

Asset Management Overview of Changes

Changes effective July 1, 2013

Capitalization Threshold:

Equipment threshold increasing from \$2,500 to \$5,000

All purchases that would have been capital under the old threshold (between \$2,500 and \$4,999), must be recorded to 7501xx – Noncapital Equipment

F&A cost holiday – For active awards with a start date prior to January 1, 2014, F&A expenses on purchases that would have been capital under old threshold (\$2,500 to \$4,999) will be reversed daily if the item is correctly expensed using the Noncapital Equipment account code. The automatic reversal of F&A on those awards will expire on 6/30/15.

Capital asset purchases:

The following transactions will occur at the departmental level:

- Assets will be recorded to departmental chartstring when vouchered
- Proceeds from sales of an asset will be recorded to the department chartstring when deposited

The following transactions will occur at the central level:

- Capitalization
- Depreciation
- Retirements
- Loss

What does this mean to departments: The only capital transactions that will be recorded to your chartstring and appear on the reports are the purchase and any proceeds from a sale.

New Accounts for capital assets:

- 850101 – Capital Asset - Purchases
- 850102 – Capital Asset - Capitalization clearing (will be recorded at central level)
- 850103 – Capital Asset - Deposits from sale
- 850104 – Capital Asset - Fabrication purchases
- 850105 – Capital Asset - Fabrication clearing (will be recorded at central level)