

Asset Management Training Series

(Part 3)

Asset Management Reconciliation

October 11, 2012

Agenda

- Wimba Ground Rules
- Review of Key Points from Sessions 1 and 2
- Reconciliation
 - Overview
 - Common Issues and Causes
 - Tools to identify outages
- Additional Resources
- Q & A

Wimba Ground Rules

- Submit questions via the chat box to “Main Room”
- We may hold some questions to the end of the session

Auditor Feedback

(AM Recon WIMBA I Highlights)

- It is expected that the AM module and Capital Ledger will be in sync
- Reconciling Items are acceptable
 - Provided they can be explained
 - Numbers should not change from year to year
- Prior year recon items do not require a DBI but must be documented by:
 - Asset id
 - Amount
 - Reason

Auditor Feedback

(AM Recon WIMBA I Highlights)

- Reconciliation items from current period/fiscal year can and should be corrected
 - Monthly reconciliation is suggested for immediate identification of differences.
 - This process prevents new reconciling items.

Basic AM and Beginner Reconciliation

(AM Recon WIMBA II Highlights)

- Basic AM tables:
 - A – **Asset**
 - A – **Asset Acquisition Detail**
 - B – **Book**
 - C – **Cost**
 - D – **Depreciation**

Basic AM and Beginner Reconciliation

(AM Recon WIMBA II Highlights)

- ***A – Asset***
 - Updated by Basic Add process; contains the asset’s physical information as well as profile id
- ***A – Asset Acquisition Detail***
 - Contains financial information such as chartfields, accounting date, and transaction date (becomes in service date)
- When the asset is capitalized, data from these tables is used to populate Book and Cost

Basic AM and Beginner Reconciliation

(AM Recon WIMBA II Highlights)

- ***B – Book***

- Populated when asset is capitalized; Contains useful life (from *profile id*) and in-service date, which are used when calculating DEPR and PDP

- ***C – Cost***

- Populated when asset is capitalized; Contains Cost of Asset, Category and Chartfields

- ***D – Depreciation***

- Populated by the Depreciation Calculation process
 - Depr Calc uses information from Book and Cost to create a depreciation schedule for assets with Open Pending transactions.

Basic AM and Beginner Reconciliation

(AM Recon WIMBA II Highlights)

- Month End processes:
 - Depreciation Calculation
 - Accounting Entry Creation
 - Depreciation Close
- The entries in the DIST_LN table come from:
 - **Accounting Entry Creation for:**
 - New asset transactions (ADD, ADJ, TRF, RECAT)
 - **Depreciation Close for:**
 - Creating monthly depr entries (DPR,PDP)

Basic AM and Beginner Reconciliation

(AM Recon WIMBA II Highlights)

- Session II also included information on:
 - How Cost Adjustments and Book Adjustment impact accounting entries
 - Reviewing open transactions to ensure they are correct before accounting entries are created
 - Monthly reconciliation and queries that support monthly reconciliation
- Information on how to access the prior Wimba sessions is included in a slide at the end of this presentation.

Reconciliation

- Multiple ways to reconcile but conceptually reconciliation consists of the following items:
 - DIST_LN entries are correct and complete –
 - this is what we commonly refer to as reconciling within the module.
 - DIST_LN matches JRNL_LN
 - JRNL_LN account balances match to both Capital Ledger account balances
 - Capital Ledger balances to Actuals Ledger

DIST_LN

- How do I know if DIST_LN is incorrect?
 - Compare **Projected/Calculated** Depr to **Actual** Depr
 - Calculated: $COST - DEPRECIATION = NBV$
Vs.
 - Actual: $COST (ADD/ADJ \text{ from } DIST_LN) - Depreciation (\text{real PDP/DEPR from } DIST_LN) = \text{actual NBV}$
- What tools are available to find discrepancies and related asset id(s)?

Comparing NBV to DIST_LN

- BQ Queries:
 - BOR_Depr_AM_Det_By_Period_BQ provides NBV data
 - BOR_Depr_AM_Dist_Ln_BQ provides Dist_Ln data
- Online pages:
 - **Asset Depreciation** - cost, accumulated depreciation and NBV by period and fiscal year
 - **Review Financial Entries** – accounting entries by period and fiscal year
- Create your own queries

Comparing NBV to DIST_LN

- Suggested Queries:
 - **BOR_AM_NBV_Compare** – account balance by asset (looks at NBV and DIST_LN)
 - requires loading of depr rept and NBV tables
 - Helps you identify outages in the AM module
 - **BOR_AM_LTD_SUMM** -- account level compare (looks at DIST_LN only)
 - **BOR_AM_LTD_Detail** – account balance by asset plus trans type, journal id, and acctg period (looks at DIST_LN only)

Why would DIST_LN be incorrect?

- Typically Dist_Ln is incorrect because of missing or incorrect Depreciation or Prior Period Depreciation.
 - Can be caused by incorrect in-service date
 - Conversion issues – some schools did not run Depr Close for initial conversion month
 - Failed to run Depr Close or for another month during the past few years.
 - Timing of adjustments relative to month end processes

Example – missing depreciation

Asset Depreciation Period Depreciation

Unit: Asset ID: 000000002 PLANT OPERATIONS Status: In Service

Book Find | View All First 2 of 2

Book Name: ENTERPRISE Enterprise Currency: USD

Get Period Depreciation

Expense Accum Year: 2002 Get Period Depr

[Depr. Accum Adjustment](#)

Period Depreciation										
Year	Period	Trans Type	Depreciation Amount	Fund	Dept	Program	Class	Project	Bud Ref	Category
2002	1	PDP	85960.42	52000	1099100				2002	BLDG
2002	1	DPR	252.08	52000	1099100				2002	BLDG
2002	2	DPR	252.08	52000	1099100				2002	BLDG
2002	3	DPR	252.08	52000	1099100				2002	BLDG
2002	4	DPR	252.08	52000	1099100				2002	BLDG
2002	5	DPR	252.08	52000	1099100				2002	BLDG
2002	6	DPR	252.08	52000	1099100				2002	BLDG
2002	7	DPR	252.08	52000	1099100				2002	BLDG
2002	8	DPR	252.08	52000	1099100				2002	BLDG
2002	9	DPR	252.08	52000	1099100				2002	BLDG
2002	10	DPR	252.08	52000	1099100				2002	BLDG
2002	11	DPR	252.08	52000	1099100				2002	BLDG
2002	12	DPR	252.12	52000	1099100				2002	BLDG



Example – missing depreciation

List **Detail**

Unit: Asset ID: 000000002 PLANT OPERATIONS Tag: In Service

Book Find | View A

Book Name: ENTERPRISE Enterprise Base Currency: USD

Customize | Find | View 100 |

Accounting Lines **Chartfields** Journal

Acctg Date	Trans Type	Account	Fund Code	Department	Program Code	Class Field	Project	Budget Reference	Amount
16 12/31/2001	DPR	162900	52000	1099100				2002	-252.08
17 01/31/2002	DPR	890100	52000	1099100				2002	252.08
18 01/31/2002	DPR	162900	52000	1099100				2002	-252.08
19 02/28/2002	DPR	890100	52000	1099100				2002	252.09
20 02/28/2002	DPR	162900	52000	1099100				2002	-252.09
21 03/31/2002	DPR	890100	52000	1099100				2002	252.08
22 03/31/2002	DPR	162900	52000	1099100				2002	-252.08
23 04/30/2002	DPR	162900	52000	1099100				2002	-252.08
24 04/30/2002	DPR	890100	52000	1099100				2002	252.08
25 05/31/2002	DPR	162900	52000	1099100				2002	-252.08
26 05/31/2002	DPR	890100	52000	1099100				2002	252.08
27 07/31/2002	DPR	890100	52000	1099100				2002	252.08
28 07/31/2002	DPR	162900	52000	1099100				2002	-252.08
29 08/31/2002	DPR	890100	52000	1099100				2002	252.09
30 08/31/2002	DPR	162900	52000	1099100				2002	-252.09

Example – incorrect depreciation

Asset | **Depreciation** | **Period Depreciation**

Unit: Asset ID: 000000001 Status: Disposed

Book Find | View All First 2 of 2

Book Name: ENTERPRISE Enterprise Currency: USD

Get Period Depreciation

Expense Accum Year: 2002 **Get Period Depr**

[Depr. Accum Adjustment](#)

Period Depreciation Customize | Find | First 1-13 of 13

Year	Period	Trans Type	Depreciation Amount	Fund	Dept	Program	Class	Project	Bud Ref	Category
2002	1	PDP	175.50	52000	1765060				2002	M&E
2002	1	DPR	87.75	52000	1765060				2002	M&E
2002	2	DPR	87.75	52000	1765060				2002	M&E
2002	3	DPR	87.75	52000	1765060				2002	M&E
2002	4	DPR	87.75	52000	1765060				2002	M&E
2002	5	DPR	87.75	52000	1765060				2002	M&E
2002	6	DPR	87.75	52000	1765060				2002	M&E
2002	7	DPR	87.75	52000	1765060				2002	M&E
2002	8	DPR	87.75	52000	1765060				2002	M&E
2002	9	DPR	87.75	52000	1765060				2002	M&E
2002	10	DPR	87.75	52000	1765060				2002	M&E
2002	11	DPR	87.75	52000	1765060				2002	M&E
2002	12	DPR	123.30	52000	1765060				2002	M&E



Example – incorrect depreciation

List **Detail**

Unit: Asset ID: 000000001 Tag: Disposed

Book Find | View All First 1 of 1 Last

Book Name: ENTERPRISE Enterprise Base Currency: USD

Customize | Find | View 100 | First 16-30 of 126 Last

Accounting Lines	Chartfields	Journal								
Acctg Date	Trans Type	Account	Fund Code	Department	Program Code	Class Field	Project	Budget Reference	Amount	Detail
16 12/31/2001	DPR	890100	52000	1765060				2002	87.75	Detail
17 04/30/2002	DPR	165900	52000	1765060				2002	-87.75	Detail
18 04/30/2002	DPR	890100	52000	1765060				2002	87.75	Detail
19 05/31/2002	DPR	165900	52000	1765060				2002	-87.75	Detail
20 05/31/2002	DPR	890100	52000	1765060				2002	87.75	Detail
21 06/30/2002	DPR	165900	52000	1765060				2002	-87.75	Detail
22 06/30/2002	DPR	890100	52000	1765060				2002	87.75	Detail
23 06/28/2002	ADJ	165000	52000	1765060				2002	1,671.00	Detail
24 06/28/2002	ADJ	843100	52000	1765060				2002	-1,671.00	Detail
25 07/31/2002	DPR	165900	52000	1765060				2002	-123.30	Detail
26 07/31/2002	DPR	890100	52000	1765060				2002	123.30	Detail
27 08/31/2002	DPR	165900	52000	1765060				2002	-123.31	Detail
28 08/31/2002	DPR	890100	52000	1765060				2002	123.31	Detail
29 09/30/2002	DPR	165900	52000	1765060				2002	-123.30	Detail
30 09/30/2002	DPR	890100	52000	1765060				2002	123.30	Detail

Example – missing PDP

Asset Depreciation **Period Depreciation**

Unit: Asset ID: 000000003 Status: Disposed

Book Find | View All First 1 of 2 Last

Book Name: ENTERPRISE Enterprise Currency: USD

Get Period Depreciation

Expense Accum Year: 2002

[Depr. Accum Adjustment](#)

Period Depreciation Customize Find First 1-2 of 2 Last											
Year	Period	Trans Type	Depreciation Amount	Fund	Dept	Program	Class	Project	Bud Ref	Category	Cost Type
2002	12	PDP	1199.07	12000	2310100	23100	42100		2002	M&E	
2002	12	DPR	29.25	12000	2310100	23100	42100		2002	M&E	

Example – missing PDP

List **Detail**

Unit: Asset ID: 000000003 Tag: Disposed

Book [Find](#) | [View All](#) First Last

Book Name: ENTERPRISE Enterprise Base Currency: USD

[Customize](#) | [Find](#) | [View 100](#) | [First](#) [Last](#)

Accounting Lines | [Chartfields](#) | [Journal](#) | [...](#)

Acctg Date	Trans Type	Account	Fund Code	Department	Program Code	Class Field	Project	Budget Reference	Amount	Detail
1 06/28/2002	ADD	165000	12000	2310100	23100	42100		2002	5,264.24	Detail
2 06/28/2002	ADD	843100	12000	2310100	23100	42100		2002	-5,264.24	Detail
3 06/28/2002	RET	165000	12000	2310100	23100	42100		2002	-5,264.24	Detail
4 06/28/2002	RET	165900	12000	2310100	23100	42100		2002	1,228.32	Detail
5 06/28/2002	RET	493300	12000	2310100	23100	42100		2002	4,035.92	Detail
6 07/31/2002	REI	165000	12000	2310100	23100	42100		2002	5,264.24	Detail
7 07/31/2002	REI	165900	12000	2310100	23100	42100		2002	-1,228.32	Detail
8 07/31/2002	REI	493300	12000	2310100	23100	42100		2002	-4,035.92	Detail
9 07/31/2002	DPR	165900	12000	2310100	23100	42100		2002	-29.25	Detail
10 07/31/2002	DPR	890100	12000	2310100	23100	42100		2002	29.25	Detail
11 08/31/2002	DPR	165900	12000	2310100	23100	42100		2002	-29.24	Detail
12 08/31/2002	DPR	890100	12000	2310100	23100	42100		2002	29.24	Detail
13 09/30/2002	DPR	165900	12000	2310100	23100	42100		2002	-29.25	Detail
14 09/30/2002	DPR	890100	12000	2310100	23100	42100		2002	29.25	Detail
15 12/31/2002	DPR	165900	12000	2310100	23100	42100		2002	-29.25	Detail



-
- Dist_Ln Entries can be seen on the Review Financial Entries page
 - Path: Asset Management → Accounting Entries
→ Review Financial Entries
 - Depreciation Entries can be seen on the Asset Depreciation page
 - Path: Asset Management → Depreciation
→ Review Depreciation Info → Asset Depreciation

DIST_LN to JRNL_LN

- Journal Generating of DIST_LN entries
 - Journal generation creates and assigns an AM journal for each accounting entry in DIST_LN
 - Journals are eventually posted to the appropriate Ledger (CAPITAL or ACTUALS)

Why would DIST_LN and JRNL_LN be different?

- DIST_LN entry journal generated and change is made directly to journal prior to posting
- AM journal is copied and posted multiple times
- Failure to journal generate AM accounting entries in DIST_LN
 - BOR_AM_NBV_Compare query will show an out of balance if entries have not been journal generated.
- Manual journal created without entry originating from AM
 - BOR_ACTUALS_CAP_DTL_BQ

Note: Dist_Ln is balanced by account only but and Jrnl_Ln is balanced by fund and account.

DIST_LN to JRNL_LN

- How do I compare Dist_Ln to Jrnl_Ln?
 - **BOR_AM_DIST_JRNL_RECON**
 - Compares DIST_LN entries to JRNL_LN transactions for items originating from the AM module.
 - Online using the **Review Financial Entries** page
 - Shows asset accounting entries by period and fiscal year along with journal id and chartfield detail – the data that is in the Dist_Ln table

JRNL_LN to LEDGER

- Posting AM journals updates CAPITAL/ACTUALS ledgers
- Differences should be an exception as JRNL_LN (both manual journals and AM journals) feeds directly to Ledger

Why would JRNL_LN and Ledger be different?

- Failure to post a journal
- DBI entry done directly to the Ledger table

JRNL_LN to Ledger

- How do I compare JRNL_LN to Ledger?
 - **BOR_AM_CY_RECON**
 - Compares DIST_LN, JRNL_LN, and Ledgers (All Ledgers – Capital, Actuals, and GAAP) for all periods
 - Ties back to Asset ID from JRNL_LN and Dist_Ln
 - **BQ Recon Queries:**
 - **BOR_CAP_ACT_DTL_BQ** – pulls asset information from CAPITAL and ACTUALS Ledgers for Capital Assets.
 - Use BQ queries on next slide to investigate differences found by this BQ query.

JRNL_LN to Ledger

- Additional BQ Recon Queries - used to investigate differences found in **BOR_CAP_ACT_DTL_BQ** query :
 - **BOR_AM_CAP_DTL_BQ** – pulls asset information from AM Source tables to investigate differences identified (uses COST table).
 - **BOR_VCHR_ACCT_LN_BQ** – used to investigate differences identified (uses VCHR_ACCT_LINE table).
 - **BOR_DEPR_CAP_LED_TTL_BQ** – pulls actual depreciation booked to CAPITAL Ledger.

Capital Ledger to Actuals Ledger

- Differences typically caused by:
 - Journals not posted
 - Year End Entries
 - Capital Leases
 - On-line Journal posted to wrong ledger
 - Timing – AP journal to posted Actuals before corresponding AM journal is posted to Capital (AP journals are posted nightly)

Capital Ledger to Actuals Ledger

- How do I find differences in Capital and Actuals Ledgers?
 - **BOR_AM_CAP_ACT_RECON** – reconciles transactions from ALL sources recorded in Capital and Actuals Ledgers.
 - Excludes period 0
 - Excludes GAAP Ledger info
 - Includes JRNL_HEADER data
 - **BOR_AM_CY_RECON** – Used to Review AP Activity in ACTUALS Ledger for AM transactions
 - **BOR_BQ Queries** – noted in slide 29

Additional Resources

- GeorgiaFIRST website
 - Go to Training Archives to access reconciliation training:
 - Wimba Sessions I and II of this series
 - Wimba Presentation – AM Reconciliation Wimba Training Session – January 25, 2011
 - Summit presentation – The ABC’s (and Don’t Forget D!) of Asset Management Reconciliation
- Business Procedures Manual (BPM)
 - Section 7: Capitalization

Additional Resources

- Self-paced, online Asset Management courses available:
 - *Introduction to Asset Management*
 - *Creating Assets Manually*
 - *Integrating Asset Management with Purchasing and Accounts Payable*
 - *Working with Existing Assets*
- Register on the GeorgiaFIRST website at <http://www.usg.edu/gafirst-fin/training/online> or e-mail allie.cox@usg.edu

Questions?

*Please submit your questions via the
Wimba chat function.*

Wrap Up

- Archive
- Evaluation