CAYMAN ISLANDS GOVERNMENT

IRIS FA 101:

INTRODUCTION TO IRIS FIXED ASSETS

INSTRUCTOR: INGRID POWELL

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COURSE OUTLINE

Course Objective:

- To understand the 3 different asset types and the 3 processes of adding assets to the system
- Identifying the correct asset clearing account to be used for the different asset types

Audience:

- Fixed Assets Users

Prerequisites

- Be a Government Employee
- IRIS 101 IRIS Navigation Course
- IRIS PO101 Purchasing Beginners
- IRIS PO505 Purchasing Intermediate
- IRIS AP101 Accounts Payable Beginners
- IRIS AP505 Accounts Payable Intermediate

Course Outline:

- Enter 3 types of Assets
  - Attractive
  - Fixed Asset
  - Construction in Progress (CIP)
- Add assets 3 processes
  - Quick Additions,
  - Additions
  - Mass Additions

Multiple Choice Mini Test

- This will be an opportunity for the attendee to evaluate the skills learned in this course and assess if their objectives have been met.

Next Recommended Course:

- FA 505 Fixed Assets Intermediate is the next course recommended

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1   ASSETS

An asset can be defined as an item of economic value that is expected to yield a benefit to the owning entity in the future periods. If n expenditure is instead consumed with the current period, it will be classified as an expense.

2   ASSET TYPES

There are 3 valid asset types currently being used by CIG. Below are the characteristics:

2.1   CAPITALIZED ASSETS

   i.   Items that has a value $1000 or more (e.g. Land, Building, Vehicles)
  ii.   Usually included on the balance sheet
 iii.   Assets that usually depreciates with exception of Land
 iv.   Automatically tracked in the Fixed Asset Register when charged to 17020 GL clearing account
  v.   Assigned to FA Major categories 01 to 20 and minor categories relating to the major categories

2.2   ATTRACTIVE ASSETS

   i.   An expense item has value of less than $1000 (e.g. Monitors, Mobile phones or other handheld devices)
  ii.   Items that do **NOT** depreciate, the entire cost is charged in a single period to an expense account.
 iii.   Charged to GL Expense account 51086
 iv.   Must be manually selected in AP to be tracked as an Asset
  v.   Assigned to FA categories 99 and minor categories relating to the major category

2.3   CIP (CONSTRUCTION IN PROCESS)

   i.   Unfinished asset being built, not yet in use and not yet depreciating
  ii.   An asset that does not depreciate until it is Capitalized
 iii.   Automatically tracked in Fixed Asset Register when Charged to the GL account 17021 clearing account
 iv.   Coded to an asset cost account and deprecation account when capitalized and Placed in Service
  v.   Assigned to FA Major categories 01-20 and minor categories relating to the major categories being used to construct the project
 vi.   Assigned to a Project Number (Asset Key) at all times

3   PROCESSES OF ADDING ASSETS

There are 3 processes to enter assets and each process will be described below:

3.1   QUICK ADDITIONS

Assets added through the Quick additions window should only be entered manually when assets have not been added through Mass Additions process. You can enter minimal information in the Quick Additions window, and the remaining asset information defaults from the asset category, book, and the date placed in service.

Step 1.   Navigator- Fixed Asset Manager→Assets→Asset Workbench

Step 2.   Choose Quick Additions

Step 3.   Change Asset type to CIP, Capitalized or Expensed

Step 4.   Enter Description (prefixed with cost center)

Step 5.   Enter Asset Category

Step 6.   Enter Asset Key (should be 000000 unless its CIP)

Step 7.   Units will default to 1 can be changed if need be.

Step 8.   Select CIG as your Book

Step 9.   Enter Cost

Step 10.   Optionally, update Date in Service

Step 11.   Optionally, Assign Asset to an Employee (or leave blank)

Step 12.   Enter expense account (expense account will default based on asset category)
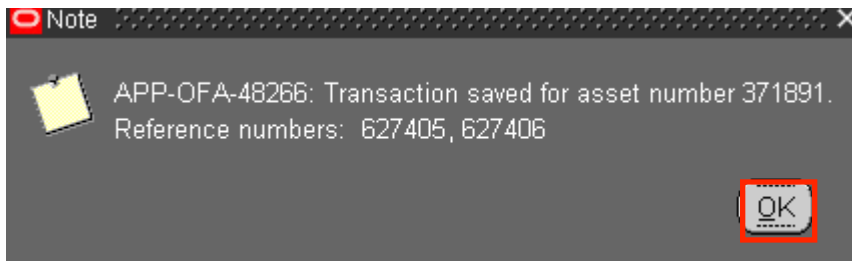
Step 13.   Enter Location and Post (post can be None)

Step 14.   Choose Done

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Step 15.   Once your work has been has been saved a note will be appear stating your asset number

Step 16.   Choose OK

3.2   DETAIL ADDITIONS

Use the Detail Additions process to manually add complex assets which the Quick Additions process does not handle:

- Assets that have a salvage value
- Assets with more than one assignment
- Assets with than one source line
- Asset to which the category default depreciation rules do not apply
- Subcomponent assets
- Leased assets and leasehold improvements

Below are steps to add assets using the Detail Additions process:

Step 1.   Navigator- Fixed Asset Manager→Assets→Asset Workbench

Step 2.   Choose Additions

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Step 3.   Enter Asset Description

Step 4.   Change Asset type (If not Capitalized)

Step 5.   Enter Asset Category (list of values available)

Step 6.   Enter Asset Key (should 00000 unless its project)

Step 7.   Enter number of Units

Step 8.   If you are adding a subcomponent asset, enter the Parent Asset number.

Step 9.   Choose whether to include the asset in physical inventory comparisons. By default, the In Physical Inventory check box is set according to the asset category you specified, but you can override that value here.

Step 10. Enter additional information such as whether the asset is owned and New or Used

Step 11.   Choose Continue

Step 12.   Optionally, Choose Source lines to enter purchasing information such as Supplier
        Name and Purchase Order number relating for the asset

Step 13.   Assign asset to corporate depreciation Book CIG

Step 14.   Enter Current Cost

Step 15.   Optional – Enter Salvage Value

Step 16.   Update Assets Date in Service

Step 17.   Indicate whether you want to depreciate the asset

Step 18.   Choose Continue to enter Assignment Details for your asset
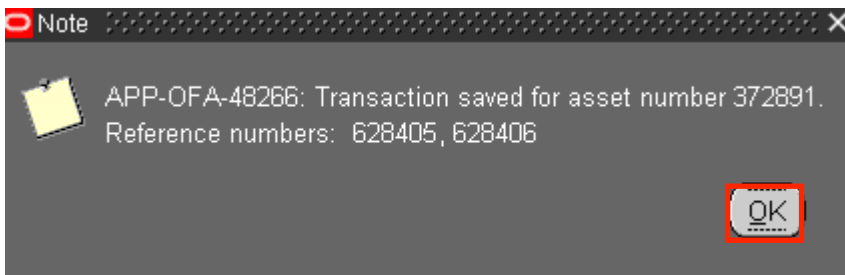
Step 19.   Enter expense account details (Expense account defaults from asset category selected)

Step 20.   Enter location name and post

Step 21.   Choose Done

Step 22. Once work has been saved the system automatically generates an asset number as shown below.

Step 23. Choose OK

3.3   MASS ADDITIONS

The mass additions process lets you add new assets or cost adjustment from other systems to your system automatically without reentering the data. For example, you can add new assets from Invoice Lines brought from Oracle Payables to Oracle Assets. The Create Mass Additions for Oracle Assets sends valid invoice line distributions and associated discounts from payables to an interface table in Oracle Assets. Then you review them in the Asset Module to determine whether to create assets from the lines.

Below are the steps of creating the different types of assets using the mass addition process:
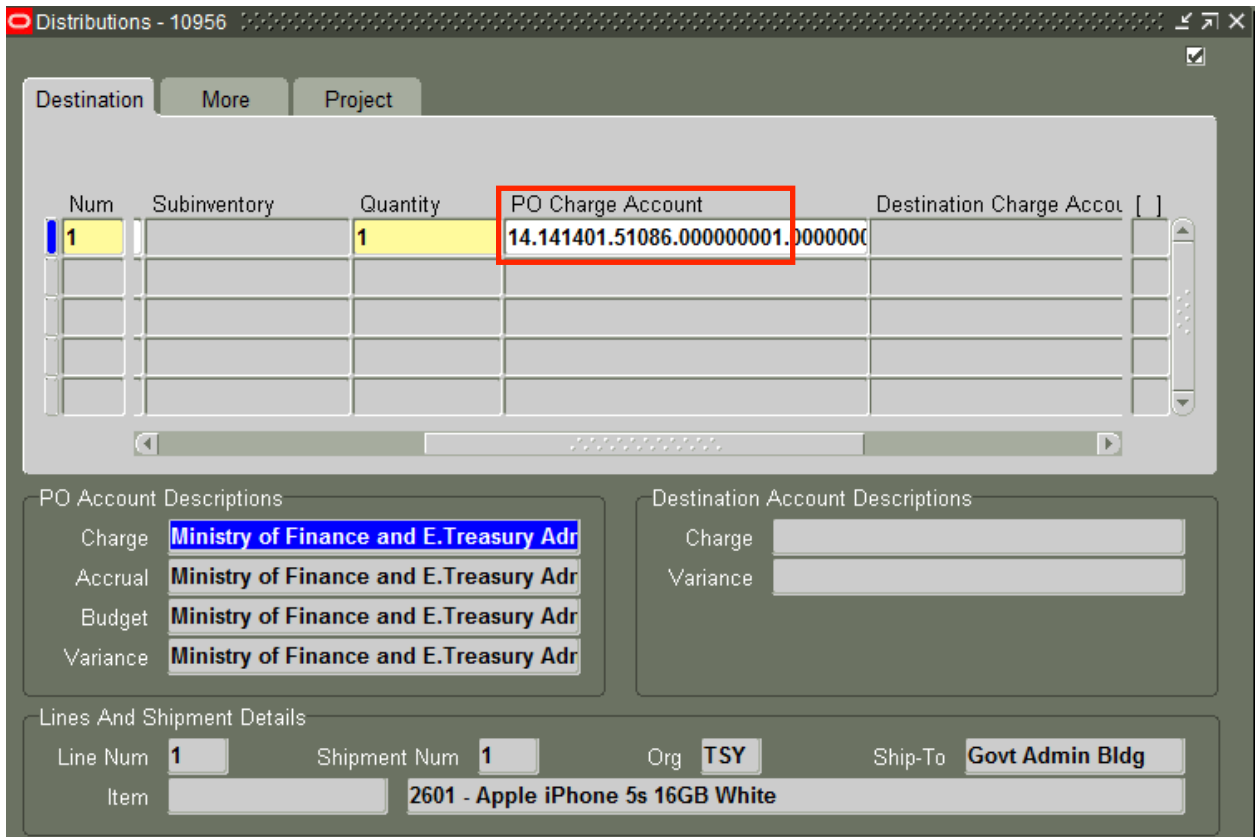
3.3.1 CREATING AN ATTRACTIVE ASSET

Step 1.   Choose PO Buyer User type/ Responsibility

Step 2.   Create purchase order for an attractive asset

Note: Ensure Asset Description is **prefixed** with **cost center** as shown in the below screen shot
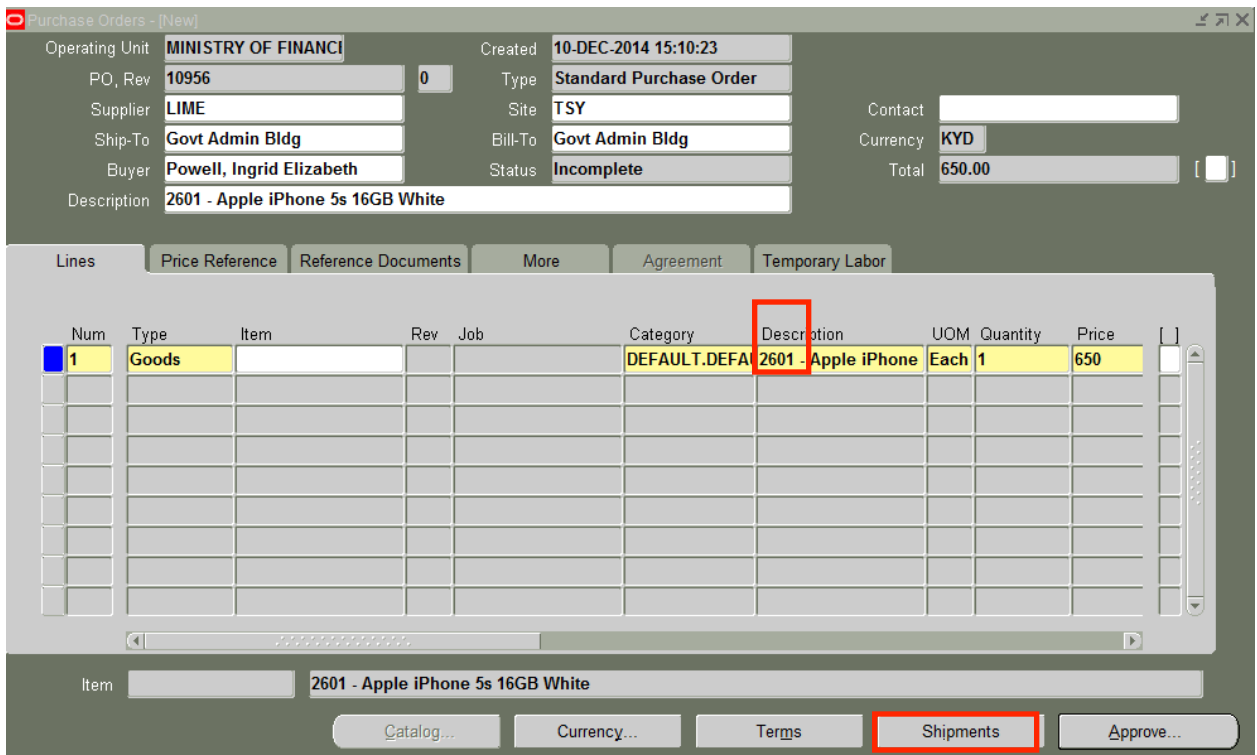
Step 3.   Choose Shipments

Step 4.   Choose Distributions

Step 5.   Enter expense account and Category

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Step 6.   Save work

Step 7.   Approve Purchase Order

Step 8.   Switch Responsibilities to your CIG PO Receiver

Step 9.   Receipt items on purchase order

Step 10. Enter AP Invoice Batch details

Step 11. Match PO Receipt to Invoice

Step 12. Choose lines tab and scroll across click in "Track as Asset" checkbox
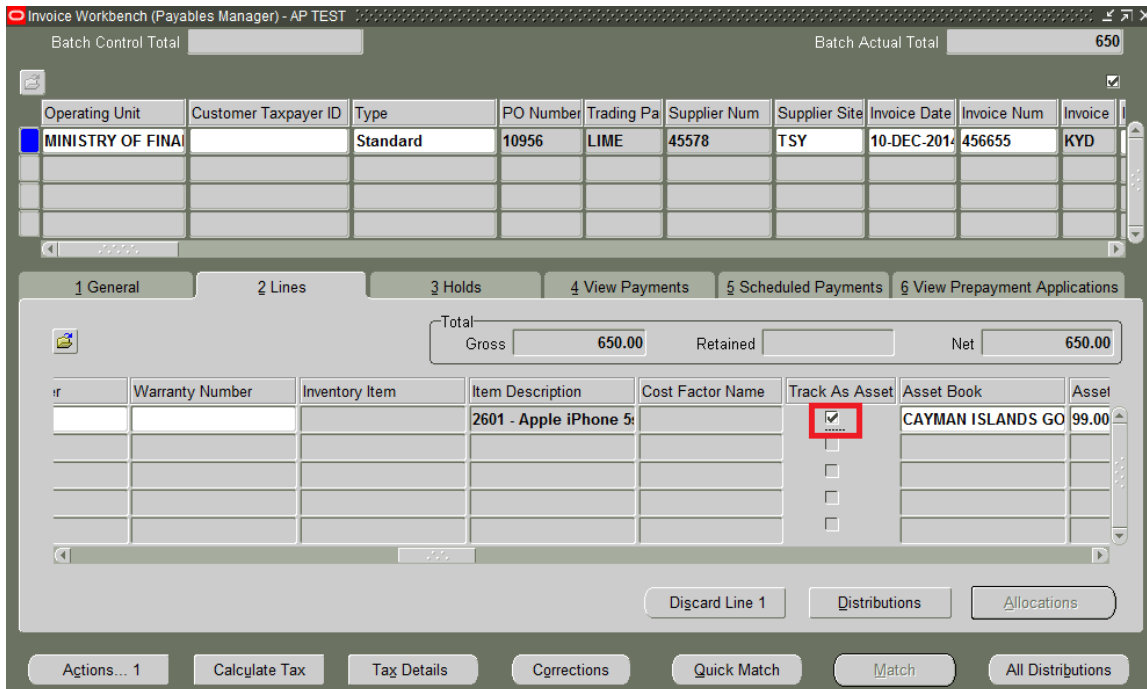
Step 13.   Choose Save

Step 14.   Validate Invoice Batch

Note: Create Accounting and Create Mass Additions processes must be completed for assets details to be transferred to Mass additions tables.

3.3.2 CREATING A FIXED ASSET

Step 1.   Choose PO Buyer User type/Responsibility

Step 2.   Create PO. Ensure Description is prefixed with department cost center

Step 3.   Choose Distributions

Step 4.   Enter account code combination using 17020 which is Mass additions clearing

Step 5.   Approve and Print PO

Step 6.   Receipt Purchase order using your PO Receiver User type/responsibility

Step 7.   Create invoice batch using you AP Manager User type/responsibility

Step 8.   Match PO Receipt to Invoice.

Note: By matching the receipt to the Invoice the **<u>Track as Asset</u>** will automatically be selected. If your Invoice is Non-PO Related, the Track as Asset option must be manually selected in the invoice distributions window.

Step 9.   Validate Invoice batch for payment

3.3.3 CREATING A CONSTRUCTION IN PROCESS (CIP) ASSET

A Construction-In-Process (CIP) asset is an asset you construct over a period of time. You create and maintain your CIP assets as you spend money on raw materials and labor to construct them. When you finish building the CIP asset, you can place it in service and begin depreciating it. You can track CIP assets in Oracle Assets by using Asset Key field which is used to track CIP assets identifying information, such as project name and project number that you define for each CIP asset.

Note: Before Preparing Mass Additions, manually create a **<u>CIP Parent asset</u>** (shell) to add an acquired asset that's needed to construct the CIP asset.

Creating a CIP Parent Asset

Step 1.   Choose FA Manager User Type/Responsibility

Step 2.   Navigator – Asset Workbench

Step 3.   Quick Additions

Step 4.   Enter Asset type CIP

Step 5.   Enter Asset Description

Step 6.   Enter Asset Category

Step 7.   Enter Asset key(must be project code as it's a CIP)

Step 8.   Enter Assignment details such as Employee name (if necessary) and Expensed Account and project code.

Step 9.   Enter location

Step 10.   Choose Done

Step 11.   A note will appear will appear indicating the system generated asset number

Step 12.   Choose OK
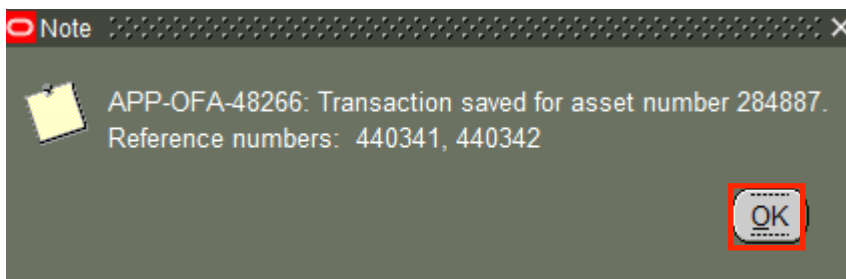
Note: When creating a PO for a CIP asset ensure you select the CIP Clearing Account #17021and the respective Project Code when entering the Charge Account code combination in the Shipments window.

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Step 1.   Choose PO Buyer User type/ Responsibility

Step 2.   Create Purchase Order; ensure the description for raw materials purchased to create the CIP Asset are prefixed with your cost center.

Step 3.   Choose Shipments
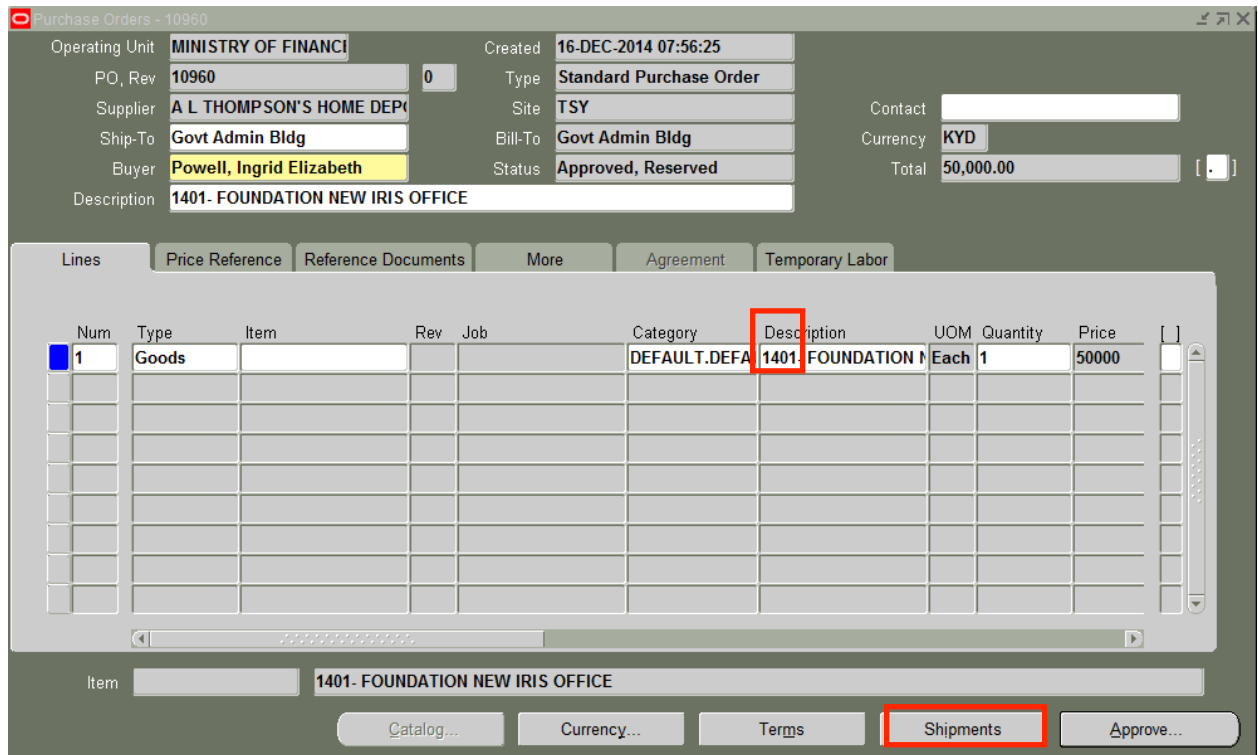
Step 4.   Choose Distributions

Step 5.   Enter Charge account code combination using CIP Mass additions clearing account 17021. A Project code must be assigned. (e.g. TSY00001 - Treasury)

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Step 6.   Choose OK

Step 7.   Approve and Print Purchase Order

Step 8.   Choose PO Receiver User type/Responsibility to receipt goods

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Step 9.   Choose AP Manager to Create Invoice batch

Step 10.   Enter Invoice Details

Step 11.   Match PO to Receipt

Step 12.   Actions and Validate
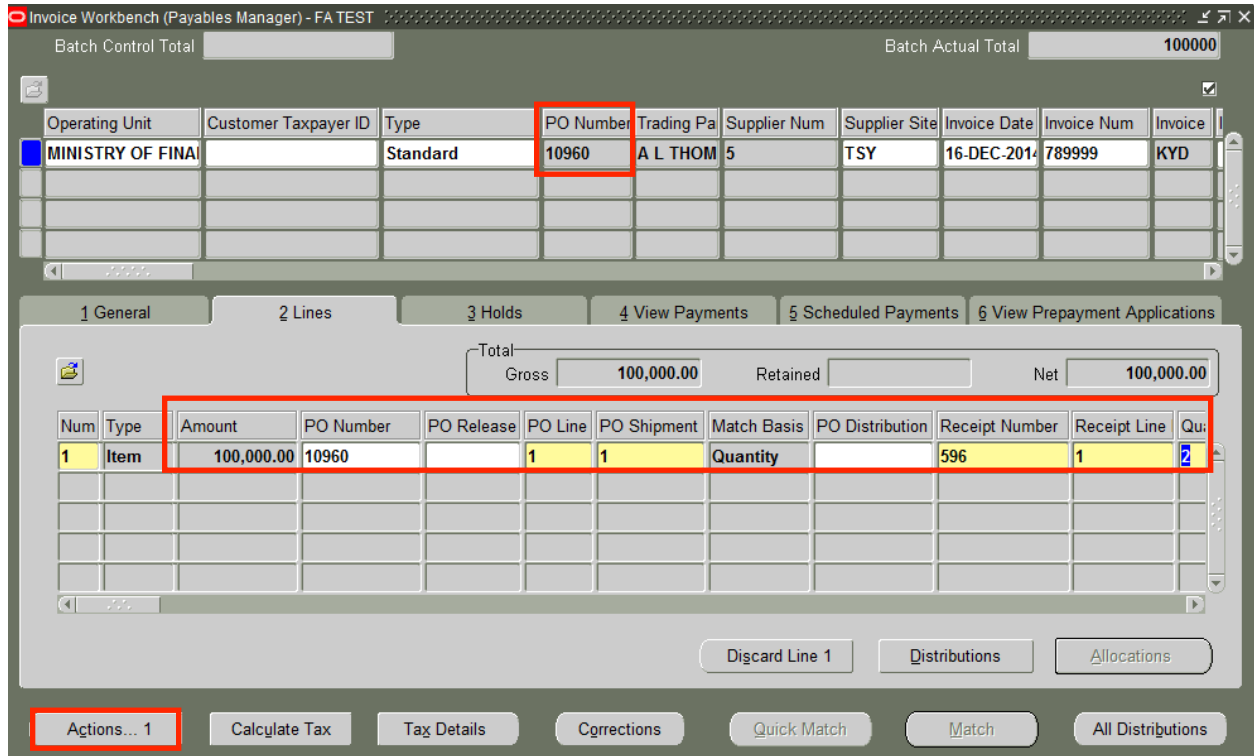

Note: By matching the Receipt to the Invoice, the AP accrual account **20160** will default in the distributions window, and the Track-As-Asset check box will automatically be selected causing the CIP lines to be transferred to the Mass Additions Table after the Create Accounting (AP/GL Transfer) and Mass Additions Create processes are complete.

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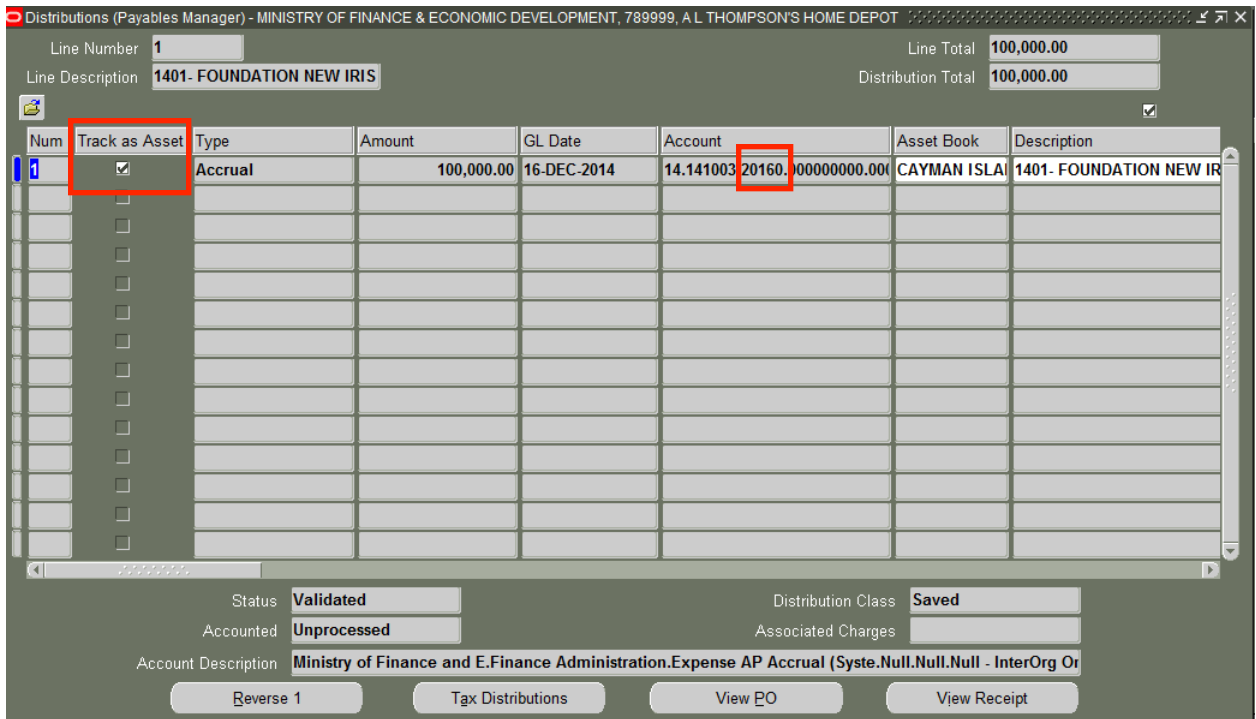
> **Note:** The CIP asset description entered at the PO level will automatically default in the AP Description flex field in the Distributions window, when the PO Receipt has been matched to the Invoice, as shown above.

For any Non- PO related Invoices created, enter the CIP cost clearing account 17021 and project code manually in the in the AP distributions windows as shown below. Once again the Track as Again will automatically be selected which cause the CIP lines to be transferred to FA Mass additions table once AP transfer to GL and Mass addition Create processes have completed successfully.

Step 1.   Enter AP invoice details such as supplier, site, and amount for CIP asset

Step 2.   Ensure Description is prefixed with Cost Center

Step 3.   Enter correct Fixed Asset clearing account and project code

Step 4.   Choose OK
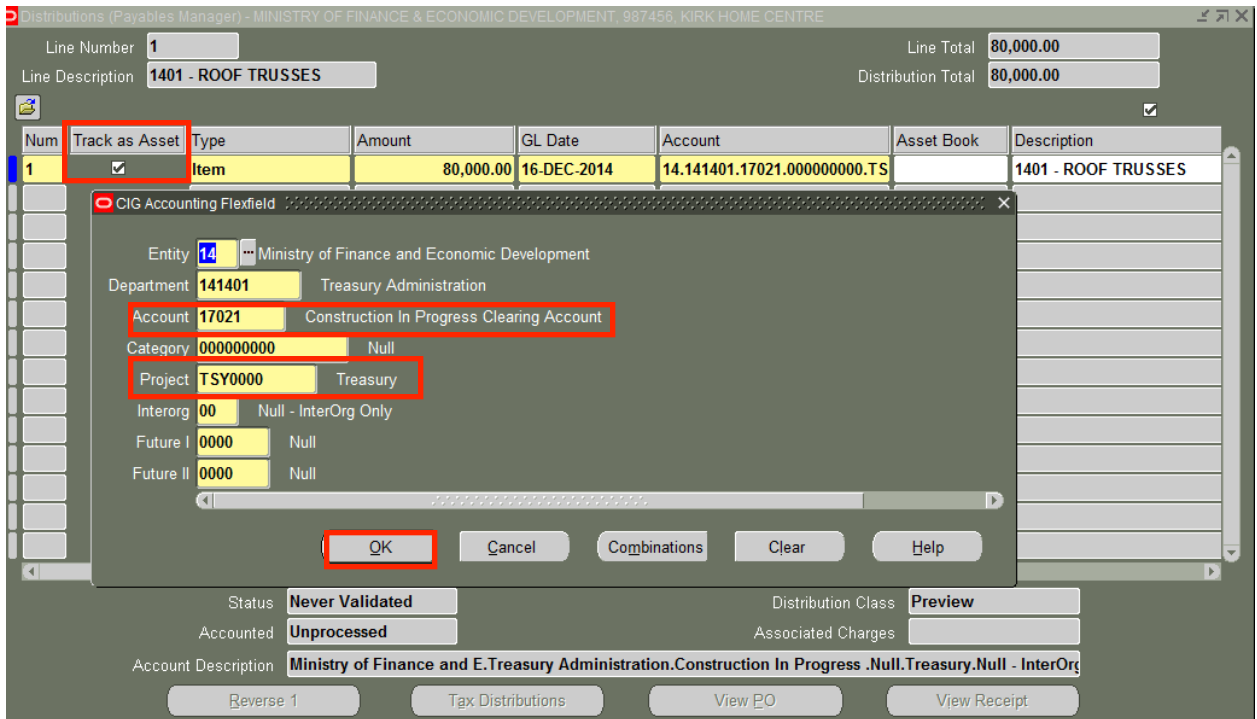
Step 5.   Approve Invoice Batch

Step 6.   Create AP payment for supplier

Note: Mass Additions Create process is scheduled to run once every day

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