

Chapter 7

Retiring and Reinstating Assets

Objectives

By the end of this chapter, you will be able to:

- Describe the asset retirement flow process.
- Perform full Retirements.
- Use the reinstate transaction to reverse a retirement.

Overview

PeopleSoft Asset Management provides an online retirement format that enables you to retire assets quickly and easily. We discuss asset retirements in this chapter, as well as how to reverse retirement entries via the reinstate transaction process. The transaction type used by PSAM for retirements and reinstatements is RET.

Asset Retirement

The asset retirement process involves two pages:

- Retire Assets
- By ChartField

Retire Assets

The Retire Assets page contains three keys that uniquely identify the asset and are required for every asset record:

- Business Unit
- Asset ID
- Book Name

Also present on the page are two buttons:

- Retire
- Reinstatement

We will focus first on the retire transaction. Since the asset is currently active, the Reinstatement button is not accessible. Click the retire button to import the current cost information for the asset into the page. The system will default the amount and quantity of the retirement to include the full current cost and quantity amounts for the asset. You may override these values with partial amounts if necessary.

Walkthrough

Go > Asset Management > Financial Transactions > Retire/Reinstate Asset

Enter the appropriate business unit in the space provided. If you do not know the Asset ID, you may enter any other search criteria in the available fields and click Search to display a list of active assets. Highlight the appropriate asset record in the list box and click OK.

The screenshot shows the University of Colorado's financial system interface. On the left is a navigation menu with the following items: General Ledger, Accounts Payable, Accounts Receivable, Asset Management (sub-menu: Owned Assets, Leased Assets, Send/Receive Information), Financial Transactions (sub-menu: Cost Adjust/Transfer Asset, Transfer Operating Lease, **Retire/Reinstate Asset**, Retire/Reinstate Non-Fin Asset, Auto-Retire Fully Depr Assets, InterUnit Parent-Child Trans, Revaluation en Masse), Calculate Depreciation, Review Cost/Depr Activity, and Accounting Entries. The main content area is titled "Asset Retirements" and contains the instruction: "Enter any information you have and click Search. Leave fields blank for a list of all values." Below this is a section "Find an Existing Value" with search criteria fields: Business Unit (dropdown set to "=", text input "UCB"), Asset Identification (dropdown "begins with", text input), Tag Number (dropdown "begins with", text input), Parent ID (dropdown "begins with", text input), Description (dropdown "begins with", text input), and Asset Status (dropdown "=", text input). There is a "Case Sensitive" checkbox which is unchecked. At the bottom are buttons for "Search", "Clear", "Basic Search", and "Save Search Criteria".

The screenshot displays the 'Retire Assets' interface. On the left is a 'Menu' sidebar with categories like 'General Ledger', 'Accounts Payable', 'Accounts Receivable', 'Asset Management', 'Leased Assets', 'Send/Receive Information', 'Financial Transactions', 'Retire/Reinstate Asset', 'Calculate Depreciation', 'Review Cost/Depr Activity', 'Accounting Entries', 'Service and Repair', 'Physical Inventory', 'Mass Change', 'Archive Asset Information', 'Capital Acquisition', 'Planning', 'Reports', 'Banking', 'Billing', 'Cash Management', 'Customer Contracts', 'Customers', 'Grants', 'Items', 'Projects', 'Purchasing', 'Vendors', 'Define Integration Rules', 'FDM', 'Background Processes', 'Worklist', and 'Application Diagnostics'. The main area is titled 'Retire Assets' with a 'By Chartfield' tab. It shows asset details: Unit: UCB, Asset ID: 000000000001, Mountain Research Station Host, Tag: 032, In Service. Transaction Date: 03/11/2011, Acctg Date: 03/11/2011, Rate Type: CRRNT. The 'Book' section shows Book Name: CORP, Corporate Book, Currency: USD, As Of: 03/11/2011, Quantity: 1.0000, Cost: 456,110.53. The 'Retirement' section shows Disposal Code: Retirement by Sale, Convention: Actual Month, Date/Time: 03/11/2011 1:12:38PM, Quantity: [empty], Trans Code: Sale, Retirement Status: Unretired, Retirement Amount: 0.00, Removal Cost: 0.00, Proceeds: 0.00, Accum Depr: 0.00, Gain/Loss: 0.00. The 'Options' section includes 'Gain/Loss Calculations' with checkboxes for 'Use Original Cost', 'Recalc Cost Using Index', and 'Include Non Capitalized Cost'. It also has a 'Retire Option' dropdown set to 'Calculate Gain/Loss', an 'Auto-Retired' checkbox, and radio buttons for 'Voluntary' and 'Involuntary' conversion. There are also fields for 'Basis Reduction Code', 'Index Name', 'SubIndex', 'Reference Code', and 'Trade In Asset'. At the bottom are buttons for 'Save', 'Return to Search', 'Previous in List', and 'Next in List'.

Notice the Retire Status in the middle of the page starts at “Unretired” for a normal/active asset. Click on the Retire button to start the transaction.

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Menu

- General Ledger
- Accounts Payable
- Accounts Receivable
- Asset Management
 - Owned Assets
 - Leased Assets
 - Send/Receive Information
 - Financial Transactions
 - Cost Adjust/Transfer Asset
 - Transfer Operating Lease
 - Retire/Reinstate Asset
 - Retire/Reinstate Non-Fin Asset
 - Auto-Retire Fully Depr Assets
 - Inter-Unit Parent-Child Trans
 - Revaluation en Masse
 - Calculate Depreciation
 - Review Cost/Depr Activity
 - Accounting Entries
 - Service and Repair
 - Physical Inventory
 - Mass Change
 - Archive Asset Information
 - Capital Acquisition Planning
 - Reports
 - Asset Management Home
 - Search for an Asset
 - Print an Asset
 - Banking
 - Billing
 - Cash Management
 - Customer Contracts
 - Customers
 - Grants
 - Items
 - Projects
 - Purchasing
 - Vendors
 - Define Integration Rules
 - FDM
 - Background Processes
 - Worklist
 - Application Diagnostics

Retire Assets By ChartField

Unit: UCB Asset ID: 00000000001 Mountain Research Station Host Tag: 032 In Service

Trans Date: 03/11/2011 Acctg Date: 03/11/2011 Rate Type: CRRNT

Book Find | View All First 1 of 1 Last

Book Name: CORP Corporate Book Currency: USD As Of: 03/11/2011
 Retire Reinststate Copy Changes to Other Books Quantity: 1.0000 Cost: 456,110.53

Retirement Find | View All First 1 of 1 Last

Disposal Code: Retirement by Sale Convention: Actual Month Date/Time: 03/11/2011 1:12:38PM
 Quantity: -1.0000 Trans Code: Sale
 Retirement Status: New
 Retirement Amount: -456,110.53 Removal Cost: 0.00 Proceeds: 0.00
 Accum Depr: 0.00 Gain/Loss: 0.00

Options

Gain/Loss Calculations
 Use Original Cost
 Recalc Cost Using Index
 Include Non Capitalized Cost

Retire Option: Calculate Gain/Loss
 Auto-Retired

Conversion: Voluntary Involuntary Type: Ordinary Extraordinary

Basis Reduction Code: _____
 Index Name: _____
 SubIndex: _____
 Reference Code: _____

Trade In Asset: _____

Save Return to Search Previous in List Next in List

The current cost of the asset is imported into the page and the default mode is to process a full retirement. You can now choose a Disposal Code and the Retire Convention for the depreciation calculation. If you are processing a partial retirement, you can override the retire amount.

Most of the options at the bottom of the page will not apply to CU, so the defaults can be accepted. Simply click Save to process the transaction.

The By ChartField page is used to process partial retirements by cost line for assets that contain multiple cost lines.

Asset Reinstatement

In PeopleSoft Asset Management the reinstate function allows you to reverse retirement transactions. There is no need for additional information for this transaction as PeopleSoft Asset Management simply uses the retirement transaction as a template and reverses the signs on the cost and quantity amounts.

The system even tracks the initial retirement date to ensure all depreciation is caught up for the asset once it is placed back on the books. Once you click the reinstate button on the page, the page is grayed out and the only acceptable actions are **Save** or **Cancel**. Asset Management only allows you to reinstate the most recent previously retired assets, and you may only reinstate the most recent retirement transaction should an asset have multiple partial retirements.

You can also use the reinstatement function as a correction tool if you retire an asset by mistake. You can reinstate a retirement **after** saving it but **before** it is processed through PeopleSoft Asset Management. In this case, Asset Management deletes the retirement transaction completely, and the asset will then appear as if it had never been retired. However, once batch depreciation has processed a retirement transaction, that transaction must remain, and the system will keep an audit trail of both the retirement and the reinstatement.

Walkthrough

Go > Asset Management > Financial Transactions > Retire/Reinstate Asset

Enter the appropriate business unit in the space provided. If you do not know the Asset ID, you may enter any other search criteria in the available fields and click Search to display a list of active assets. Highlight the appropriate asset record in the list box and click OK.

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Menu

- ▷ General Ledger
- ▷ Accounts Payable
- ▷ Accounts Receivable
- ▽ Asset Management
 - ▷ Owned Assets
 - ▷ Leased Assets
 - ▷ Send/Receive Information
 - ▽ Financial Transactions
 - [Cost Adjust/Transfer Asset](#)
 - [Transfer Operating Lease](#)
 - **Retire/Reinstate Asset**
 - [Retire/Reinstate Non-Fin Asset](#)
 - [Auto-Retire Fully Depr Assets](#)
 - [InterUnit Parent-Child Trans](#)
 - [Revaluation en Masse](#)
 - ▷ Calculate Depreciation
 - ▷ Review Cost/Depr Activity
 - ▷ Accounting Entries

Asset Retirements

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

Business Unit: [=] UCB

Asset Identification: begins with

Tag Number: begins with

Parent ID: begins with

Description: begins with

Asset Status: [=]

Case Sensitive

Search Clear [Basic Search](#) [Save Search Criteria](#)

The Retire Assets page is displayed with the most current retirement transaction displayed. Simply click the Reinstatement button to initiate the transaction.

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Menu

- General Ledger
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 - Retire/Reinstate Non-Fin Asset
 - Auto-Retire Fully Depr Assets
 - Inter/Unit Parent-Child Trans
 - Revaluation en Masse
- Calculate Depreciation
- Review Cost/Depr Activity
- Accounting Entries
- Service and Repair
- Physical Inventory
- Mass Change
- Archive Asset Information
- Capital Acquisition Planning
- Reports
 - Asset Management Home
 - Search for an Asset
 - Print an Asset
- Banking
- Billing
- Cash Management
- Customer Contracts
- Customers
- Grants
- Items
- Projects
- Purchasing
- Vendors
- Define Integration Rules
- FDM
- Background Processes
- Worklist

Retire Assets By Chartfield

Unit: UCB Asset ID: 000000000001 Mountain Research Station Host Tag: 032 Disposed

Trans Date: 03/11/2011 Acctg Date: 03/11/2011 Rate Type: CRRNT

Book Find | View All First 1 of 1 Last

Book Name: CORP Corporate Book Currency: USD As Of: 03/11/2011

Quantity: 1.0000 Cost: 456,110.53

Copy Changes to Other Books

Retirement Find | View All First 1 of 1 Last

*Disposal Code: Retirement by Sale Convention: Actual Month Date/Time: 03/11/2011 1:27:01 PM

Quantity: Trans Code: Sale

Retirement Status: Unretired

Retirement Amount: 0.00 Removal Cost: 0.00 Proceeds: 0.00

Accum Depr: 0.00 Gain/Loss: 0.00

Options

Gain/Loss Calculations

Use Original Cost

Recalc Cost Using Index

Include Non Capitalized Cost

Retire Option: Calculate Gain/Loss

Auto-Retired

Conversion: Voluntary Involuntary

Type: Ordinary Extraordinary

Basis Reduction Code: _____ Trade In Asset: _____

Index Name: _____

SubIndex: _____

Reference Code: _____

PeopleSoft Asset Management performs the reinstatement automatically. Any Proceeds, Removal Costs, Reserve and Gain/Loss fields are reset to zero and the amount in Retire Amount is added back to the balance sheet.

Since the Reinstatement is always an exact reversal of the retirement, no options exist for data entry. Simply click Save to process the transaction.

If a retirement is reversed prior to running Depreciation Calculation, no retirement records will be stored in the system.

REVIEW QUESTIONS

1. To retire an asset, what is the first thing you must do on the Retire Assets page?
2. What is the difference between a retirement and a reinstatement?
3. When retiring an asset, what sign do you place on cost and quantity amounts?
4. Will PeopleSoft Asset Management allow reinstatements for multiple retirement transactions on an asset?
5. Can you back-date a reinstatement transaction?
6. If an asset was retired for 6 months, and then reinstated, what happens to the missed depreciation expense?