EERP Capital Asset Discrepancy Report

Office of Education Technology: Division of School Technology Services

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Introduction

The Capital Asset Discrepancy Report generates a report of capital assets that have discrepancies between the amounts on the capital asset and the actual amounts posted to the general ledger. was developed to identify the following discrepancies on both active and retired assets:

1. The amount of the acquisition cost field on the Capital Asset does not agree with the sum of the GL postings for the asset acquisition cost.

2. The amount of the LTD Accumulated Depreciation field on the Capital Asset does not agree with the sum of the GL postings for accumulated depreciation.

3. Retired assets appear when the net total of general ledger transactions to either type 1 accounts (acquisition), or type 6 accounts (accumulated depreciation) does not equal zero.

To assist in balancing and identifying discrepancies, do NOT post assets, retirements, or adjustments for the new fiscal year until the prior fiscal year-end process and audit have been completed. New assets can be entered in the New Assets program but NOT posted. Once the audit is completed you may then proceed to post the new assets. **Caution should be taken when fixing discrepancies from prior years. It is suggested you speak with your auditor before making any adjustments to old assets that have been retired.**

Processing the Report

Select:
Financials > Capital Assets > Inquiries and Reports >Discrepancy Report

1. Select the **Define** button and the Fiscal year will default to the current fiscal year.

2. Select **Active** status from the drop-down box, select **Include GL detail,** and choose **Accept.**

3. Select the **Process** button. Depending on the number of assets in your district's database the report may take several minutes to run. If no discrepancies were found, at the bottom of the screen a message will display indicating that no discrepancies were found.

4. Select the output methods to review the report. An example of the GL detail report is located at the end of this document.

5. After the first report has run for **Active** status assets return and process the report for **Retired** status assets. You may also elect to run both **Active and Retired** at the same time.

6. Each discrepancy should be researched, and steps should be taken to correct each discrepancy if necessary. After all the discrepancies have been corrected, return to step 1 and rerun the report to ensure no more discrepancies remain.

Discrepancy Corrections

This section summarizes some possible solutions to the example report located in Appendix A. In the **Adjustments and Retirement** program or **Asset Inquiry,** users should select the Financial tab and then Transactions to review transactions to help determine the discrepancy. The Asset History by GL Account is also helpful in researching discrepancies when the report is run in detail for the asset in question.

Example #1

The acquisition amount has been incorrectly adjusted on the capital asset by manually changing the amount in the acquisition cost field. One way to identify this is the **Acquisition Cost** field differs from the **Depreciation principal** field. Please remember to review Transactions before making any changes to ensure this is indeed the problem.

1. In the Adjustments and Retirement program select **Search** and enter the asset number from the discrepancy report.

2. Click **Update** and enter the original acquisition cost (Example: 12,187,161.52) in the **Acquistion cost** field. Click **Accept** to save changes. The amount in the **Depreciation Principal** and **Acquisition cost** field should equal the total amount posted to the Type-1 Asset Account object code (62*1).

Note: Users should <u>NEVER</u> choose to update the Acquisition cost or Depreciation Principal field manually unless it is being done to correct a previous manual entry that caused the discrepancy.

Example #2

Capital Asset General Journal Entries were entered for the asset which caused the sum of the GL postings to differ from the acquisition amount on the capital asset record. In addition, a discrepancy between the amount of LTD depreciation processed and reflected on the fixed asset does not equal the sum of the GL postings for depreciation.

By running the Capital Asset Discrepancy report and selecting "Include GL Detail", it is apparent the out of balance situation occurred when journal entry 25 was posted (example located in Appendix). This example can easily be corrected by entering another FA General Journal Entry and reversing JE 25. *If the acquisition cost needs to be modified it should be done by completing an adjustment in the Adjustments & Retirements program*.

Example #3

Retired asset discrepancies can arise when the sum of the capital asset transaction history records for Type 1 accounts (Asset Account) or Type 6 accounts (Accumulated Depreciation) do not equal zero. When an asset is retired both account types should net to zero. **Caution should be taken when fixing discrepancies from prior years. It is suggested you speak with your auditor before making any adjustments to old assets that have been retired.**

By running the Capital Asset Discrepancy report and selecting "Include GL Detail", it is apparent the out of balance situation occurred when journal entry 26 was posted (highlighted below). This example can easily be corrected by entering another FA General Journal Entry and reversing JE 26.

Additional Possible Discrepancies

Some additional things to look for that may cause a discrepancy to be reported.

- Double posting of retirement (FAR) journals.

- The sum of GL postings for Retired status items should equal zero.

- Active assets with FAR journal posting. Should the asset status be retired if a retirement journal was posted or was the retirement posted in error?

Discrepancies Not Identified

- Assets with Class codes in wrong account balances. (Example: Class "30 – Technology Equipment" with balances in 6251 or 6252 – General Equipment)

- Assets with G (governmental) or P (propriety) type in the wrong fund (org code). (Example: "G" type balances in fund 81 or "P" in fund 8)

Appendix A - GL Detail Report Example


```
03/29/2010 14:25    OET TEST DATABASE V7.5                                            PG      1
klambkde            FIXED ASSET DISCREPANCY REPORT                                    fadiscrp

ACTIVE ASSET DISCREPANCY REPORT FOR YEAR 2010
```

Amount on FA Master. Acquisition cost amount was improperly changed manually on FA Master causing the difference.

```
ASSET       STAT  CLS  DESCRIPTION          AMT TYPE          ASSET AMOUNT    SUM OF GL POSTINGS    DIFFERENCE
10122       A     50   POSTER PRINTER       ACQ COST             3,000.00             3,234.00       -234.00
   GL DETAIL:
                         ACCOUNT            JOURNAL    YEAR/PER   SRC    D/C          AMOUNT
                         80     -6251   -        36    2002/13    FAA     D          3,234.00
```

Example #1

```
ASSET       STAT  CLS  DESCRIPTION          AMT TYPE          ASSET AMOUNT    SUM OF GL POSTINGS    DIFFERENCE
11413       A     30   KETS TECHNOLOGY      ACQ COST             1,419.00             1,389.00         30.00
   GL DETAIL:
                         ACCOUNT            JOURNAL    YEAR/PER   SRC    D/C          AMOUNT
                         80     -6231   -       283    2006/12    FAA     D          1,419.00
                         80     -6241   -        14    2010/09    FAN     D            100.00
                         80     -6241   -        14    2010/09    FAN     D            100.00
                         80     -6241   -        16    2010/09    FAN     C           -100.00
                         80     -6241   -        23    2010/09    FAN     C           -100.00
                         80     -6241   -        25    2010/09    FAN     C            -30.00
```

Example #2

```
ASSET       STAT  CLS  DESCRIPTION          AMT TYPE          ASSET AMOUNT    SUM OF GL POSTINGS    DIFFERENCE
11413       A     30   KETS TECHNOLOGY      LTD DEPR             1,087.90             1,057.90         30.00
   GL DETAIL:
                         ACCOUNT            JOURNAL    YEAR/PER   SRC    D/C          AMOUNT
                         80     -6232   -       284    2006/12    FAD     C            236.50
                         80     -6232   -       158    2007/12    FAD     C            283.80
                         80     -6232   -        42    2008/13    FAD     C            283.80
                         80     -6232   -       270    2009/12    FAD     C            283.80
                         80     -6232   -        14    2010/09    FAN     C            100.00
                         80     -6232   -        14    2010/09    FAN     C            100.00
                         80     -6232   -        16    2010/09    FAN     D           -100.00
                         80     -6232   -        23    2010/09    FAN     D           -100.00
                         80     -6232   -        25    2010/09    FAN     D            -30.00
```

Sum of postings from multiple FAN entries caused a difference in the GL postings from the original activation amount displayed on FA Master.

LTD Depreciation amount on the FA Master. The $30 difference is a result of the sum of depreciation processing and manual FAN postings to Accumulated Deprecation accounts. This caused a difference between the LTD amount on the FA Master and GL amounts for LTD Depreciation.

```
03/29/2010 14:25    |OET TEST DATABASE V7.5
klambkde            |FIXED ASSET DISCREPANCY REPORT

RETIRED ASSET DISCREPANCY REPORT FOR YEAR 2010


ASSET        STAT  CLS  DESCRIPTION                    AMT TYPE          ASSET AMOUNT    SUM OF GL POSTINGS
10001        R     30   COMPUTER SYSTEM                ACQ COST             1,144.00               -71.00       Example
   GL DETAIL:                                                                                                     #3
                         ACCOUNT                       JOURNAL   YEAR/PER  SRC  D/C              AMOUNT
                         80      -6231  -                  36    2002/13   FAA   D              1,144.00
                         80      -6231  -                 156    2008/11   FAR   C             -1,144.00
                         80      -6241  -                  26    2010/09   FAN   C                -71.00

ASSET        STAT  CLS  DESCRIPTION                    AMT TYPE          ASSET AMOUNT    SUM OF GL POSTINGS
10001        R     30   COMPUTER SYSTEM                LTD DEPR             1,144.00               -71.00
   GL DETAIL:
                         ACCOUNT                       JOURNAL   YEAR/PER  SRC  D/C              AMOUNT
                         80      -6232  -                  37    2002/13   FAD   C                114.42
                         80      -6232  -                  97    2003/12   FAD   C                228.84
                         80      -6232  -                  26    2004/01   FAD   C                 19.07
                         80      -6232  -                  19    2004/02   FAD   C                 19.07
                         80      -6232  -                  40    2004/03   FAD   C                 19.07
                         80      -6232  -                  29    2004/04   FAD   C                 19.06
                         80      -6232  -                  25    2004/05   FAD   C                 19.07
                         80      -6232  -                  32    2004/07   FAD   C                 19.06
                         80      -6232  -                  36    2004/08   FAD   C                 19.07
                         80      -6232  -                  57    2004/09   FAD   C                 19.06
                         80      -6232  -                  47    2004/10   FAD   C                 19.07
                         80      -6232  -                  29    2004/11   FAD   C                 19.06
                         80      -6232  -                  55    2004/12   FAD   C                 19.07
                         80      -6232  -                  45    2006/01   FAD   C                247.78
                         80      -6232  -                 284    2006/12   FAD   C                228.82
                         80      -6232  -                 158    2007/12   FAD   C                114.41
                         80      -6232  -                 156    2008/11   FAR   D             -1,144.00
                         80      -6232  -                  26    2010/09   FAN   D                -71.00

                 ** END OF REPORT - Generated by Kristin Lambert - KDE **
```

Both discrepancies occurred because the sum of the activation or depreciation postings do not equal zero on the retired asset. For LTD Depreciation discrepancies, the number could either be a positive amount (most likely not enough depreciation was taken) or a negative amount (most likely too much depreciation taken). Users can choose to view GL Detail on the report to help identify where the discrepancy occurred.