upgrades, the purchase of equipment accessories, the renovation or expansion of existing real property. An FA document is created to record improvement of a fixed asset
- **Disposition** – is the retirement of a fixed asset due to sale, destruction, obsolescence, vandalism, etc. The Fixed Asset Disposition (**FD**) document records the retirement of the asset, the depreciation of the asset, offsets the revenue from the sale of the asset, and recognizes any gain or loss. The **FP** document records changes in Disposition date and disposition method.
- **Adjustments** – There are three adjustments that can be made to a fixed asset. The Fixed Asset Increase/Decrease (**FI**) document is used to change asset cost and funding source. The Fixed Asset Modification (**FM**) document is used to change descriptive fixed asset information, excluding accounting information, and location only information
- **Cancellation** – When fixed assets have been submitted successfully into the system, and the record contains errors which cannot be corrected using any adjustment documents, then the cancellation document (**FC**) is completed and submitted.
- **Reorganization and Transfer** – There are times when groups of related assets need to be transferred to a different location or organizational unit. If the number of documents required exceeds 200, these may be submitted on a spreadsheet or via inbound interface.
- **Annual Cycle and Inventory Process** – Certain activities take place each year, including an annual inventory of all fixed assets. The Fiscal Officer and Property Officer are responsible for ensuring that this inventory is completed and that policies and procedures are followed. The Division of Statewide Accounting Services (SAS) in the Office of the Controller provides assistance as needed.
- **Reporting** – Five statewide reports have been developed for Fixed Assets. If you need additional reports, you can develop them in infoAdvantage or contact your department's reports writer to create a Business Objects report.

Review Questions

Question #1: True or False: The FA document can be modified.	
A	True
B	False

Question #2: Which fixed asset document is used when you want to change only the location of an asset?	
A	Fixed Asset Transfer (**FT**)
B	Fixed Asset Modification (**FM**)
C	Fixed Asset Disposal (**FD**)
D	Fixed Asset Cancellation (**FC**)

Question #3: Which table displays Payment Request Details, Purchase Order Details and Shell Details?	
A	Fixed Asset Payment Request (**FAPR**)
B	Fixed Asset Registry Component (**FARCOMP**)
C	Fixed Asset History (**FAHIST**)
D	Fixed Asset Group (**FAGRP**)

Question #4: What should you click on most fixed assets documents so Component and Accounting lines are inferred?	
A	Auto Fill
B	Auto Apply
C	Auto Generate

Question #5: Which is <u>NOT</u> a user maintained table?	
A	Fixed Asset Type (**FATP**)
B	Fixed Asset Acquisition/Disposition Method (**FADM**)
C	Fixed Asset History (**FAHIST**)
D	Custodian (**CUSD**)

Question #6: True or False: Once an asset is cancelled with an FC document, all tables delete the asset from their records.	
A	True
B	False

Question #7: Which table is NOT involved in the Shell Generation Process?	
A	System Options (**SOPT**)
B	Fixed Asset Payment Request (**FAPR**)
C	Location (**LOC**)
D	Fixed Asset Commodity Threshold (**COMMFA**)

Question #8: How often is Real Property inventoried?	
A	Annually
B	Biannually
C	Every four years
D	Periodically

Question #9: How often is Personal Property inventoried?	
A	Annually
B	Biannually
C	Every four years
D	Periodically

Question #10: Who is responsible for ensuring completion of the annual inventory of fixed assets?	
A	Office of the Controller
B	Agency Heads
C	Finance Officers
D	Property Officers and Inventory Officers

Review Answers

Question #1: True or False: The FA document can be modified.	
Answer: B	False. The **FA** document cannot be modified. Fixed Asset adjustment documents are used to edit the asset. This is done by entering the fixed asset number on all adjustment documents.
Question #2: Which fixed asset document is used when you want to change only the location of an asset?	
Answer: B	Fixed Asset Modification (**FM**) is used to only change the location. The **FT** document is used to change responsibility center information.
Question #3: Which table displays Payment Request Details, Purchase Order Details and Shell Details?	
Answer: A	Fixed Asset Payment Request (**FAPR**). The user is able to search by **PRC**, **MD**/**AD** and **PO** documents. It also displays the shell information and all shells created from the PRC and disbursement.
Question #4: What should you click on most fixed assets documents so Component and Accounting lines are inferred?	
Answer: B	**Auto Apply**. It is required; the component and accounting lines are inferred once the fixed asset number is entered and auto apply is clicked.
Question #5: Which is NOT a user maintained table?	
Answer: C	**FAHIST**. It automatically generates records, once fixed asset documents are submitted.
Question #6: True or False: Once an asset is cancelled with an FC document, all tables delete the asset from their records.	
Answer: B	False. All tables, except the Fixed Asset History (**FAHIST**), delete the asset record.
Question #7: Which table is NOT involved in the Shell Generation Process?	
Answer: C	Location (**LOC**) table. This table is used to set up locations where fixed assets are held.
Question #8: How often is Real Property inventoried?	
Answer: A and C	Trick question. Real Property is inventoried annually for the Division of Real Properties and every four years for the Office of the Controller in preparation for the CAFR.
Question #9: How often is Personal Property inventoried?	
Answer: A and D	Trick question. Personal Property valued at $5,000 and over is inventoried annually for the Office of the Controller, and periodically Departments are responsible for conducting an inventory of all fixed asset.
Question #10: Who is responsible for ensuring completion of the annual inventory of fixed assets?	
Answer: A, B, C, D	Trick question. Agency heads are responsible for complying with the policy requirement to inventory fixed assets annually. They often delegate this responsibility to Property Officers, who often coordinate Inventory Officers to conduct the inventory. The Office of the Controller provides assistance and publishes updated procedures each year.

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Appendix A – Fixed Asset Number Prefixes

The following is a list of approved prefixes for Fixed Asset Numbers by Department. Prefixes may be reviewed to eliminate duplications and are therefore subject to change. If your Department needs a new or additional prefix, contact Statewide Accounting Services.

This list includes all Departments regardless of whether or not they will ever have fixed assets. Departments are permitted to track items in inventory that are not CAFR-reportable fixed assets using Acquisition Methods reserved for this purpose.

Dept	Prefix	Name
005	LL	General Assembly - Long Term Policy
005	LE	General Assembly - Ethics
010	LR	Legislative Research Commission
020	JR	Judicial Form Retirement System
025	OC	Judicial Department - Office of the Courts
030	UP	Unified Prosecutorial System
035	AR	Department of Agriculture
040	AG	Attorney General
045	AP	Auditor of Public Accounts
066	KE	Registry of Election Finance
070	GV	Governor's Office
074	VK	Department of Veterans Affairs - Kentucky Veterans Center
074	EK	Department of Veterans Affairs - Eastern Kentucky Veterans Center
074	VC	Department of Veterans Affairs - Thompson-Hood Nursing Home
074	VB	Department of Veterans Affairs - Benefit Branch
074	VM	Department of Veterans Affairs - Cemetaries Branch
074	VO	Department of Veterans Affairs - Division of Fields Operations
074	VW	Department of Veterans Affairs - Western Kentucky Veterans Center
074	WK	Department of Veterans Affairs - Western Kentucky Veterans Center
074	VA	Department of Veterans Affairs
074	VE	Department of Veterans Affairs - Eastern Kentucky Veterans Center
075	HE	Kentucky Higher Education Assistance Authority
076	CM	Military Affairs Commission
079	DS	Commonwealth Office of Technology
079	COT	Commonwealth Office of Technology
080	HC	Kentucky Housing Corporation
082	IA	Kentucky Infrastructure Authority
082	FI	Kentucky Infrastructure Authority
084	FI	Kentucky River Authority
085	LG	Lieutenant Governor's Office
089	GV	Agricultural Development Board
094	HS	Office of Homeland Security
095	MA	Department of Military Affairs
096	NG	National Guard
097	ME	Governor's Office of Minority Empowerment
098	GS	Governor's Scholar
099	NP	Office for Faith Based and Community Nonprofit Social Services
100	KR	Kentucky Retirement Systems
102	LB	Labor Cabinet - Office of the Secretary

Dept	Prefix	Name
102	CB	Labor Cabinet - Office of the Secretary
102	LB	Department of Labor
103	RV	Office of PVA Accounting
106	LB	Department of Workplace Standards
106	LB	Department of Workplace Standards
107	LB	Workers Compensation Board
107	CB	Workers Compensation Board
107	LB	Workers Compensation Board
110	GV	Secretary of the Cabinet
112	LC	Department for Local Development
113	CB	OSH Review Commission
113	LB	OSH Review Commission
114	WC	Workers Compensation Funding Commission
115	NR	Office of General Administration and Program Support Shared Services
115	CB	Office of General Administration and Program Support Shared Services
115	CB	Office of General Administration and Program Support Shared Services
116	NR	Office of Inspector General Shared Services
120	SS	Secretary of State
121	NR	Environmental Quality Commission
121	CB	Environmental Quality Commission
122	NR	Mine Safety Review Commission
122	CB	Mine Safety Review Commission
123	PS	Kentucky Public Service Commission
124	NR	Kentucky State Nature Preserves Commission
124	CB	Kentucky State Nature Preserves Commission
124	NR	Kentucky State Nature Preserves Commission
125	ST	State Treasurer
126	NR	Energy and Environment Cabinet - Office of the Secretary
127	OE	Department of Energy Development and Independence
127	RM	Department of Energy Development and Independence
128	RM	Department for Natural Resources
128	CB	Department for Natural Resources
128	RM	Department for Natural Resources
128	NR	Department for Natural Resources
128	NR	Department for Natural Resources
128	CB	Department for Natural Resources
129	CB	Department for Environmental Protection
129	NR	Department for Environmental Protection
129	CB	Department for Environmental Protection
129	NR	Department for Environmental Protection
130	RV	Department of Revenue
150	AC	Board of Accountancy
155	AU	Board of Auctioneers
165	BR	Board of Barbering
170	CE	Board of Chiropractic Examiners
172	OP	Board of Professional Counselors
173	OP	Board of Certification of Fee-Based Pastoral Counselors
174	OP	Board of Alcohol and Drug Abuse Counselors
175	BV	Board of Claims and Crime Victims Compensation
176	OP	Board of Interpreters for the Deaf and Hard of Hearing
177	MT	Kentucky Board of Licensure for Massage Therapy
180	BD	Board of Dentistry

Dept	Prefix	Name
182	OP	Board of Licensure and Certification for Dietitians and Nutritionists
183	EP	Education Professional Standards Board
185	EL	Board of Elections
190	BF	Board of Embalmers and Funeral Home Directors
200	BA	Board of Examiners and Registration of Architects
205	BL	Board of Examiners and Registration of Landscape Architects of Kentucky
210	OP	Board of Examiners of Psychologists
215	OP	Board of Examiners of Social Work
225	BH	Board of Hairdressers and Cosmetologists
230	OP	Board of Licensing for Hearing Aid Dealers and Fitters
235	FB	Kentucky State Fair Board
240	OP	Board of Licensure for Nursing Home Administrators
245	BM	Board of Medical Licensure
250	BN	Board of Nursing
255	OP	Board of Opthalmic Dispensers
260	BO	Board of Optometric Examiners
261	OP	Board of Professional Art Therapists
262	OP	Board of Occupational Therapy
263	RP	Board for Respiratory Care Practitioners
264	FT	Board of Certification for Marriage and Family Therapists
268	PB	Personnel Board
270	PR	Board of Pharmacy
275	PT	Board of Physical Therapists
280	BP	Board of Podiatry
284	RA	Real Estate Appraisers Board
290	BE	Board of Registration for Professional Engineers and Land Survey
295	SA	Board of Speech Pathology and Audiology
300	TX	Board of Tax Appeals
310	OP	Board of Veterinary Examiners
315	PE	State Board for Proprietary Education
320	PI	Kentucky Board of Licensure for Private Investigators
340	DH	Commission on Deaf and Hard of Hearing
345	SF	School Facilities Construction Commission
350	EQ	Environmental Quality Commission
354	EE	Executive Branch Ethics Commission
370	HR	Human Rights Commission
374	RC	Kentucky Horse Racing Authority
375	NT	Kentucky State Nature Preserves Commission
380	OS	Kentucky Occupational Safety and Health Review Commission
391	GE	Board of Registration for Professional Geologists
395	RE	Real Estate Commission
400	CW	Commission on Women
407	WF	Kentucky Environmental Education Council
407	EO	Kentucky Environmental Education Council
410	KH	Kentucky Heritage Council
415	SE	Council on Postsecondary Education
430	EU	Eastern Kentucky University
435	KS	Kentucky State University
440	MS	Morehead State University
445	MU	Murray State University
450	NK	Northern Kentucky University
455	UK	University of Kentucky

Dept	Prefix	Name
460	UL	University of Louisville
465	WE	Western Kentucky University
470	EM	Kentucky Community Technical College System
500	JO	Justice - Office of the Secretary
515	PA	Department for Public Advocacy
520	KV	Kentucky Vehicle Enforcement
520	SP	Kentucky State Police
523	JJ	Department of Juvenile Justice
523	JF	Department of Juvenile Justice
523	DJ	Department of Juvenile Justice
525	CJ	Department of Criminal Justice Training
527	CO	Department of Corrections
527	IC	Department of Corrections
527	CF	Department of Corrections
529	KA	Kentucky Arts Council
530	WF	Education - Office of the Secretary
530	SO	Education - Office of the Secretary
531	WB	Department for Workforce Investment
531	WF	Department for Workforce Investment
531	WD	Department for Workforce Investment
540	ED	Department of Education
545	KT	Kentucky Educational Television
550	WF	Kentucky Historical Society
552	AT	Kentucky Center for the Arts
555	LA	Department for Libraries & Archives
560	TR	Kentucky Teachers Retirement System
605	TP	Transportation - Office of the Secretary
606	TP	Office Transportation Delivery
607	TP	Office of Legal Services
609	TP	Office of Support Services
610	TP	Department of Administrative Services
612	TP	Office of Legislative and Intergovermental Affairs
615	DA	Department of Aviation
616	TP	Office of Personnel Management
617	TP	Office of Information Technology
618	AD	Office of Audits
619	PU	Public Transportation
621	TP	Department of Transportation Safety
625	TP	Department of Highways
627	TP	Kentucky Turnpike Authority
628	TP	Department of Intergovernmental Programs
630	TP	Department of Vehicle Regulation
635	EC	Economic Development - Office of the Secretary
637	EC	Department for New Business Development
638	EC	Department of Financial Incentives
639	EC	Department for Existing Business Development
644	OA	Office of Administration and Support
660	FW	Kentucky Fish and Wildlife Resources
665	HP	Kentucky Horse Park
670	PK	Kentucky Department of Parks
676	IN	Department of Insurance
678	BW	KY Boxing and Wrestling Authority

Dept	Prefix	Name
680	AB	Department of Alcoholic Beverage Control
681	RG	Department of Charitable Gaming
685	FN	Department of Financial Institutions
690	CB	Department of Housing, Building and Construction
695	RI	Department of Public Protection
721	AN	Cabinet for Health and Family Services - Office of the Secretary
721	RL	Cabinet for Health and Family Services - Office of the Secretary
721	PP	Cabinet for Health and Family Services - Office of the Secretary
721	OK	Cabinet for Health and Family Services - Office of the Secretary
721	CS	Cabinet for Health and Family Services - Office of the Secretary
721	EA	Cabinet for Health and Family Services - Office of the Secretary
721	AI	Cabinet for Health and Family Services - Office of the Secretary
721	KC	Cabinet for Health and Family Services - Office of the Secretary
721	MH	Cabinet for Health and Family Services - Office of the Secretary
721	HZ	Cabinet for Health and Family Services - Office of the Secretary
721	HF	Cabinet for Health and Family Services - Office of the Secretary
721	WS	Cabinet for Health and Family Services - Office of the Secretary
721	PH	Cabinet for Health and Family Services - Office of the Secretary
721	OW	Cabinet for Health and Family Services - Office of the Secretary
721	GL	Cabinet for Health and Family Services - Office of the Secretary
721	FC	Cabinet for Health and Family Services - Office of the Secretary
721	IG	Cabinet for Health and Family Services - Office of the Secretary
721	OP	Cabinet for Health and Family Services - Office of the Secretary
722	HF	Cabinet for Health and Family Services - Governor's Office for Wellness and Physical Activity
722	OP	Cabinet for Health and Family Services - Governor's Office of Wellness and Physical Activity
723	AN	Office of the Inspector General
723	IG	Office of the Inspector General
723	HF	Office of the Inspector General
724	AN	Office of Health Policy
724	HF	Office of Health Policy
725	AI	Cabinet for Health and Family Services - Department for Aging and Independent Living
725	AN	Cabinet for Health and Family Services - Department for Aging and Independent Living
725	HF	Cabinet for Health and Family Services - Department for Aging and Independent Living
726	FC	Department for Disability Determination Services
726	HF	Department for Disability Determination Services
727	AN	Department of Income Support
727	HF	Department of Income Support
728	AN	Department for Public Health
728	PH	Department for Public Health
728	RL	Department for Public Health
728	HF	Department for Public Health
729	AN	Department for Mental Health, Developmental Disabilities and Addiction Services
729	HZ	Department for Mental Health, Developmental Disabilities and Addiction Services
729	EA	Department for Mental Health, Developmental Disabilities and Addiction Services
729	GL	Department for Mental Health, Developmental Disabilities and Addiction Services
729	OW	Department for Mental Health, Developmental Disabilities and Addiction Services
729	CS	Department for Mental Health, Developmental Disabilities and Addiction Services

Dept	Prefix	Name
729	PP	Department for Mental Health, Developmental Disabilities and Addiction Services
729	OK	Department for Mental Health, Developmental Disabilities and Addiction Services
729	MH	Department for Mental Health, Developmental Disabilities and Addiction Services
729	KC	Department for Mental Health, Developmental Disabilities and Addiction Services
729	HF	Department for Mental Health, Developmental Disabilities and Addiction Services
729	WS	Department for Mental Health, Developmental Disabilities and Addiction Services
730	AN	Department for Family Resource Centers and Volunteer Services
730	HF	Department for Family Resource Centers and Volunteer Services
730	FC	Department for Family Resource Centers and Volunteer Services
731	FC	Office of the Ombudsman
731	HF	Office of the Ombudsman
736	AN	Department for Community Based Services
736	HF	Department for Community Based Services
736	FC	Department for Community Based Services
746	AN	Department for Medicaid Services
746	HF	Department for Medicaid Services
746	MD	Department for Medicaid Services
748	MS	Medicaid Services Benefits
750	FS	Finance and Administration Cabinet - Office of the Secretary
756	LJ	Kentucky Local Jail Authority
758	FI	Office of the Controller
759	CC	County Costs
765	PM	Office of State Budget Director
767	AN	Commission for Children with Special Health Care Needs
767	CN	Commission for Children with Special Health Care Needs
785	MM	Facilities and Support Services
785	FM	Facilities and Support Services
785	FF	Facilities and Support Services
785	BS	Facilities and Support Services
790	PL	Personnel - Office of the Secretary
793	PL	Department for Personnel Administration
794	PL	Department for Employee Insurance
850	TD	Tourism - Office of the Secretary
850	CP	Tourism - Office of the Secretary
850	TS	Tourism - Office of the Secretary
852	CA	Kentucky Artisans Center at Berea
860	TD	Department of Travel
930	WC	Workers Compensation Funding Commission
931	XJ	Jefferson County
932	XJ	Jefferson County
933	XK	Kenton County
934	XK	Kenton County
935	XA	Campbell County
936	XA	Campbell County
937	XF	Fayette County
938	XF	Fayette County
939	XD	Daviess County
940	XD	Daviess County
941	XP	Pike County
942	XP	Pike County
943	XH	Hardin County
944	XH	Hardin County

Dept	Prefix	Name
945	XW	Warren County
946	XW	Warren County
947	XB	Boone County
948	XB	Boone County
949	XC	Christian County
950	XC	Christian County
951	XM	Madison County
952	XM	Madison County

Appendix B – Insurance Codes

Insurance codes are entered in the **FA Group** field on Fixed Assets documents. Use this appendix to help determine the correct **FA Group** code for a given fixed asset.

Insurance coverage abbreviations in this table are as follows:

- CI Commercial Insurance
- EDP Fire & Tornado: Electronic Data Processing
- FEC Fire & Tornado: Extended Coverage
- IM Fire & Tornado: Inland Marine
- TEL Fire & Tornado: Telephone
- N/A Not Applicable (Uninsured)

Two rules are certain:

- Assets that generally move from location to location on a regular basis should have Inland Marine coverage, and the **FA Group** should begin with IM.
- Laptop computers must always be coded as **IM7**.

The Commonwealth's Fire & Tornado policy is available on the internet in the following location:

http://finance.ky.gov/offices/controller/Documents/FTPolicy20112012.pdf

NOTE: The table below is an aide, but the actual **FA Group** to use when entering a fixed asset into eMARS will depend upon the use of the item. When in doubt, consult your insurance coordinator to determine the proper **FA Group** for the asset you are entering into eMARS.

Object	Insurance Coverage	eMARS FA Group	Explanation
Aircraft Liability	CI	**CAIR**	Commercial Insurance - Aircraft Liab/Dam
Aircraft Liability & Damage	CI	**CAIR**	Commercial Insurance - Aircraft Liab/Dam
Amphitheaters	FEC	**BPP3**	Outdoor Fixtures/Structures
Antennas	FEC	**BPP3**	Outdoor Fixtures/Structures
Awnings/Canopies	FEC	**BPP2**	Permanently Installed Fixtures/Equipment
Bleachers	FEC	**BPP3**	Outdoor Fixtures/Structures
Boats/Boat Motor	FEC	**CIW**	Commercial Insurance-Watercraft Liability/Dam
Boiler & Machinery	CI	**CIB**	Commercial Insurance - Boilers/Equipment Breakdown
Bridges	FEC	**BPP3**	Outdoor Fixtures/Structures
Buildings	FEC	**BPP1**	Buildings
Cameras & Related Equipment	IM	**IM3**	Cameras & Related Equip.
Classroom Trailers	FEC	**BPP1**	Buildings
Computer/Hardware	EDP	**EDP1**	Computer Hardware/Peripherals
Computer/Laptops	IM	**IM7**	Laptop Computers
Computer/Software	EDP	**EDP2**	Data & Media

Object	Insurance Coverage	eMARS FA Group	Explanation
Contents of a Building	FEC	**BPP4**	Building Contents (Fire & Tornado)
Contractor Farm Equip	IM	**IM1**	Contractor/Mobile/Farm Equip.
Electronic Scoreboards, Outdoor	FEC	**BPP3**	Outdoor Fixtures/Structures
Electronic Transformers	FEC	**BPP2**	Permanently Installed Fixtures/Equipment
Equipment, Permanently Installed	FEC	**BPP2**	Permanently Installed Fixtures/Equipment
Fabric Covered Structures, Outdoor	FEC	**BPP3**	Outdoor Fixtures/Structures
Farm Equipment	IM	**IM1**	Contractor/Mobile/Farm Equipment
Fences	FEC	**BPP3**	Outdoor Fixtures/Structures
Fine Arts	IM	**IM2**	Fine Arts/Artifacts
Flat Bed Trailers	IM	**IM1**	Contractor/Mobile/Farm Equipment
Gates	FEC	**BPP3**	Outdoor Fixtures/Structures
Golf Carts	IM	**IM1**	Contractor/Mobile/Farm Equipment
Horses	FEC	**BPP5**	Livestock
Light Stds and Similar Equipment	FEC	**BPP3**	Outdoor Fixtures/Structures
Livestock	FEC	**BPP5**	Livestock
Livestock Trailers	IM	**IM1**	Contractor/Mobile/Farm Equipment
Maintenance Equip	IM	**IM1**	Contractor/Mobile/Farm Equipment
Miscellaneous Property	IM	**IM8**	Miscellaneous Property
Mobile Equipment	IM	**IM1**	Contractor/Mobile/Farm Equipment
Mobile Equipment with Vehicle Liability	CI	**CIA**	Commercial Insurance - Auto Liab/Dam
Monuments/Sculptures	FEC	**BPP3**	Outdoor Fixtures/Structures
Musical Equipment	IM	**IM9**	Musical Equipment
Office Equipment, Portable	IM	**IM6**	Office Equipment
Radio & Communications Equipment	IM	**IM5**	Radio & Communication Equipment
Scientific & Medical Equipment	IM	**IM4**	Scientific & Medical Equip.
Security Equipment, Outdoor	FEC	**BPP2**	Permanently Installed Fixtures/Equipment
Signs, Not Attached to Buildings	FEC	**BPP3**	Outdoor Fixtures/Structures
Tanks, Bins, Silos	FEC	**BPP3**	Outdoor Fixtures/Structures
Telephone Coverage	TEL	**T1**	Telephone Systems & Equip
Towers	FEC	**BPP3**	Outdoor Fixtures/Structures
Transformers	FEC	**BPP2**	Permanently Installed Fixtures/Equipment
Uninsured	N/A	**UN**	Uninsured
Vehicle Liability & Damage	CI	**CIA**	Commercial Insurance - Auto Liab/Dam
Vehicle Liability, Excess	CI	**CIA**	Commercial Insurance - Auto Liab/Dam
Vehicle Liability, Primary	CI	**CIA**	Commercial Insurance - Auto Liab/Dam
Vehicles	FEC	**CIA**	Commercial Insurance - Auto Liab/Dam
Walk-in Coolers	FEC	**BPP2**	Permanently Installed Fixtures/Equipment
Watercraft Liability	CI	**CIW**	Commercial Insurance-Watercraft Liability/Dam
Watercraft Liability & Damage	CI	**CIW**	Commercial Insurance-Watercraft Liability/Dam

Appendix C – Capital Assets' Useful Life Table

Asset Type	**Examples**	**Useful Life** (In Years)
Machinery and Equipment		
Furniture, Office Equipment	desks, tables, chairs, files, safes	8-15
Copier and Fax Machine	copier, fax machine	3-5
Computer Hardware	monitors, CPU, printer, scanners, laptops	3-7
Telephone Equipment	central office switching and related equipment	5-10
Heavy Construction Equipment	backhoes, trucks, dozers, front end loaders, forklift	6-10
Engineering, Scientific Equipment	lab equipment	10-15
Police Special Equipment	weapons, radar detectors, scanners, detectors, breathalyzers, polygraph equipment	5-10
Medical Equipment	x-rays, monitors, lab equipment, beds	5-10
Traffic Control Equipment	stoplights	10-15
Air Transport	airplanes, helicopters	20-25
Radio, Communications Equipment	mobile, portable radios, TV, projector, video conference system, communication system	10-15
Library Books/ Collections	collections	5-7
Outdoor Equipment	playground equipment, scoreboards, bleachers	15-20
Custodial Equipment	floor scrubbers, vacuums, other	5-10

Asset Type	Examples	Useful Life (In Years)
Machinery and Equipment, continued		
Grounds Equipment	mowers, tractors, and attachments	10-15
Farm and Agriculture Equipment	tractors, farm machinery, hydraulic sprayer, portable octane analyzer, hay analyzer	5-10
Security System	security system, door lock system	5-10
Kitchen Equipment	dishwasher, oven, freezer, refrigerator, washer	5-15
Livestock	cattle, horses	7-10

Motor Vehicles:

Cars and Light Trucks		3-5
Buses and Vans		9-12

Buildings

Buildings	office buildings (building expansions)	45-60
	storage barns, warehouses, temporary buildings	20-35
	portable buildings, trailers, shelters, gazebos	10-20
Building Improvements	major renovation	10-60
	HVAC systems (air conditioning, heating, ventilation system), roofing, carpet replacement, electrical/plumbing	20-30

Asset Type	Examples	Useful Life (In Years)
Works of Art and Historical Treasures		
Artwork/ Historical Treasures	artifacts, sculptures, historical treasures, paintings, memorabilia	20-25

Land Improvements

Land Improvements - structure	parking lots, sidewalks bus ramps, fencing,	20-25
Land Improvements - ground work	golf course, ball field, park landscaping	20-25
Landfill Disposal Systems		20-25

Land

Land		not depreciable

Infrastructure

Drainage Systems		20-25
Dams	concrete, steel, sheet pile, earth embankment	25-50
Roads	paved, asphalt, non-paved	20-40

Intangibles

Easements		40
Software, Licenses		3-5
Software – Enterprise wide		5-10
Copyright, Patent		20-40

Appendix D – Common Fixed Assets Document Errors

FA Document

If you receive a large number of errors, check the **Memo Asset** flag on the header of the document. This flag should be checked if you are recording an acquisition (Event Type **FA01**) or betterment (Event Type **FA02**). Similarly, check the **Fixed Asset Classification** field on the **Component** line in the **Component Classification** section. This field should be set to "Memo".

- ***Accounting line is missing***
  Even if you will not be entering accounting fields, you must insert at least one **Accounting** line for each **Component** line.
- ***Acquired quantity cannot exceed FAPR quantity***
  The Units field on the shell's **Component** line does not match the Quantity/Units on the **FAPR** table. See Appendix D.
- ***CAPITALIZED AMOUNT DOES NOT MATCH THE DISBURSEMENT AMOUNT***
  The Line Amount(s) on the shell's **Accounting** line(s) does not match the corresponding amount on the **FAPR** table or the referenced disbursement document. See Appendix D.
- ***FA Number found on FAR***
  A fixed asset has already been recorded using the **FA Number** on the document.
- ***FAPR Reference is required when classification indicator is Normal***
  Set the **Fixed Asset Classification** field on the **Component** line to "Memo".
- ***FAPR Validation Failed***
  Fields on the shell do not match the corresponding **FAPR** entry. See Appendix D.
- ***Fixed Asset _____ cannot be entered as Composite Asset Indicator is False***
  Fixed Asset Group and Fixed Asset Type should be entered on the Component lines and not on the header.

Other Documents

- ***Asset is fully disposed*** or ***Component is fully disposed***
  The fixed asset (or component) has already been disposed on an **FD** document.
- ***Component line is missing***
  Click **Auto Apply** on the **Header**.
- ***Fixed Asset Number is Required***
  If you have already entered the Fixed Assets Number, this error message may indicate that the fixed asset was previously cancelled.
- ***Sub-location is required***
  Although workflow rules have been established to prevent documents from submitting without a Sub-location, sometimes one slips through. Contact the CRC.
- ***Values in the organization fields are not authorized for the current user.***
  The user validating the document does not have security for the Department/Unit entered on the **Header**.
- ***_____ is inactive, or _____ does not exist.***
  An element has become inactive, has been end-dated, or does not exist for the Department. If any of the errors is not overrideable, process an **FT** with valid elements.

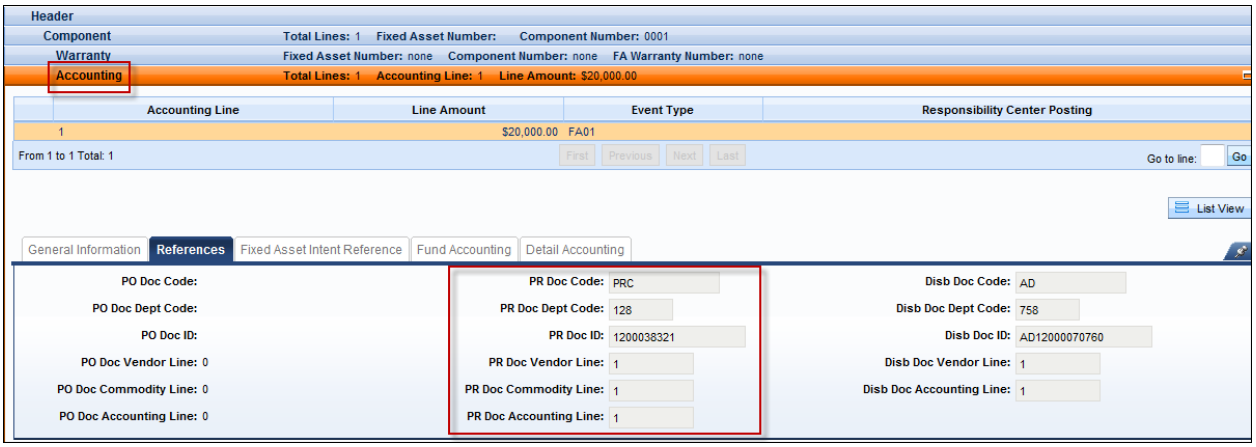
Appendix E – Errors on Generated Fixed Assets Shells

When Fixed Asset shells (**FA** documents) are generated in eMARS, certain fields are populated using information from the payment document. This information is also stored on the Fixed Assets Payment Request (**FAPR**) table. When the **FA** shell is validated (even if it is being "unpended"), if certain fields do not match what is on **FAPR**, the following error will be issued: ***FAPR Validation Failed.*** Here are the fields which cannot be changed on generated FA shell documents:

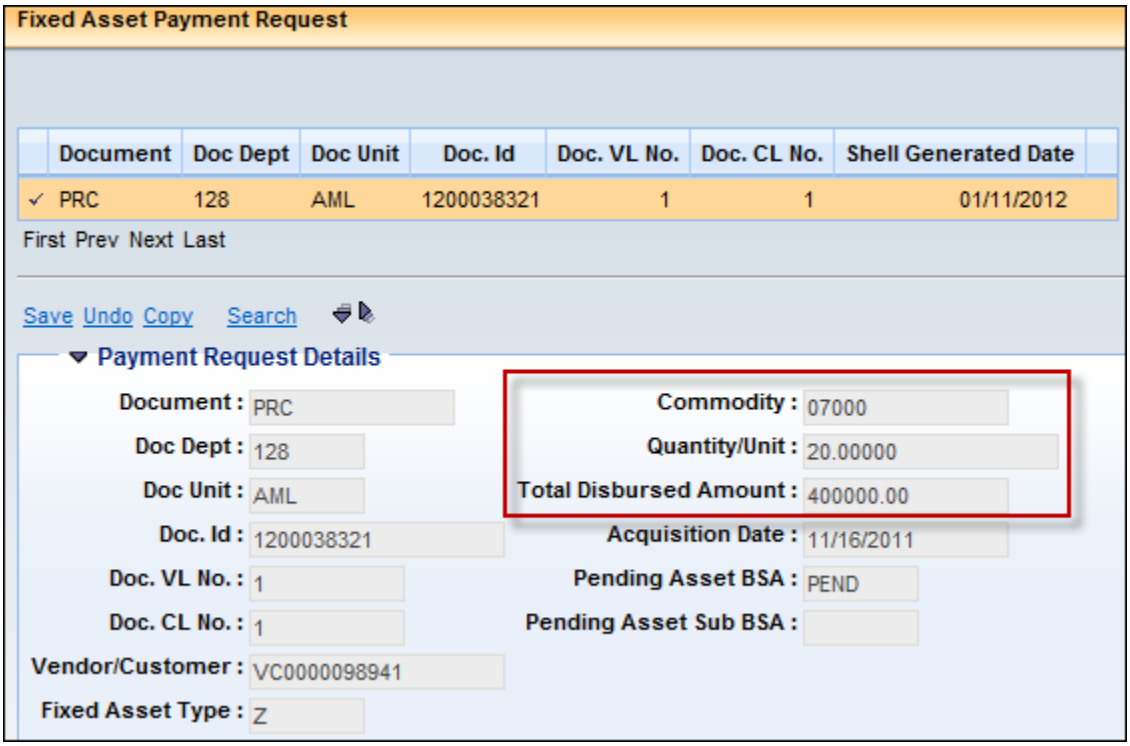
- **Component Line:**
  - Commodity Number
  - Units
- **Accounting Line:**
  - Accounting Template
  - Line Amount
  - Any field in the **References** section
  - Any field in the **Fund Accounting** section
  - Any field in the **Detail Accounting** section

If you are receiving the above error message on a generated Fixed Asset shell, you must determine which of the above fields has been changed and correct it to match the information from the payment document. Here are step-by-step instructions for obtaining this information.

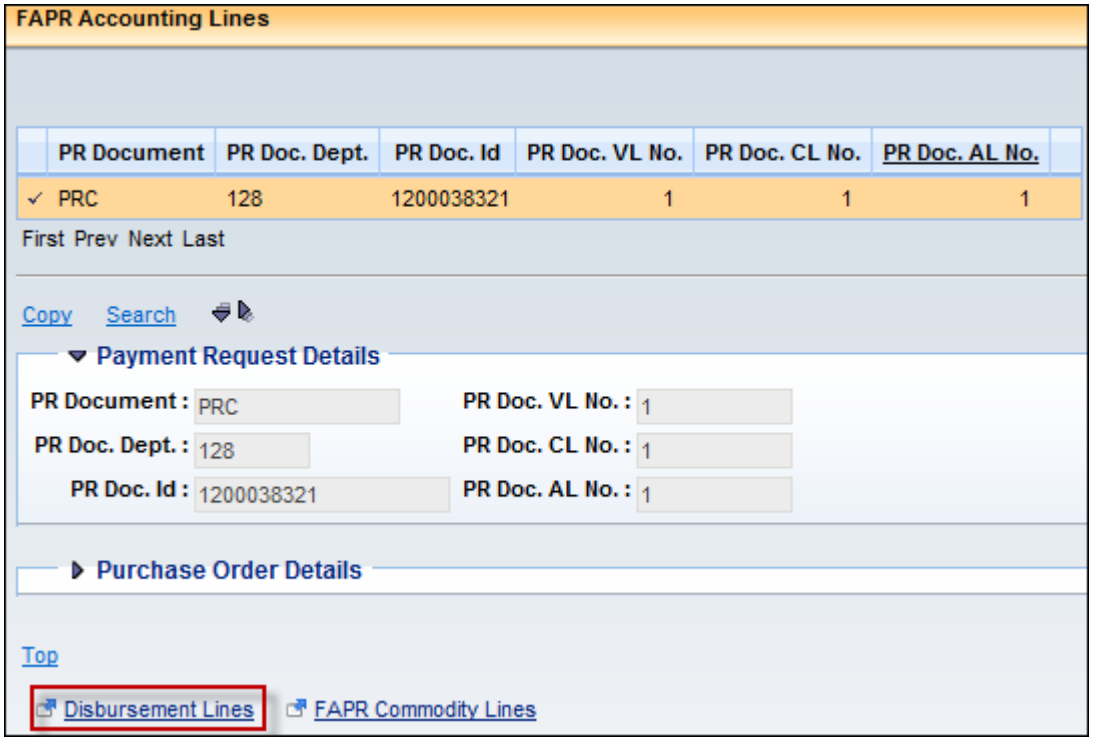
1. Open the rejected **FA** shell document.
2. From the first **Accounting** line, obtain the document number (and line information) for the payment document. It is located in the **References** section in the **PR Doc Code, PR Doc Dept Code, PR Doc ID, PR Doc Vendor Line, PR Doc Commodity Line** and **PR Doc Accounting Line** fields.



3. Go to the **<u>Fixed Assets Payment Request</u>** (**FAPR**) table. **<u>Search</u>** for the payment document.
4. Click on the **<u>record in the grid</u>** corresponding to the correct Vendor Line, Commodity Line, and Accounting Line.



5. Write down the **Commodity Number, Quantity/Unit,** and **Total Disbursed Amount.**
6. Click the **FAPR Accounting Lines** link at the bottom of the page.



7. Confirm that you are still looking at the correct Vendor line, Commodity line and Accounting line.

8. Click the **Disbursement Lines** link at the bottom of the page.

Disbursement Details

	Disb Document	Disb Doc. Dept.	Disb Doc. Id	Disb Doc. VL No.	Disb Doc. AL No.	Disb Doc. PL No.
✓	AD	758	AD12000070760	1	1	3

First Prev Next Last

Copy Search

Payment Request Details

PR Document : PRC
PR Doc. VL No. : 1
PR Doc. Dept. : 128
PR Doc. CL No. : 1
PR Doc. Id : 1200038321
PR Doc. AL No. : 1

Disbursement Details

Disb Document : AD
Line Amount : 400000.00
Disb Doc. Dept. : 758
Fiscal Year : 2012
Disb Doc. Id : AD12000070760
Budget FY : 2012
Disb Doc. VL No. : 1
Disb Doc. AL No. : 1
Disb Doc. PL No. : 3

COA Elements Fund Accounting

Fund : 13H5
Object : E605
OBSA : 0110
Sub Fund :
Sub Object :
Sub OBSA :
Department : 758
Revenue :
Dept Object :
Unit : D758
Sub Revenue :
Dept Revenue :
Sub Unit :
BSA :
Appr Unit :
Sub BSA :

COA Elements Detail Accounting

Location :
Reporting :
Program :
Sub Location :
Sub Reporting :
Major Program :
Activity :
Task :
Phase :

9. Write down all of this information (or print the page).
10. Return to your **FA** document. Compare the following fields on the document with the information from the **FAPR** entry and make corrections where needed:
    - **Component Line:**
      - Commodity Number
      - Units
    - **Accounting Line:**
      - Accounting Template
      - Line Amount
      - All fields in the **References** section
      - All fields in the **Fund Accounting** section
      - All fields in the **Detail Accounting** section

Note: In cases where Units > 1, you may have to calculate the **Line Amount** by dividing the **Line Amount** from **FAPR** by the **Quantity/Units** from **FAPR**. Also, you should compare the shell receiving the error with other shells generated from the same payment document. This may also help to identify which field is causing the error.

11. Repeat these steps for any other **Component** or **Accounting** lines on the **FA** document.
12. Validate the document again. If all fields have been corrected, the error should go away.

Appendix F – Criteria for CAFR Reporting

- **<u>Real Property</u> – Owned/CAFR – Acquisition Methods B, C, D, G, L, O, P, T, V, Z**
  - **FA Types / Thresholds:**
    - Buildings, infrastructure and improvements (B, F, I) over $5K;
    - All land (L);
    - Easements (M) over $100K

- **<u>Equipment</u> – Owned/CAFR – Acquisition Methods B, C, D, G, L, O, P, T, V, Z**
  - **FA Types / Thresholds:**
    - Equipment, depr. art work, books, and vehicles (E, G, H, K, V) over $5K;
    - Other intangibles (N) over $100K
    - Software (S) over $500K

Appendix G – Fixed Assets Reporting Field Maps

All **FA** Registry fields are located in the Fixed Assets universe of infoAdvantage in the **FA** Registry class and folders deeper in the hierarchy as shown separately in the universe map. The table below maps fields from the 5003 report to the infoAdvantage fields.

	5003 Field	FA Registry Field	Comments
1.	Location	Component Sub-Location	
2.	Address	Component Sub-Location Name	Same place as Sub-Location
3.	AGY	Responsibility center dept code	
4.	TYPE	Fixed asset type	
5.	FA_NUMBER	Fixed asset number	
6.	BET#	Component number	
7.	DESCRIPTION	Component extended description	
8.	ORGN/SUB	Responsibility center unit code	
9.	SERIAL_NUM	Component	
10.	ASSET VALUE	Component value	
11.	ROOM	Component complex/Building	
12.	Acquisition Method	Component Acquisition Method	Not shown but used for filters
13.	Acquisition Date	Component acquisition date	
14.	ASSET_CUSTODIAN	Component custodian	Use name from FA Custodian
15.	UNITS	Component units	
16.	MODEL NUMBER	Component model number	
17.	DESCRIPTION FLD 6	Component tag number	

The tables on the next few pages map fields from the Fixed Asset Registry (FAR*) tables in eMARS to the infoAdvantage fields.

Fixed Asset Header (FARHDR) fields

eMARS Section	eMARS FARHDR Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
General Information	Fixed Asset Number	Required	FA Registry	Fixed Asset			**Fixed asset number**	
	Summary Asset Value	Required	FA Registry	Fixed Asset Financials			**Header summary asset value**	
	Summary Accumulated Depreciation	N/A						
	Summary Net Book Value	N/A						
	Summary Valuation Amount	N/A						
	Asset Description	Required	FA Registry	Fixed Asset	Fixed Asset Number		**Fixed asset description**	Use Component extended description or a concatenation
	Summary Closing Costs	N/A						
	Summary Salvage Value	N/A						
	Summary Selling Price	N/A						
	Historic Asset Cost	Required	FA Registry	Fixed Asset	Fixed Asset Financials			Header historic asset cost
Responsibility Center	Custodian	Optional	FA Registry	Fixed Asset	Fixed Asset Details		**Header custodian code**	Use Component custodian code
	Fund	Required	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Fund		**FA Reg Resp Ctr Fund Code**	
	Sub Fund	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Fund		**FA Reg Resp Ctr Sub-fund**	
	Government Branch	Inferred	N/A					For "Accounting level" use COA - Organization fields
	Cabinet	Inferred	N/A					For "Accounting level" use COA - Organization fields
	Department	Required	FA Registry	Fixed Asset	Fixed Asset Details		**Responsibility center dept code**	
	Division	Inferred	N/A					For "Accounting level" use COA - Organization fields
	Group	Inferred	N/A					For "Accounting level" use COA - Organization fields

eMARS Section	eMARS FARHDR Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
Responsibility Center	Section	Inferred	N/A					For "Accounting level" use COA - Organization fields
	District	Inferred	N/A					For "Accounting level" use COA - Organization fields
	Bureau	Inferred	N/A					For "Accounting level" use COA - Organization fields
	Unit	Required	FA Registry	Fixed Asset	Fixed Asset Details		**Responsibility center unit code**	
	Sub Unit	Optional	FA Registry	Fixed Asset	Fixed Asset Details	Responsibility center unit code	**Responsibility center sub-unit code**	
	Appr Unit	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Appropriation		**FA Reg Resp Ctr Appr Code**	
	Object	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Object		**FA Reg Resp Ctr Obj Code**	
	Sub Object	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Object		**FA Reg Resp Ctr Sub-Obj**	
	Revenue	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Revenue		**FA Reg Resp Ctr Rev Src Code**	
	Sub Revenue	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Revenue		**FA Reg Resp Ctr Sub-Rev Src**	
	Dept Object	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Department Object		**FA Reg Resp Ctr Dept Obj Code**	
	Dept Revenue	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Department Revenue		**FA Reg Resp Ctr Dept Rev Code**	
	Activity	Optional	FA Registry	Fixed Asset	Fixed Asset Details		**Responsibility center activity code**	
	Sub Activity	Optional	FA Registry	Fixed Asset	Fixed Asset Details	Responsibility center activity code	**Responsibility center Sub-activity**	
	Function	Optional	FA Registry	Fixed Asset	Fixed Asset Details		**Responsibility center function code**	

eMARS Section	eMARS FARHDR Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
Responsibility Center	Sub Function	Optional	FA Registry	Fixed Asset	Fixed Asset Details	Responsibility center function code	**Responsibility center Sub-function**	
	Reporting	Optional	FA Registry	Fixed Asset	Fixed Asset Details		**Responsibility center rept code**	
	Sub Reporting	Optional	FA Registry	Fixed Asset	Fixed Asset Details	Responsibility center rept code	**Responsibility center sub-rept code**	
	Task	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Task		**FA Reg Resp Ctr Task Code**	
	Sub Task	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Task		**FA Reg Resp Ctr Sub-Task**	
	Task Order	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Task Order		**FA Reg Resp Ctr Task Order Code**	
	Major Program	Inferred	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Major Program		**FA Reg Resp Ctr Mjr Prog**	
	Program	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Major Program	FA Reg Resp Ctr Program	**FA Reg Resp Ctr Program Code**	
	Phase	Optional	FA Registry	FA Reg Responsibility Center	FA Reg Resp Ctr Major Program	FA Reg Resp Ctr Program Phase	**FA Reg Resp Ctr Phase Code**	

Fixed Asset Component (FARCOMP) fields

eMARS Section	eMARS FARCOMP Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
General Information	Fixed Asset Number	Required	FA Registry	Fixed Asset			**Fixed asset number**	
	Component Number	Required	FA Registry	Fixed Asset Component Details			**Component number**	
	Component Value	Required	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component value**	
	*Custodian	Optional	FA Registry	Fixed Asset Component Details			**Component custodian code**	Field does not exist on FARCOMP

eMARS Section	eMARS FARCOMP Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
General Information	Component Accumulated Depreciation	N/A						
	Component Net Book Value	N/A						
	Historic Asset Cost	Required	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component historic asset cost**	
Asset Classification & Location	Classification Indicator	"2" (MEMO)	FA Registry	Fixed Asset Component Details	Component number		**Component classification indicator**	
	Asset Type	Required	FA Registry	Fixed Asset Classification			**Fixed asset type**	
	Asset Catalog	N/A						
	Asset Group	Required	FA Registry	Fixed Asset Classification			**Fixed asset group**	
	Asset Group Class	N/A						
	Asset Group Category	N/A						
	Base Asset Flag	"1"	FA Registry	Fixed Asset Component Details	Component number		**Component base asset flag**	
	Location	"1"	FA Registry	Fixed Asset Component Details			**Component location code**	
	Sub Location	Required	FA Registry	Fixed Asset Component Details	Component location code		**Component Sub-Location Code**	
	Complex/Building	Required	FA Registry	Fixed Asset Component Details	Component number		**Component complex/Building**	
Asset Details	Commodity Code	Required	FA Registry	Fixed Asset Component Details			**Component commodity code**	
	Manufacturer	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component manufacturer**	
	Model Number	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component model number**	
	Serial Number	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component serial number**	
	Tag Number	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component tag number**	
	Plat Number	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component plat number**	

eMARS Section	eMARS FARCOMP Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
Asset Details	Surface Area	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component surface area**	
	Last Inventory Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component last inventory date**	
	Condition Code	Optional	FA Registry	Fixed Asset Component Details			**Component condition code**	
	Units	Required	FA Registry	Fixed Asset Component Details			**Component units**	
	Asset Description 1	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component asset description 1**	
	Asset Description 2	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component asset description 2**	
	Asset Description 3	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component asset description 3**	
	Asset Description 4	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component asset description 4**	
	Asset Description 5	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component asset description 5**	
	Extended Description	Optional	FA Registry	Fixed Asset Component Details	Component number		**Component extended description**	
Acquisition/ Disposition Details	Acquisition Date	Required	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component acquisition date**	
	Acquisition Method	Required	FA Registry	Fixed Asset Component Details			**Component Acquisition Method**	
	Purchasing Authority	Required	FA Registry	Fixed Asset Component Details			**Component purchasing authority**	
	Vendor Code	Required	FA Registry	Fixed Asset Component Details			**Component vendor code**	
	Vendor Name	Required	FA Registry	Fixed Asset Component Details	Component vendor code		**Component vendor legal name**	

eMARS Section	eMARS FARCOMP Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
Acquisition/ Disposition Details	Alias/DBA	Optional	FA Registry	Fixed Asset Component Details				
	Original Acquisition	Required	FA Registry	Fixed Asset Component Details			**Component original acquisition flag**	
	Disposition Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component disposition date**	
	Disposition Method	Optional	FA Registry	Fixed Asset Component Details			**Component Disposition Method**	
	Disposition Authority	Optional	FA Registry	Fixed Asset Component Details			**Component Disposition Authority**	
	Disposed Units	Optional	FA Registry	Fixed Asset Component Details			**Component disposed units**	
	Gain/Loss Account Type	Optional	FA Registry	Fixed Asset Component Details				
	Selling Price	N/A						
	Memo Disposal Value	N/A						
Valuation/ Reorganization Details	Valuation Amount	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component valuation amount**	
	Last Valuation Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component last valuation date**	
	Valuation Selection Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component valuation selection date**	
	Reorganization Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component reorganization date**	
	Replacement Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component replacement date**	
	Date Indicator	N/A						
Depreciation	Depreciation Structure Indicator	"1" (Resp.Ctr.)	FA Registry	Fixed Asset Component Details			**Component depr structure indicator**	
	Depreciation Method	"2" (St. Line)	FA Registry	Fixed Asset Component Details			**Component depreciation method**	
	Last Depreciation Date	N/A						

eMARS Section	eMARS FARCOMP Field	Use	Fixed Assets Class	Class1	Class2	Class3	Dim/Detail/etc.	Comments
Depreciation	Useful Life	Required	FA Registry	Fixed Asset Component Details			**Component useful life**	
	Salvage Value	N/A						
	Closing Costs	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component closing costs**	
	In Service Date	Optional	FA Registry	Fixed Asset Component Details	Fixed Asset Component Financials		**Component in service date**	

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Appendix H – Fixed Assets Policies & Procedures

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Objectives

The objective of this guide is to create a convenient document which:

- Contains references to all statutes, regulations and policies related to fixed assets
- Illustrates a common sense approach to asset management
- Guides fixed asset officers in executing their daily responsibilities

Definitions

An *asset* is any item with future economic benefit for the Commonwealth. A *fixed asset* is an asset meeting the following criteria:

- Intended for internal use (i.e., is not for resale)
- Has a useful life extending beyond at least the fiscal year in which it was acquired
- Has a monetary value of $500 or more

Per policy (FAP 120-20-01), departments must enter and track fixed assets in the Commonwealth's *financial system* or *fixed asset system* unless other arrangements have been made with the Office of the Controller. The financial/fixed asset system currently in use by the Commonwealth is *eMARS*, the electronic Management and Reporting System.

Departments hold primary responsibility for entry of fixed asset transactions in eMARS for *personal property*, including equipment, machinery, vehicles, historical treasures, software and other intangibles. Statewide Accounting Services (SAS) holds primary responsibility for entry of fixed asset transactions in eMARS for real property, except for Fair Board real property which is entered by that department. *Real property* fixed assets include buildings, land, easements, infrastructure, improvements, and construction in progress.

A fixed asset is a *capital asset* if it meets the criteria set forth in the Capitalization section of this document. These capital assets are included in the *Comprehensive Annual Financial Report (CAFR),* a report produced annually by Statewide Accounting Services (SAS) to summarize the Commonwealth's financial position at fiscal year-end.

Policy Supplement

This section provides information which supplements the policies documented in the Finance and Administration Cabinet Policies and Procedures (FAP) manual. The description of policy provided in this section and later sections in no way replaces the FAPs. All Property Officers should read the FAPs, found at the following link:

http://finance.ky.gov/services/policies/Pages/default.aspx

Leased Assets

For CAFR purposes, leased assets valued at $5000 or more where ownership of the asset passes to the Commonwealth at lease end should be handled as fixed assets and reported as a lease liability at the end of the fiscal year (unless it is a copier on a statewide contract, in which case the vendor supplies the liability information for the CAFR). Departments are permitted to track all leased assets for control purposes.

Under specific circumstances, entry of additional leased assets may be required. For example, the current policy for the Commonwealth Office of Technology (COT) is to track leased assets when:

- They transfer ownership, or
- The original lease term is 75% of the asset's useful life, or
- The present value of leased payments will equal 90% of the asset's purchase price, or
- There is a bargain purchase option which when compared to market value would ensure purchase.

Exceptions such as this are made in accordance with generally accepted accounting principles, and similar rules would apply to other departments if their leased equipment constitutes a material dollar amount.

Inventory Requirements

Departments are responsible for conducting a physical inventory of all fixed assets on a regular basis. A physical inventory of personal property capital assets is required each year in preparation for the CAFR. A physical inventory of real property is required every four years. Procedures for physical inventory are provided on the Office of the Controller's web page at the following link:

http://finance.ky.gov/services/statewideacct/Pages/physicalinventoryprocedures.aspx

Records Retention

A department has responsibility to maintain and keep all appropriate records supporting all expenditures made. These records shall be kept in a central location identified by the Fiscal Officer and/or Property Officer.

Capitalization

Generally speaking, fixed assets valued at $5000 or more are capitalized and reported each year in the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared by SAS.

Specifically, the following are the capitalization thresholds:

• Equipment, vehicles, art work & historical treasures	$5,000
• Software	$500,000
• Other intangibles	$100,000
• Buildings	$5,000

All land acquisitions are capitalized, regardless of value. Easements granted to the Commonwealth are capitalized when the cost or fair market value on the date of the donation is $100,000 or more. Improvements to buildings will be capitalized if they meet any of the following criteria:

- Additions to an existing building which significantly increases building capacity;
- Building renovations/replacements which (a) enhance the third party market value of the building and/or prolong its useful life, and (b) cost at least 15% of the building's recorded value as reflected in the financial system.[1]

[1] Costs incurred to comply with building and safety codes and/or OSHA requirements will not be capitalized.

Departmental Responsibilities

- Responsibility for fixed asset accounting is shared at various levels within a department. These levels include the administrative head, fiscal officer, property officer and inventory officer.
- KRS45.313 establishes the requirement that each budget unit maintain an inventory (i.e., fixed asset) listing for items with a cost of $500.00 or more. The threshold of $500.00 is a minimum and departments must establish a lower threshold for all items or a group of items if deemed necessary in order to safeguard significant state property.

Administrative Head

FAP 120-20-01-00 established that the Administrative head of the agency will have the ultimate responsibility for safeguarding and caring for the agency's fixed assets. Normally this responsibility is delegated to other agency personnel (e.g., fiscal officer and/or fixed asset officer).

Fiscal Officer

The fiscal officer's responsibilities are established by FAP 120-07-00, which addresses internal control, and FAP 120-13-00, which addresses document retention. The fixed asset process requires establishment and monitoring of internal controls in order to produce records that are accurate, reliable and timely. The elements of internal control are: competent, trustworthy personnel with clear lines of authority and responsibility, adequate segregation of duties, procedures for authorization, adequate documents and records, proper procedures for record keeping, physical control over assets and records, and independent checks on performance.

"An agency head shall either serve or appoint an employee of the agency to serve as fiscal officer…" (FAP 120-07-00). The designated fiscal officer[2] is responsible for the establishment and maintenance of a proper internal control structure for an agency, and for providing assurances that the financial reports accurately reflect the activities of the agency. These responsibilities are emphasized in the signed "Authority Delegation Agreement" (FAP 120-13-00). This signed agreement, as well as the signed "Officer Designations & Agency Contacts Form", is filed with the Finance and Administration Cabinet (FAC), Division of Statewide Accounting Services (SAS). Proper internal and accounting control systems allow for safeguarding of assets and checking the accuracy and reliability of financial transactions and records.

In order to guarantee the accountability of the fixed assets processes of a department, the fiscal officer

- **Establishes departmental procedures** to ensure that statutes, regulations and FAC policies are being followed as relates to the acquisition, disposition, transfer, permanent identification and physical inventory of the department's fixed assets.
    1. Determine levels of approval for Property Officer and others that have authority/responsibility for fixed asset data input to the system so that there is an appropriate separation of duties.

    2. Develop a method to notify the Property Officer when assets are acquired/purchased by means that do not create fixed asset shells in the financial system, and are therefore not available for viewing as a transaction in the system. These documents/payment methods do not create a fixed asset shell in the system: manual disbursements, inter and intra departmental transfers, and confiscated or donated items.

- **Establishes Declared Surplus Property tracking numbers** unique to the department to be used as a D.S. # on the B217-2 form.

[2] The term "Designated Fiscal Officer" in this case is a label of the Finance and Administration Cabinet. The actual personnel class title for the Designated Fiscal Officer may be different.

- **Establishes Custodian tracking numbers** unique to the department to be used on financial system transactions.

- **Notifies the department Property Officer of deadlines** for conducting the physical inventory as set forth in the state fiscal year closing memo.

- **Provides the Property Officer the fixed asset inventory report** from the financial system if the Property Officer does not have access to or does not know how to access the report.

- **Certifies by memo to the Director, Division of Statewide Accounting Services**, that the physical inventory was conducted according to Finance and Administration procedures. See the procedures posted on the Office of the Controller web page.

- **Reviews transaction listings** of all Fixed Asset transactions for the department in the financial system to gauge whether the inventory reports are up to date.
    1. Verify that the Property Officer is completing or deleting transactions within a timeframe set by departmental policy.

    2. Set a timeframe for the Property Officer to have transactions cleaned up. Keep in mind the deadlines set for submission of AFR 74. (See next)

- **Completes the AFR 74 form "Last Date of Entry"** for Fixed Assets by the due date stated in the current fiscal year Closing Package on the Office of the Controller web site (http://finance.ky.gov/offices/controller/Pages/default.aspx)

Property Officer

"The administrative head of an agency shall be responsible and accountable for the custody and safekeeping of all personal property assigned to, purchased, or otherwise acquired by the agency. Each agency head shall either serve or appoint an employee of the agency to serve as agency Property Officer with responsibility for both maintaining the agency's fixed asset records and taking the annual physical inventory" (FAP 120-20-01). These responsibilities are emphasized in the signed "Property Officer Designation Form"[3], which is filed with the Finance and Administration Cabinet (FAC), Division of Statewide Accounting Services (SAS).

In order to safeguard assets of the Commonwealth and maintain the department's fixed asset records, the Property Officer

- **Assigns an asset a property tag number** (Fixed Asset Number) from the department's series, and affixes a property tag to the asset immediately upon receipt and acceptance of the asset. (See "Property Identification".)

- **Enters initial records into the fixed asset system** as nonexpendable personal property is acquired and tagged. Refer to training manual for directions in preparing and processing transactions.
    1. Review the transaction listing in the financial system to identify fixed asset shells generated from purchasing and invoicing methods for those items you have tagged.

    2. Determine all required fields (whether system, FAC or department requirement) to populate, and enter the necessary information and values to complete the shell.
        - Refer to the training manual for system required fields.

[3] The term "Designated Property Officer" in this case is a label of the Finance and Administration Cabinet. Actual Department of Personnel class title of the designated Property Officer may be different.

Note: Exceptions to this manual may exist because of FAC existing policy, and new procedural requirements.

- Refer to FAP 120-20-01 for FAC policy required fields: Fixed Asset Number, Type, Asset Description, Department, Location, Manufacturer, Model Number, Serial Number, Historical Cost
- *Note the following FAC procedural change to required field:* **Room Number is no longer an optional field.** Enter a room number or next best identifying information where the asset is physically located. Examples: "Room 470", "4th Floor Media Room", "Outside 470", "Library", "Director's Office".

3. Process transaction according to the procedures and security authorizations established by your department Fiscal Officer.

- **Enters initial records into the fixed asset system when nonexpendable personal property is acquired by methods that do <u>not</u> create a fixed asset shell.** These documents/payment methods do not create a shell: manual disbursements, inter and intra departmental transfers, and confiscated or donated items.
  1. Initiate a transaction in the financial system.
  2. Determine all required fields (whether system, FAC or department requirement) to populate, and enter the necessary information and values to complete the transaction. (See discussion above regarding required fields and fixed asset procedural change.)
  3. Process transaction according to the procedures and security authorizations established by your department fiscal officer.

- **Deletes records in the fixed asset system** as nonexpendable personal property is disposed. The Division of Surplus Property, Finance and Administration Cabinet, maintains an excellent user's guide to provide guidelines for disposition of personal property. This document contains two chapters. Chapter One has guidelines for departments <u>without</u> delegated authority to dispose of surplus property and Chapter Two provides guidance for those departments that <u>have</u> delegated authority to dispose of surplus property. Each chapter contains the step-by-step processes, and includes an appendix with all forms needed for the disposal function, as well as the FAPs that address property disposal: FAP 118-13-00, FAP 118-11-00, FAP 111-54-00.

In summary, the Property Officer will:

1. Determine that the asset is no longer needed by the department: It has become unsuitable for the department's use and transferred to another department, a nonprofit agency, or the Division of Surplus Property; it is damaged and beyond repair; it is lost, stolen or traded-in on a new asset.
2. Determine the appropriate disposal method.
3. Complete the documentation of the declaration and approval process.
   - FAP 118-13-00 states "The Finance and Administration Cabinet, Division of Surplus Property, shall be responsible for the disposal of state-owned property considered to be surplus by using agencies that have not been granted delegated authority to declare and dispose of surplus personal property." Per the Division of Surplus Property's User Guide and the FAC policy referenced above, departments <u>without</u> delegated authority must complete the B217-2 form, State-Owned Personal Property Declared Surplus. This form includes the Declared Surplus Number (D.S. #), fixed asset number (tag number), location of the property, disposal method, signatures of the Property Officer and fiscal officer, *approval by department head* and *attachment*

of supporting documentation, such as police reports, insurance forms, explanation of loss or other documentation as appropriate. Once the department head signs the B217-2, it is then forwarded to the Division of Surplus Property for the assignment of the D.S. # and Director's approving signature. The documentation and approval process is complete.

- FAP 118-13-00 also states "The Finance and Administration Cabinet may delegate the authority to declare and dispose of surplus state-owned personal property to a department head requesting delegation." Approval by the department head must be documented and the department shall maintain records of disposal. This FAP, however, does not prescribe the method of documentation for departments with delegated authority The Division of Surplus Property's user guide suggests the use of the B217-2 form to aid in the documentation process for these departments also. If the department has delegated authority and chooses to use the B217-2 form for documentation, the D.S. # is assigned by the department. When the department head signs the B217-2, the documentation and approval process is complete.

4. Initiate the transaction in the financial system.

5. Determine the required fields (whether system, FAC or agency requirement) to populate and enter the necessary information and values for the transaction. When the B217-2 form is used, the D.S. # should be cited as the disposition authority.

6. Process the transaction according to the procedures and security authorizations established by your department Fiscal Officer.

7. Maintain supporting documentation, including the B217-2 form if utilized, for 8 years (3 year in departmental files and 5 years at Libraries & Archives).

- **Makes corrections/adjustments** to the fixed asset records at any time when a discrepancy exists between the record and the asset. Examples would be asset on hand but not entered in the financial system, assets recorded in the financial system that have been disposed of, assets recorded with the incorrect amount, assets recorded with the incorrect location, assets marked with the incorrect fixed asset number, etc. Refer to the training manual for directions in preparing and processing the appropriate correction/adjustment transactions.
  1. Determine which transaction to use:
     - Asset on hand but not in system: **FA**
     - Asset recorded, not on hand (e.g., lost, stolen, missing, traded-in, or disposed): **FD**
     - Asset recorded with an error in the Fixed Asset Number: **FC**
     - Asset recorded with an error in the amount: **FI**
     - Asset recorded with an information error (e.g., serial number, manufacturer, description): **FM**
     - Asset transferred to another unit within the department: **FT**
     - Asset missing tag: look up tag number using serial number, **FC**, retag and **FA**

  2. Initiate the appropriate transaction.

  3. Determine the required fields (whether system, FAC or departmental requirement) to populate, and enter the necessary information and values. (See discussion above regarding required fields and procedural change.)

  4. Process the transaction according to procedures and security authorizations established by your department Fiscal Officer.

- **Takes annual physical inventory.** (FAP 120-20-01 Section 1 paragraph b)
    1. Use the inventory report from the financial system as the basis for the physical count. If you do not have access to the report, your fiscal officer will provide you with a copy.
    2. Follow the step by step procedures in the document provided on the Office of the Controller web page.
    3. Complete the inventory within the timeframe set forth in the state fiscal year's Closing Memo, also on the Office of the Controller web page.
    4. Note all necessary corrections, additions, changes and deletions on the inventory report during the physical count.
    5. Make the corrections/adjustments (as noted on the inventory report) to the fixed asset records in the financial system upon completion of the annual physical inventory.
    6. Return the inventory report to the fiscal officer.

- **Keeps the transaction listing in the financial system "cleaned up"** by keeping fixed asset records up-to-date.

  Review the transaction listing in the financial system for any outstanding transactions for your department.

  Work with the fiscal officer and other staff to complete these transactions or to delete any unnecessary transactions.

- **Maintains file of supporting documentation** for fixed asset manual and electronic transactions. (See the Records Retention section of this document.)

- **Performs other department-specific functions** relating to fixed assets as defined within departmental policies and procedures established by the departmental fiscal officer.

Inventory Officers

Often in large departments, the Property Officer will informally delegate responsibility for conducting the annual physical inventory to a team of Inventory Officers. The Property Officer must ensure that Inventory Officers are adequately trained and kept informed of fixed assets policies and procedures.

Custodians

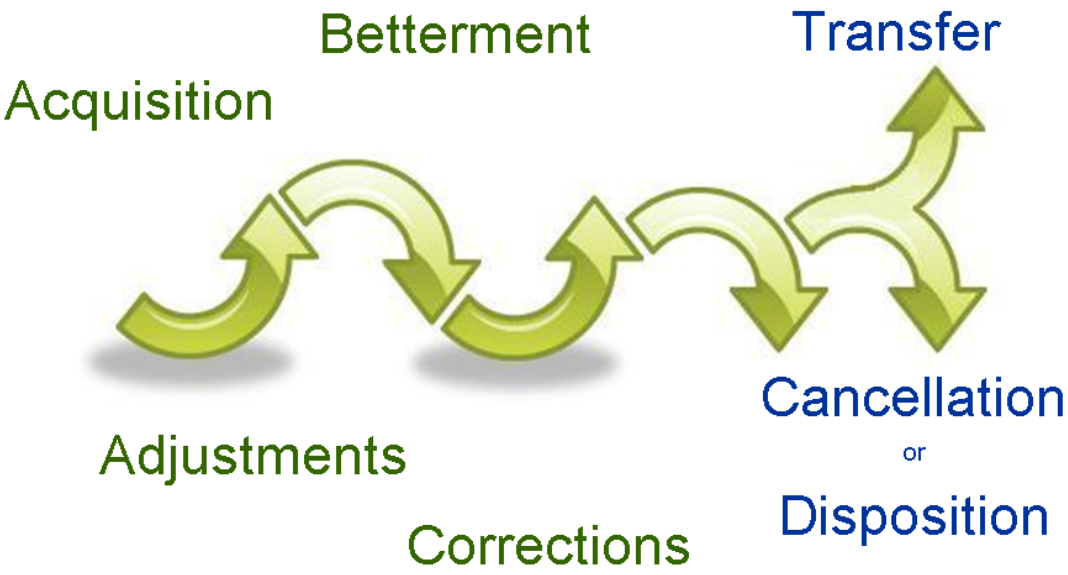
Each fixed asset should be associated with a Custodian using the Custodian code in the eMARS application. The Custodian should be the person responsible for the fixed asset. In some departments this may be the Property Officer; other departments choose to enter a Custodian code for every employee so that each employee is responsible for all fixed assets used by that employee. Every effort should be made to keep eMARS Custodian codes and associations up to date.

It is *not* recommended that Custodian code be used to identify the building or room in which the fixed asset is located. The Complex/Building field (which is freeform) should be used for that purpose.

Business Process for Fixed Assets

The steps involved in fixed asset acquisition, maintenance and disposition include the following:

1. Receive notification that a fixed asset has been acquired either via system generated (via a "shell document") or as provided manually according to the procedure elected and implemented by the department. Receive goods.
2. Research/investigate item origin. Locate any paperwork associated with the item, or any documents processed in the financial system for the purchase of the item. See "eMARS901 Fixed Assets" training materials for suggestions about locating these documents in eMARS.
3. Tag the item according to the "Property Identification" procedures provided in this manual.
4. Enter a fixed asset acquisition transaction in the financial/fixed asset system using the number on the tag applied to the item and following minimum entry requirements.
5. Make corrections or adjustments to fixed asset information as needed.
6. Record appropriate transactions should the fixed asset be relocated or transferred.
7. Process a disposition transaction in the financial/fixed asset system when the item is disposed, and complete any required accompanying paperwork (e.g., B217-2).



Property Identification

Property identification in the Commonwealth is achieved by applying a fixed asset tag to each and every individual fixed asset. All personal property should be marked as belonging to the Commonwealth immediately upon receipt and acceptance by the department. By statute (KRS 45.313), any asset with a cost of $500 or more is to be tagged in order to maintain a fixed asset record. Departments may develop a policy to tag non-expendable property with a cost of less than $500.

Why are fixed assets tagged?

Inventory tags are applied to fixed assets for several reasons, including the following:

- The tags provide a means of ensuring that a unique identification number has been assigned to each fixed asset.
- The tags identify the property as belonging to the Commonwealth, to discourage theft or loss.

- The tags also identify the department to which the asset belongs (unless it has been transferred).
- If properly entered in the financial/fixed asset system, the tags simplify the preparation of insurance reports and claims.

What is an inventory tag?

The inventory tag (fixed asset number) is a unique identification number for the type of asset by department. Marking or "tagging" assets maintains a level of internal control of the asset because it provides a method to identify the individual asset if it is lost of stolen, aids in the physical inventory process, discourages theft, and reduces state property losses. Since identification of the asset is the primary purpose for the tag, the tag number should be the most predominant feature, even if some departments choose to have the department name reproduced on the tag.

The tag number is made up of alphanumeric characters: a 2-character department alphabetic prefix followed by a series of numbers, for a complete field length of 15 characters. A department's tag number may vary from the 15-character length, depending on the vendor chosen to produce the tags, but the departmental prefix should always be used. When entering tag numbers in the system, enter exactly what is shown; do not add or remove zeros.

For Real Property (which cannot be physically tagged), the tag number consists of the 2-character department alphabetic prefix, followed by 4 zeros, the 5-digit Installation number, and 3 zeros for land or the 3-digit building number for a building.

Where are tags obtained?

Inventory tags can be obtained by either of the following means:

- Division of Correctional Industries (DOC)
- Vendor such as Lustre-Cal (using small purchasing authority)

What should be tagged?

All fixed assets – including equipment, vehicles, and capitalized items – should be tagged. Leased assets should be tagged and recorded in the financial system if they are valued at $500 or more and it is known at the inception of the lease that ownership will pass to the Commonwealth by lease end. These assets should be reported as a lease liability at the end of the fiscal year. If it is unclear at the beginning of the lease whether ownership will pass to the Commonwealth, the asset should be tagged and recorded when ownership does pass. If an asset is valued at $5000 or more, it should be reported in the closing package for the fiscal year.

Where should the tag be placed on the item?

FAP 120-20-01 states that the property identification tag should be placed on the left side of the asset when the asset is in its normal operating position. In cases where this location is not practical, items should be tagged so that the tag is visible and accessible for the physical inventory process. In cases where there are more than one part to the asset, the tag should be placed on the principal body of the asset, rather than on a removable component part. For example, on a copier purchased with a sorter and sheet feeder, the tag should be placed on the main copier unit.

In cases where it is not practical to place an adhesive tag on an asset, either due to its physical nature or its intended use, it is recommended that a log book be kept for tags not placed on the asset. The property number should then be stenciled or engraved on the item. For example, on equipment, machinery, large or small tools where tags are subject to accumulation of grease or oil, or where moving parts will dislodge or obscure the property tag, engraving is recommended. If engraving is not possible, the tag must be kept in a folder along with identifying information about the item, including photographs to assist in identification of the item for inventory purposes.

What if a tag is removed?

In the event that a tag is dislodged or becomes unreadable, you must re-tag. When using pre-printed tags, assign a new number, cancel the old number, and enter the new number in the system using the original information (acquisition date, purchase authority, etc.). For audit purposes, it is a good idea to enter the old number in a descriptive field if one is available.

Other tagging considerations

Fixed assets not in use or kept in storage must still be tagged and inventoried. Fixed assets on loan to another department must be tagged and inventoried by the department owning the fixed asset. Where ownership of a fixed asset is shared by departments, each department should tag the item and record the appropriate percentage of the cost of the item as its historic cost in the financial system.

Fixed assets which are cannibalized for parts should be recorded as disposed with the appropriate disposition method for cannibalization (**K**). The cost associated with the parts can be recorded as an increase in cost for the improved asset, or as a betterment to the improved asset, or the parts may be tagged and tracked separately.

Entry in Financial System / Fixed Asset System

The eMARS (electronic Management Accounting Reporting System) fixed asset module **must** be used by **all state agencies**. **Departments must request permission to use any tracking system other than eMARS even if the sole purpose is dual tracking.** The eMARS system is flexible enough to track any assets which departments may wish or need to track. Detailed instructions for entry of fixed assets in eMARS are provided in the "eMARS901 Fixed Assets" training materials available on the eMARS web site at the following link:

http://finance.ky.gov/services/statewideacct/Pages/crctrainingandassistance.aspx

In general, fixed assets are automatically identified within the financial system at the time of payment based on commodity and dollar threshold information (see **Figure 1** and training materials for details). "Shell documents" (partially completed fixed asset acquisition transactions) are generated once the payment for the fixed asset has been disbursed. It is up to Inventory Officers to monitor and process these "shell documents" on a regular basis.

Some fixed assets, such as donated or confiscated items, have no payment information in the financial system and therefore do not generate "shell documents". In these cases, it is up to Inventory Officers to manually enter the fixed asset acquisition transactions from scratch (see **Figure 2**). Each agency should develop a method of notifying the Inventory Officers when fixed assets are acquired by a method which does not generate a "shell document".

Figure 1: Shell Generation Process

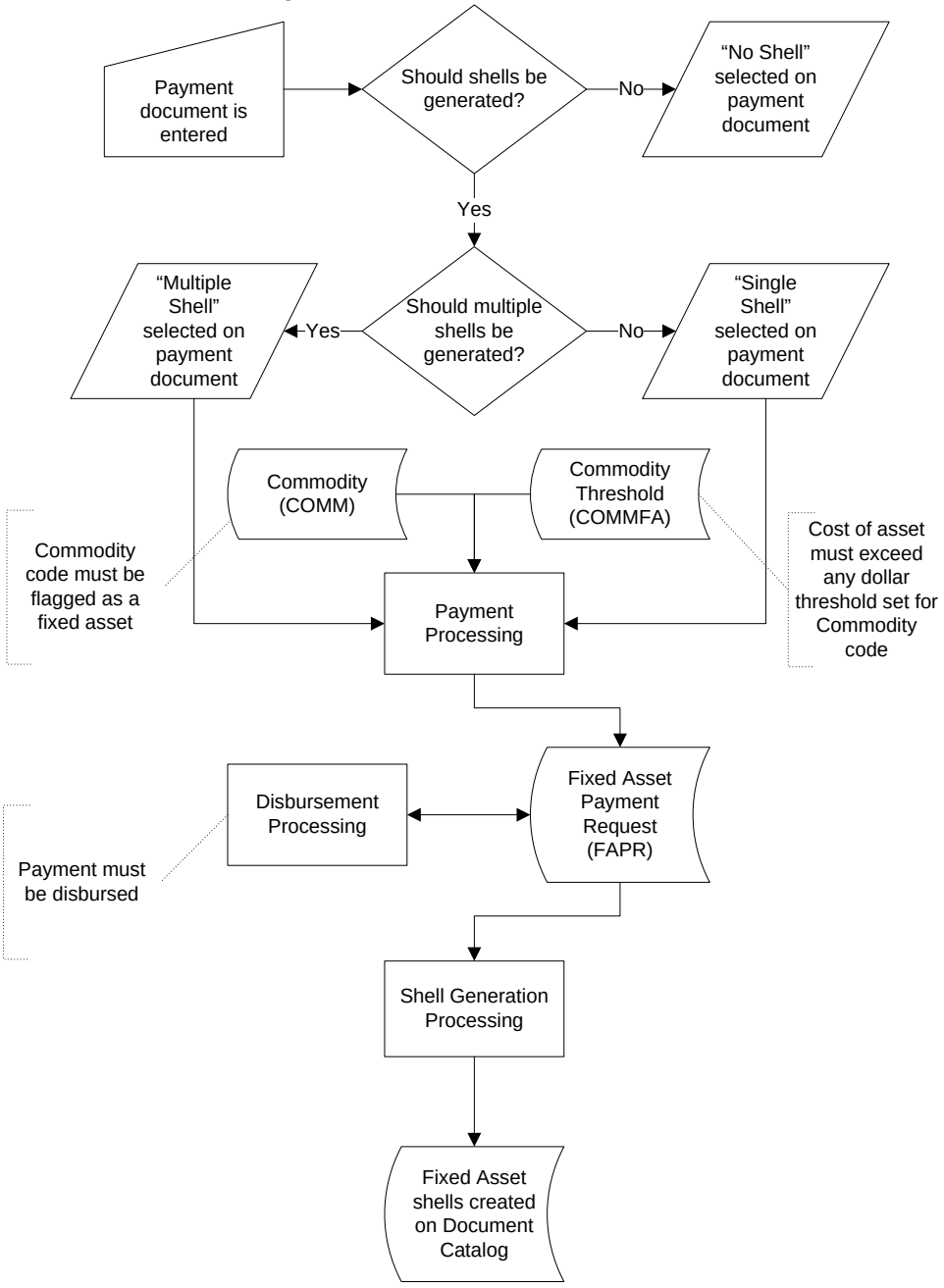
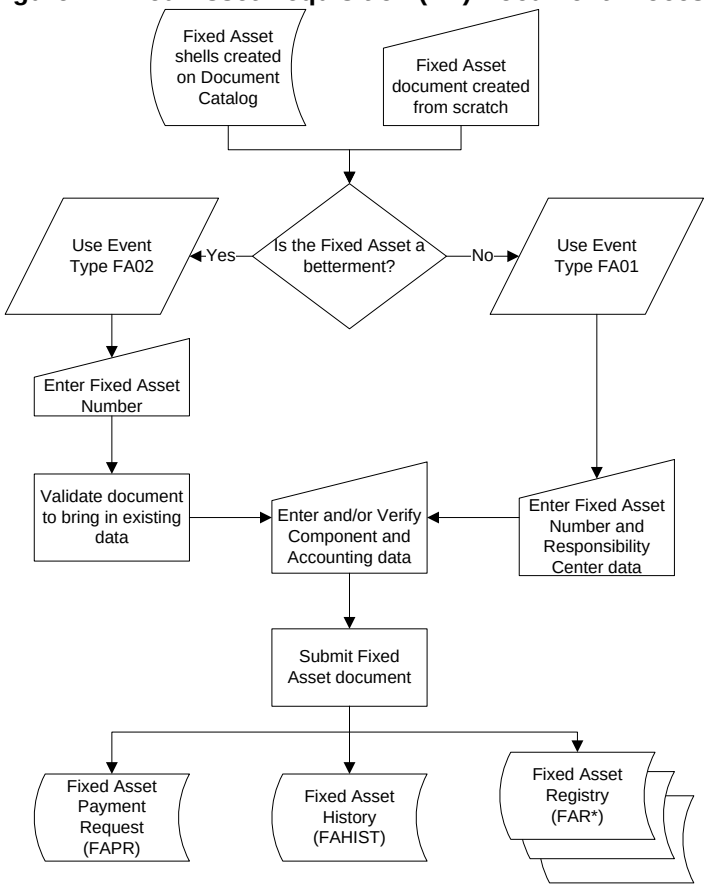


Figure 2: Fixed Asset Acquisition (FA) Document Process



Minimum Entry Requirements

Entry in the financial/fixed asset system should minimally include the following information (each described in this section):

- Fixed asset number
- Asset description
- Custodian
- Responsibility Center
- Manufacturer, model number, serial number, tag number
- Physical location
- Acquisition date and method
- Fixed Asset Type
- Fixed Asset Group (insurance code)
- Payment accounting, including historical cost

Fixed Asset Number

The Fixed Asset Number corresponds to the property tag number placed on the item. It is a number comprised of alphanumeric characters: a 2-character department alphabetic prefix followed by a series of numbers, for a complete field length of 15 characters. A department's tag number may vary from the 15-character length, depending on the vendor chosen to produce the tags, but the departmental prefix should always be used. When entering tag numbers in the system, enter exactly what is shown; do not add or remove zeros.

Asset Description

Each Property Officer should establish guidelines for consistent entry of fixed asset descriptions. For example, when entering equipment, it is advantageous not to enter “COMPUTER” but rather to enter “DELL OPTIPLEX GX 280” since this is a more detailed description. The convention in this case may be manufacturer, model name, model number.

Custodian

As previously described, each fixed asset should be associated with a Custodian using the Custodian code in the eMARS application. Every effort should be made to keep eMARS Custodian codes and associations up to date. Again, it is *not* recommended that Custodian code be used to identify the building or room in which the fixed asset is located. The Complex/Building field (which is freeform) should be used for that purpose.

Each Property Officer should establish guidelines for assigning Custodian codes. It is recommended that a department’s Custodian codes be prefixed either by the Department code or the fixed asset prefix.

Some departments identify the Custodian as the Inventory Officer; others identify the Custodian as the employee using the fixed asset. In either case, Property Officers should consider establishing a Custodian code for the position so that the individual’s name is easily changed when turnover occurs.

Responsibility Center

Required fields in the Responsibility Center include the Fund under which the fixed asset should be reported as well as the Department and Unit responsible for the fixed asset. Other fields may optionally be entered. For instance, Object may be entered for insurance reporting purposes, and Function may be entered for strategic planning purposes (although these codes are usually available in the payment accounting area).

Manufacturer, Model Number, Serial Number, Tag Number

The system provides separate fields for entry of the manufacturer of the fixed asset, its model number, and its serial number. Even if a convention of entering this information in the description is adopted, it is recommended that this data be entered in these separate fields to simplify searches and reporting.

It is especially important to capture the serial number of each asset so that it can be used to identify the asset should the inventory tag be removed or become unreadable. For vehicles, the tag number (license plate number) should be captured for the same reason.

Acquisition Date and Method

All fixed asset original entry transactions require an acquisition date and method. The acquisition date is the date when the asset was acquired (e.g., purchased) by the Commonwealth. For assets that will be depreciated, this is the date the depreciation process recognizes as the first day of the asset’s useful life.

When choosing the acquisition method the department needs to look at ownership, nature of the expenditure, capital vs. maintenance, and method of acquisition (e.g., donated, confiscation, purchased with state funds). Use the following criteria when selecting the acquisition method:

- **State owned real property not CAFR reportable (A):** Buildings or improvements to land which are purchased and owned by the Commonwealth but do not meet the dollar threshold for capitalization or are considered a repair or maintenance expenditure.
- **Land Swap (B):** Land which is acquired by a land trade and the land traded and land acquired is owned by the Commonwealth.

- **Constructed/Invented (C):** Equipment, vehicles or software which are owned by the Commonwealth and are constructed or invented by employees of the Commonwealth.
- **Donated other than federal (D):** Assets which are donated and give ownership to the Commonwealth except those donated by the federal government.
- **Federal Possession not state owned (F):** Assets which the Commonwealth must track for the federal government and which are not used in the daily operations of a state agency or state agency function. These assets are normally items used by sub-recipients and acquired solely for their use.
- **Federal Surplus Property (G):** Assets which are acquired through GSA (U.S. General Services Administration) and used by a state agency even though not owned by the Commonwealth.
- **Lease (L):** Assets which are acquired through a lease when one of the following criteria are met: (a) the lease agreement transfers ownership to the Commonwealth, (b) the minimum lease term is 75% of the assets' useful life, or (c) the monthly principle payments over the lease term equal 90% of the asset's purchase price.
- **Obsolete tracking; not state owned (M):** Assets which are still tracked but have no future economic benefit. This would include assets being held for disposal.
- **Tracking not state owned (N):** All asset types when the asset is not state owned, not donated, and not GSA Federal surplus property.
- **Purchase/State Owned (P):** All asset types purchased with state funds including federal funds (i.e., 1200 fund money). This includes assets purchased from other state agencies.
- **Repairs & Maintenance (R):** All asset types when the expenditure is made for state owned assets and the repair and maintenance expenditure does not prolong the useful life of the asset.
- **Confiscated; not state owned (S):** Assets the Commonwealth has confiscated in accordance with state law but the state does not currently have ownership.
- **Confiscated; state owned (V):** Assets the Commonwealth has confiscated and has ownership of through court order.
- **Purchase/Unknown:** Used for fixed assets converted from prior financial systems where the Fund was unknown.

Fixed Asset Type

Use the following criteria when selecting the type for the fixed asset:

Personal Property

- **Equipment (E):** All items not meeting any other definition. Examples include office furniture, office equipment, copiers, printers, fax machines, computers, servers, lab equipment, hospital equipment, mowers, tractors, construction equipment, golf carts, ATVs, furniture, guns, boat trailers, breeding stock, and zoo animals.
- **Depreciable art work and historical treasures (G):** Works of art, artifacts and historical treasures for all departments except Parks, the Horse Park, and the Kentucky Historical Society. GASB defines "collections of works of art, historical treasures and similar assets" as "one or more items (a) on public exhibition (b) used in furtherance of historical education, or (c) involved in advancement of artistic or historical research."
- **Non-depreciable art work and historical treasures (H):** Works of art, artifacts and historical treasures which are preserved. Used only by Parks, the Horse Park, and the Kentucky Historical Society.
- **Software (S):** Software valued at $500,000 or over which has been purchased or developed in-house. If the software is valued at less than $500,000 for a single license, it can be tracked separately or as part of the computer on which it is installed.[4]

[4] Software that is being developed in-house and is still in the development phase is capitalized and reported as asset type **C** (construction in progress). After the project is complete, the asset should be reclassified to asset type **S** (software). A project is considered complete if it is 90% complete and is being used for its intended purpose.

- **Vehicles (V):** Vehicles which are licensed for use on the road, such as cars, trucks, and buses. *Do not use for boats, golf carts, or ATVs.*
- **Other Intangibles (N):** Intangibles not meeting the definition of easements or software. Examples include copyrights.

Real Property

- **Building (B):** Structures which are permanently attached to land owned by the Commonwealth, such as office buildings and storage buildings. Buildings also include fixtures.
- **Construction in Progress (C):** Used to record the accumulation of costs while an asset is being constructed (i.e., incomplete capital projects).
- **Infrastructure (F):** *Used only by the Transportation cabinet* for assets serving the general public (not a specific building or installation), such as roads, bridges, tunnels, drainage systems, water and sewer systems, dams, lighting systems. *Other departments with these types of assets should use Improvements of Land (I).*
- **Improvements of Land (I):** Items which are not part of an individual building structure but which become a permanent attachment to land owned by the Commonwealth. Examples include roads, bridges, curbs, surface gutters, retaining walls, sidewalks, drainage systems, parking lots, and lighting systems.
- **Land (L):** Assets where the Commonwealth or its agent hold title to the property through a deed which covers surface, air and mineral rights.
- **Easements (M):** Limited real property rights granted to the Commonwealth, generally recorded in a "deed of easement". The most common types of easements are PACE (Purchase Agriculture Conservation Easement) and conservation easements, such as those for the Kentucky Heritage Council and the Kentucky Heritage Conservation Fund Board.

Fixed Asset Group: Insurance Code

Insurance Codes are entered in the Fixed Asset Group field in the financial/fixed asset system. An appendix in the eMARS Fixed Asset training materials provides a guide to help Inventory Officers determine the correct code for a given fixed asset. Two rules are certain:

- Assets that generally move from location to location on a regular basis should have Inland Marine coverage, and the Fixed Asset Group should begin with "IM".
- Laptop computers must always be coded as "IM7".

When in doubt as to the choice of Fixed Asset Group, an insurance coordinator should be consulted.

Payment Accounting, including Historical Cost

In cases where a "shell document" is generated from a payment, the payment accounting fields and historical cost (asset value) will already be completed and must not be changed.

When a fixed asset is entered "from scratch", payment accounting information must be provided, minimally including Fund, Department, and Unit. Also desirable are Object (or Revenue Source for real property) and Function (or Appropriation for capital projects). In determining the cost of these fixed assets, component parts and all qualifying accessories should be included. Also included in the determination is the cost of freight, installation, and any other auxiliary charges paid by the state, less any discounts.[5]

[5] The trade-in allowance will not affect the cost of the asset. However, any training expenses incurred at the time of the asset purchase is included as part of the asset cost. Training at a later date is not capitalized; interest expense is never capitalized on purchased assets.

When determining the cost of software, the capitalized cost should include the external direct cost of any materials or services consumed in developing or obtaining the software, as well as payroll and payroll-related costs incurred during development which are devoted directly to the project.[6]

If the historic asset cost for an item is not apparent, due diligence must be done to determine the acquisition cost of the item. Potential sources of acquisition cost include: vendor invoices, vouchers, canceled checks, check copies, check registers, expenditure journals, construction contracts, purchase contracts, contract payment records, purchase requisitions, purchase orders, general ledger accounts, inventory cards, legislative minutes, maintenance records, annual and capital budgets, appropriation documents, insurance values, price lists, certificates of title, and, for land and buildings, real estate closing documents or the county auditor.

When these sources have been exhausted and the acquisition cost has still not been obtained, the historic cost may be estimated by averaging the cost for acquisition/installation of similar fixed assets in the same time period.

Correction and Adjustment of Fixed Assets

Corrections and adjustments are made by processing different documents in the financial system, depending on what type of change is being made. There is one document for changes to a fixed asset's value, another for changes to the Custodian or location, a third for Responsibility Center changes, and a fourth document for changes to disposition information. Refer to the training materials for examples of these various corrections and adjustments documents.

Transfer of Fixed Assets

Reorganization and relocation of fixed assets is a common occurrence in state government. Transfer transactions may be processed when reorganization is between Governmental funds or within the same Proprietary fund. If the reorganization is not within the same fund type, the transfer of property should be conducted via the Division of Surplus Property by filing the appropriate forms (see the "Disposition of Fixed Assets" section). Refer to the training materials for examples of processing transfers in the financial system.

Fixed assets are not required to be re-tagged in the event of a reorganization. Transfer transactions ensure that the existing tag number is moved from the old department to the new department. When the transfer of property is done via Surplus Property, the existing fixed asset number can be reused but will have to be modified in some way to make it unique (e.g., changing the prefix or adding a suffix). In either case, the historical cost of the fixed asset should be retained (i.e., it should not be depreciated or adjusted to fair market value).

Disposition of Fixed Assets

Fixed assets may be disposed for various reasons, including internal sale, reorganization, loss, theft, or trade-in. The fixed assets disposition document must be processed with the correct disposition method as determined by the Property Officer. Any receipts related to the disposition should be recorded on a cash receipt document or an internal payment. For proprietary dispositions, the cash receipt document may be required to recognize cash and revenue.

Prior approval from the Division of Surplus Property is no long a necessity for disposal of assets to be trashed, cannibalized for parts or traded in for a new asset. Delegated authority is required in order to sell or donate a fixed asset to an external entity. Agencies without delegated authority must obtain prior approval from the Division of Surplus Property before disposing of fixed assets by sale or donation. The B217-2 form (available from the Division of Surplus Property) is used for this purpose.

[6] Upgrades and enhancements should only be capitalized if such costs increase the life or functionality of the product; otherwise such cost should be expensed as incurred. Costs incurred during the planning stage of a software project should not be capitalized. Planning stage costs include costs associated with the formulation of alternatives, the evaluation of alternatives, determination of technology needs, and final selection of alternatives.

In the financial system, a minimum of the following must be entered to record a disposition (each of which is described in this section):

- Disposition Date
- Disposition Method
- Disposition Authority

Disposition Date and Method

The disposition date is the date the asset was disposed. It is important that this date be as accurate as possible since it is used in depreciation calculations for the CAFR.

Use the following criteria when selecting the disposition method:

- **Transferred to a state agency (A) –** The asset has been transferred to another department in the Commonwealth outside of the original cabinet or using a different funding source.
- **Transferred to a non-profit (B) –** The asset has been donated to a non-profit agency outside of state government.
- **Destroyed (D) –** The asset was unintentionally destroyed.
- **Input Error (E) –** The asset should never have been entered in the financial system. Be sure to provide an explanation for audit purposes.
- **On Site Disposal (H) –** The asset was intentionally destroyed on-site because it had become unusable.
- **Cannibalized (K) –** The asset was disassembled so that the parts could be used for repair and maintenance of other assets.
- **Lease expired (L) –** The asset is leased and the term of the lease has expired. If ownership of the asset has transferred to the Commonwealth, be sure to re-tag and enter the asset using the appropriate Acquisition Method.
- **Surplus Property (P) –** The Property Officer determined the asset to be surplus to the activities for which it was purchased and it has been sent to the Division of Surplus Property.
- **Recycled (R) –** The Property Officer determined the asset to be surplus to the activities for which it was purchased and it was picked up by a recycling vendor (e.g., e-scrap vendor).
- **Sold (S) –** The asset was determined by the Property Officer to be surplus to the activities for which it was purchased and it has been sold in a sale or auction conducted by a department having delegated authority.
- **Traded in (T) –** The asset was used for trade-in value in the purchase of a replacement asset.
- **Lost or stolen (U) –** The asset cannot be located. If theft is suspected, contact the police department.
- **Construction project completed (V) –** (Used for Real Property only.) A capital construction project to build, repair, or improve a fixed asset has concluded. Be sure to re-tag and enter the completed asset using the appropriate Acquisition Method.

Disposition Authority

Departments having delegated authority must keep a log of Disposition Authority codes used to track the disposal of fixed assets. For departments without delegated authority, the D.S. number obtained from the Division of Surplus Property on the B217-2 form should be used. For e-scrap, use “E-SCRAP” and include in the Document Description any tracking information provided by the e-scrap vendor.

Appendix I – Vehicle Reporting in eMARS

Objectives

The objective to this guide is to provide fixed asset officers with documentation to:

- Ensure vehicle information is maintained in a central location (eMARS)
- Track consistent information on all Vehicles owned by the Commonwealth

FAP 120-20-01 section IV

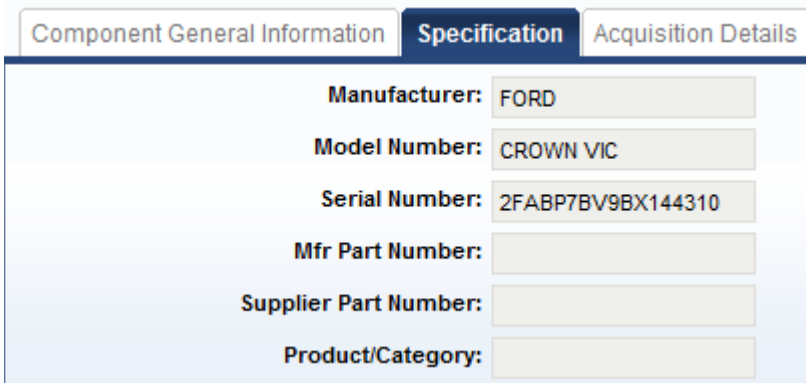
Vehicle Inventories:

A fixed asset record of all licensed vehicles and licensed trailers assigned to an agency shall be maintained regardless of cost or other equipment mounted on the vehicle. This report shall include: vehicle license number, agency name, property or commodity code, serial number, make, style, manufacturer's model number, date registered during the first year only and original purchase price. "Assigned" means any licensed motor vehicle under an agency's control. This includes vehicles owned by an agency of the Commonwealth, excluding motor pool vehicles, which are reported by the Finance and Administration Cabinet; vehicles legally exempt from bearing a state official plate pursuant to KRS 44.045 (4), KRS 44.045 (5), KRS 186.065 (2), and KRS 186.065 (3); vehicles whose title is vested in the federal government but on loan to an agency; and vehicles obtained from any other source. Vehicles not owned by the agency shall be noted on the fixed asset report.

Required Fields

To ensure vehicle data is tracked consistently across state government the following fields in eMARS (on the component line) are used to track the data.

- The **Surface Area field** will show the **county code** of where the vehicle is assigned.
- The **Manufacturer field** will show the **Make** of the vehicle.
- The **Model Number field** will show the **Model** of the vehicle.
- The **Plat Number field** will show the **Model Year** of the vehicle
- The **Serial Number field** will show the **VIN** number of the vehicle.
- The **Tag Number field** will show the **License Plate** number on the vehicle.
- **Description Field Two** will represent the **Gross Vehicle Weight** of the vehicle.
- **Description Field Three** will represent the **Fuel Type** of the vehicle.
- **Description Field Four** will show if the vehicle is a **take home** vehicle. If the vehicle is not a take home vehicle this field will remain blank.
- **Description Field Five** will represent the **Class** of the vehicle determined by the insurance.



Explanation of the required fields

- **Surface Area** – the three digit county code can be found on the County Code spreadsheet on page ##. The county code is where the vehicle is assigned. Please enter this as a three digit number.
- **Manufacturer** – Ford, Chevy, etc
- **Model Number** – Taurus, Impala, etc
- **Plat Number** – Year the vehicle was produced
- **Serial Number** – Vehicle Identification Number (VIN)
- **Tag Number** – License Plate number on the vehicle.
- **Description 2** – Gross vehicle weight of the vehicle (GVW). Please do not include any decimals or commas.
- **Description 3** – Fuel type - gas, diesel, multi fuel, electric
- **Description 4** – Indicate whether the vehicle is a take home vehicle that does not have to be parked in a designated area over night. **If the vehicle is <u>not</u> a take home vehicle leave this field blank.**
- **Description 5** – Insurance Class. When entering information for this field please type the word "CLASS" and use the numeral to indicate the class, 1, 2, 3, 4, etc., with no dashes CLASS 1. For questions on insurance contact the Department of Insurance.

Insurance Classification

Class	Vehicle Type
1	Private Passenger (4 wheel auto of the private passenger or station wagon type with a seating capacity of 8 passengers or less.
2	Vans or buses with a seating capacity of (9-20)
3	Buses with a seating capacity of (21-60)
4	Buses with a seating capacity over 60
5	Light Trucks (GVW of 10,000 pounds or less)
6	Medium Trucks (GVW of 10,001-20,000 pounds)
7	Heavy Trucks (GVW 20,001-45,000 pounds)
8	Extra Heavy Trucks (GVW over 45,001 pounds)
9	Heavy Truck Tractors (equipped with 5th wheel coupling device for semi trailers. (GVW 45,000 pounds or less)
13	Enforcement vehicles - CVE & NOT fitted for pursuit (other than State Police)
13A	Enforcement vehicles - fitted for pursuit (Not State Police)
15	All other **Kentucky State Police** units, other than as described in Class 13 or 15a
15A	**Kentucky State Police** units assigned for regular patrol that could be used in pursuit

Reporting

The Division of Statewide Accounting Services has provided a report of the vehicles for each agency in infoAdvantage. To retrieve the report, follow these steps:

1. Log into eMARS and click **Page Search** in the secondary navigation panel.
2. Select infoAdvantage.
3. Select My Favorites, Public Folders, eMARS Financial, Statewide Reports and Fixed Asset Reports.
4. Select **Fixed Assets – Vehicles** report. Enter your department number. The report is updated nightly.

County Codes

Adair	**001**	Grant	**041**	Mason	**081**
Allen	**002**	Graves	**042**	Meade	**082**
Anderson	**003**	Grayson	**043**	Menifee	**083**
Ballard	**004**	Green	**044**	Mercer	**084**
Barren	**005**	Greenup	**045**	Metcalfe	**085**
Bath	**006**	Hancock	**046**	Monroe	**086**
Bell	**007**	Hardin	**047**	Montgomery	**087**
Boone	**008**	Harlan	**048**	Morgan	**088**
Bourbon	**009**	Harrison	**049**	Muhlenberg	**089**
Boyd	**010**	Hart	**050**	Nelson	**090**
Boyle	**011**	Henderson	**051**	Nicholas	**091**
Bracken	**012**	Henry	**052**	Ohio	**092**
Breathitt	**013**	Hickman	**053**	Oldham	**093**
Breckinridge	**014**	Hopkins	**054**	Owen	**094**
Bullitt	**015**	Jackson	**055**	Owsley	**095**
Butler	**016**	Jefferson	**056**	Pendleton	**096**
Caldwell	**017**	Jessamine	**057**	Perry	**097**
Calloway	**018**	Johnson	**058**	Pike	**098**
Campbell	**019**	Kenton	**059**	Powell	**099**
Carlisle	**020**	Knott	**060**	Pulaski	**100**
Carroll	**021**	Knox	**061**	Robertson	**101**
Carter	**022**	Larue	**062**	Rockcastle	**102**
Casey	**023**	Laurel	**063**	Rowan	**103**
Christian	**024**	Lawrence	**064**	Russell	**104**
Clark	**025**	Lee	**065**	Scott	**105**
Clay	**026**	Leslie	**066**	Shelby	**106**
Clinton	**027**	Letcher	**067**	Simpson	**107**
Crittenden	**028**	Lewis	**068**	Spencer	**108**
Cumberland	**029**	Lincoln	**069**	Taylor	**109**
Daviess	**030**	Livingston	**070**	Todd	**110**
Edmonson	**031**	Logan	**071**	Trigg	**111**
Elliott	**032**	Lyon	**072**	Trimble	**112**
Estill	**033**	McCracken	**073**	Union	**113**
Fayette	**034**	McCreary	**074**	Warren	**114**
Fleming	**035**	McLean	**075**	Washington	**115**
Floyd	**036**	Madison	**076**	Wayne	**116**
Franklin	**037**	Magoffin	**077**	Webster	**117**
Fulton	**038**	Marion	**078**	Whitley	**118**
Gallatin	**039**	Marshall	**079**	Wolfe	**119**
Garrard	**040**	Martin	**080**	Woodford	**120**

NOTE: Please enter the county code in the "Surface Area" field of the component line with the 3 digit format.