Assets [1]

An asset is defined as tangible and intangible personal and real property such as cash, investments, inventory, accounts receivable, loans receivable, prepaid expenses, equipment, buildings, land, improvements to land other than buildings, etc. All asset Accounts (except for allowance Accounts) should be in **debit** status. Allowance Accounts should be in **credit** status.

Assets include:

- Cash
- Accounts Receivable
- Loans and Notes Receivable
- Inventories
- Other Assets
- Non-Current Assets
- Capital Assets
- Due From Accounts

Accounts Receivable

Accounts within this series are used to record amounts owed to the University. The most common use for Accounts receivable is to record the sale of goods or services that have a future payment (collection) date. Accounts receivable represent a legal and enforceable claim.

Items of note concerning Accounts receivable:

1. Date of delivery, not date of contract, is the effective sale date.
2. Additional uses of Accounts receivable include any other amounts owed to the University such as fines, insufficiently funded checks, etc.
3. The Accounts receivable structure in the PeopleSoft Finance System has been designed to meet the requirements of Accounts receivable reporting to the State Controller, through COFRS (The Colorado Financial Reporting System (COFRS). COFRS is the financial information system that maintains the official Accounting records for the government of the State of Colorado.
4. Accounts receivable cannot be used for interdepartmental (IN) sales.
5. An allowance for uncollectibles or doubtful Accounts must be determined for any Account receivable.

The status for Accounts within the Accounts receivable series 010000 -014999 is normally **debit**. The status for the allowance Accounts within the Accounts receivable series is normally **credit**.

The Accounts receivable and allowance Accounts include:

- 010000 - AR-Fed Non-LOC *[LOC=Letter of Credit]*

- 010100 - AR-Fed LOC

- 010101 - LOC AR Suspense

- 010300 - AR-StOfColo Government

- 010301 - AR-StOfColo Agencies

- 010302 - AR - State of Colorado - COF *[COF=College Opportunity Fund]*

- 010400 - AR-StOfColo Universities

- 010500 - AR-StOfColo FedSubRecip

- 010600 - AR-StOfColo Univ-FedSubRecip

- 011000 - AR-InStateGovts

- 011100 - AR-InStateGovts FedSubRecip

- 011200 - AR-OutOfStGovts

- 011300 - AR-OutOfStGovts FedSubRecip

- 011400 - AR-Public University

- 011500 - AR-Public Univ FedSubRecip011501 - A/R BAB Subsidy

- 012000 - AR-Grant Related Income-Other

- 012100 - AR-Priv Gift/Grant/Contract

- 012200 - AR-Priv FedSubRecip

- 012300 - AR-Priv University

- 012400 - AR-Priv UnivFedSubRecip

- 012600 - AR-Accrued Investment Income

- 012700 - AR-University Hospital

- 012701 - AR-CU Foundation

- 012702 - AR-Coleman

- 012703 - AR-CUREF

- 012800 - AR-Patients

- 012801 - AR-In-Patients

- 012802 - AR-Out-Patients

- 012900 - AR-Students

- 012901 - AR-BRS Receivables

- 012902 - AR-BRS Miscellaneous

- 012903 - AR-Students Non-BRS

- 012904 - AR-Lib Non-Student Chgs

- 012970-012974 - AR-Third Prty On Behalf Pymnts

- 013000 - AR-Customers

- 013100 - AR-Miscellaneous

- 013101 - AR-Sponsorships

- 013102 - AR-Tickets

- 013103 - AR-Payroll Deductions

- 013104 - AR-Returned Checks

- 013105 - AR-Returned Merchandise

- 013106 - Departmental Cash Clearing

- 013107 - AR-TTO Royalties Rec

- 013108 - AR-From UPI

- 013109 - Company Card Personal Charges

- 013200 - AR-State Approp Not Remitted

- 013300 - AR-Credit Cards

Particular Accounts of note within the Accounts receivable series are those associated with student receivables and the Billing/Receivable System (BRS). These include:

- Account 012900 Accounts receivable Students
- Account 012901 Accounts receivable BRS Receivables
- Account 012902 Accounts receivable BRS Miscellaneous.

Student Accounts receivables: Accounts 012900, 012901, 012902

Student receivables can be recorded only by the CU-SIS sub-system. The direct entry of any Student Receivables transaction into these Accounts through the Finance System is not allowed.

CU-SIS Student Financials, the main student Accounts receivable system, is used to record amounts owed by a student for a sale of services. It is used primarily for billing the following charges:

- Tuition
- Fees
- Housing
- Telecommunications
- Parking permits
- Library
- Health Center

Items of note regarding student Accounts receivable:

- An allowance for uncollectibles or doubtful Accounts must be determined for any Accounts receivable.
- The Bursar's Office has primary responsibility over student receivables.

The normal status for Accounts within the Accounts receivable BRS series, 01290x, is **debit.**

Accounts receivable Allowances: Accounts 015000 - 019999

This series of Accounts is used to record the estimation of Accounts receivable that management believes will not be collected. Departments must have guidelines addressing Accounts receivable allowances, as allowance recognition and calculation must be logical and consistent.

Note: The *recording* of an allowance *does not remove* the Account receivable from the Finance System. The allowance is a valuation code.

Refer to *The Accounting Handbook* Chapter 12*, Accounts receivable and Allowances* for more information about Accounts receivable allowances.

The normal status for Accounts within the Accounts receivable allowance series 015000 - 019999 is **credit.**

The allowance for accounts receivables Accounts include:

- 015000 - Allw AR-Fed Non-LOC

- 015100 - Allw AR-Fed LOC

- 015300 - Allw AR-StOfColo Government

- 015301 - Allw AR-StOfColo Agencies

- 015400 - Allw AR-StOfColo Universities

- 015500 - Allw AR-StOfColo FedSubRecip

- 015600 - Allw AR-StOfColo UnivFedSubRec

- 016100 - Allw AR-Colo In State Govts

- 016200 - Allw AR-In ST Gvts FedSubRecip

- 016300 - Allw AR-OutOfSt Govts

- 016400 - Allw AR-OutOfSt Gvts FedSubRec

- 016500 - Allw AR-Public Universities

- 016600 - Allw AR-Public Unv FedSubRecip

- 017000 - Allw AR-Grant Related Income

- 017100 - Allw AR-Prv Gft/Grant/Contract

- 017200 - Allw AR-Prv FedSubRecip

- 017300 - Allw AR-Prv University

- 017400 - Allw AR-Prv Univ FedSubRecip

- 017600 - Allw AR-Accrd Invest Income

- 017700 - Allw AR-University Hospital

- 017800 - Allw AR-Patients

- 017801 - Allw AR-IP-Doubtful Accts

- 017802 - Allw AR-IP-Indigent Care

- 017803 - Allw AR-IP-3rd Party Adj

- 017851 - Allw AR-OP-Doubtful Accts

- 017852 - Allw AR-OP-Indigent Care

- 017853 - Allw AR-OP-3rd Party Adj

- 017900 - Allw AR-Students

- 017901 - Allw AR-BRS Receivables

- 017902 - Allw AR-Students Non-BRS

- 017903 - Allow AR-Lib Non-Stud NonBRS

- 018000 - Allw AR-Customers

- 018100 - Allw AR-Miscellaneous

Loans and Notes Receivable

Accounts 025000 - 027499 Current

Accounts 083001 - 083301 Non-Current

The loans and notes receivable accounts are not available for departmental use. If you believe you have a valid reason to use one of these Accounts, contact your campus controller's office prior to executing the transaction.

These Accounts are used to record loans receivable in the Loan Fund (Fund 50) and notes receivable.

Loans are different from Accounts receivable. A loan is *an advancement of money* to a student and is supported by a promissory note that outlines the terms of the loan. An Account receivable is generated by *selling goods and/or services on credit*.

All Loan Funds are administered by the Bursar's office in conjunction with your campus controller's office. At a minimum, a promissory note must be executed for each loan made. Federal and state regulations may stipulate additional requirements. Additionally, a loan subsystem must be maintained. This subsystem will track each loan by individual and show the following information: amount of the loan, date the loan was made, date of payment, the breakdown of each payment between principal and interest, and the outstanding balance of each loan. The outstanding loan balances by individual must be reconciled at least monthly to the control amounts in the PeopleSoft Finance System, as adjusted by the principal payments recorded in Account 025400, Loan Payment-Clearing. Contact the Bursar's office for more information about loans.

A **Note Receivable** is a "designation of receivables for which a written statement acknowledging the obligation has been received from the obligor" (*Accountants' Handbook,* 6th Edition, page 17-40). This is in contrast to an Account Receivable in which "no written statement acknowledging the obligation has been received from the obligor" (*Accountants' Handbook,* 6th Edition, page 17-40).

Notes receivable Accounts are not generally used at the campus level. As previously stated, loan promissory notes are Accounted for in the loans receivable Accounts. In contrast, all Accounts receivable, even those supported by a written statement from the obligor acknowledging the obligation, are Accounted for the Accounts receivable Accounts. This is done in order to provide the Accounts receivable categories required in reporting to the State Controller, through COFRS (The Colorado Financial Reporting System (COFRS). COFRS is the financial information system that maintains the official Accounting records for the government of the State of Colorado.

Loans and notes receivable can be either current or non-current. Current refers to those loans and notes receivable whose resources will be realized within the current year. Non-current refers to those loans and notes receivable whose resources will not be realized until a period beyond a year.

The normal status for Accounts within the loans and notes receivables series, 025000 - 025501 (current) and 083001 - 083388 (non-current), is **debit.**

The loans and notes receivable Accounts include:

- 025000 - Loans Rec-Student Fed-Curr

- 025100 - Loans Rec-ShTrm Inst-Curr

- 025200 - Loans Rec LT Current Portion

- 025300 - Loans Rec-Other-Curr

- 025400 - Loan Payment-Clearing

- 025500 - Notes Receivable-Curr

- 025501 - Notes Rec-DPCUs

- 083001 - Loans Rec Student Fed-NonCurr

- 083101 - Loans Rec Inst-NonCurr

- 083200 - Loans Rec Other-NonCurr

- 083300 - Notes Receivable-NonCurr

- 083301 - Notes Rec-NonCurr-DPCUs

Loans and Notes Allowances

Accounts 027500 - 029999 Current

Accounts 083500 - 083800 Non-Current

Entries into loans and notes allowance Accounts are made only by the Bursar's office or campus controller staff, and are not available for departmental use.

These Accounts are used to record the estimation of loans receivable and notes receivable that management feels will not be collected. Like the loans receivable and notes receivable Accounts, the associated allowance Accounts can be either current or non-current.

Recording a transaction in an allowance Account does not remove the receivable from the PeopleSoft Finance System. The allowance is a valuation code.

The normal status for Accounts within the loans and notes allowances series, 027500 - 029999 (current), 083500 - 083800 (non-current) is **credit.**

The allowance Accounts for loans and notes receivable include:

- 027500 - Allw Loans Rec-Stud Fed-Curr

- 027600 - Allw Loans Rec-ShTrm Inst-Curr

- 027700 - Allw Loans Rec-LngTrm Inst-Cur

- 027800 - Allw Loans Rec-Oth-Curr

- 027900 - Allw Notes Receivable-Curr

- 083500 - Allw LoansRec Stud Fed-NonCur

- 083600 - Allw Loans Rec Inst-NonCurr

- 083700 - Allw Loans Rec Oth-NonCurr

- 083800 - Allw Notes Rec-NonCurr

Inventories

Inventory consists of goods in excess of $35,000 per location which are to be sold or consumed either within one year, or within an annual business cycle such as a fiscal year. Amounts in inventory Accounts represent the cost of unsold or unused goods that belong to the department.

The inventory Accounts are used primarily in Auxiliary Fund FOPPS (Funds 20, 28, 29), but may also be used in General Fund FOPPS (Fund 10). Talk to your campus controller's office *before* you record inventory transactions in Fund 10. Inventory Accounts rarely are found in other Funds.

Refer to *The Accounting Handbook* Chapter 13, *Inventory,* for additional information and Accounting instructions pertaining to this topic.

The normal status for inventory Accounts 030000 - 049999 is **debit.**

The inventory Accounts include:

- 030000 - Invtry-Sales External to Univ

- 040000 - Invtry-Internal Sales/Consumed

- 040001 - Invtry-Medical Supplies

- 040002 - Invtry-Office Supplies

- 040003 - Invtry-New Furniture

- 040004 - Invtry-Used Furniture

- 040005 - Invtry-Computer Supplies

- 040006 - Invtry-Paper Goods

- 040007 - Invtry-Custodial Goods

- 040008 - Invtry-LabSupply/AnimalBedding

- 040009 - Invtry-Meter Postage

- 040010 - Invtry-Bulk Meter Postage

- 040011 - Invtry-Bus Reply Mail Prmt 165

- 040012 - Invtry-Mail Permit #257

- 040013 - Invtry-PeriodMail Prmt 651-060

Non-Current Assets

A non-current asset is an economic resource (tangible and intangible personal and real property such as investments, Accounts receivable, loans receivable, prepaid expenses, etc.) representing expected future economic benefits to be obtained or controlled by an entity that will not be converted into cash or used to provide goods or services within one year.

The normal status for the non-current asset Accounts is **debit.**

Capital Assets

The capital asset Accounts are used only by your campus controller's office and may not be used by departments.

According to the Higher Education Accounting Standards #5,*Capital Asset Reporting* http://www.colorado.gov/dpa/dfp/sco/standard.htm [2], a capital asset is defined as any physical resource that benefits a program for more than one year. The capital asset Accounts are used in the Investment In Plant Fund (Fund 74) to record the capitalization of capital expenditures such as land, improvements to land, building, leasehold improvements, equipment, collections, library books, and construction in progress. The capital asset Account

titled *Construction in Progress* is used in the Capital Construction Plant Fund (Fund 71) during the course of the year, and then moved to Investment In Plant Fund (Fund 74) at year end. Changes in capital asset result from entering transactions for fixed assets acquisitions, additions, adjustments, and disposal during the year.

The chart below includes selected capital assets (listed alphabetically) and their associated dollar threshold amounts.

Capital Asset	Dollar Threshold
Buildings	â‰¥ $75,000
Computer Software	â‰¥ $75,000
Equipment	â‰¥ $5,000
Film Collections (ITS/Film Studies only[BN3])	all dollar amounts
Improvements to Land	â‰¥ $75,000
Land	all dollar amounts
Leasehold Improvements	â‰¥ $75,000
Library Materials (Norlin & Law Libraries only)	all dollar amounts
Remodeling	â‰¥ $75,000
Renovation	â‰¥ $75,000
Works of Art and Historical Treasures (CU Art Gallery & Museum only[BN4])	all dollar amounts

For more information about capital assets, contact your campus controller's office. The normal status for a capital asset Account 090000 - 094999 is **debit.**

The capital asset Accounts include:

 090000 - Land090001 - Land Endowment

 090100 - Depr Improve-Other Than Blds

 090200 - Buildings

 090300 - LeaseHold Improvements

 090300 - Leasehold Improvement

 090400 - Equipment >= $5000

 090401 - Collections090455 - Non Depr Collections

 090500 - Library Books & Materials

 090600 - Construction-in-Progress

090601 - Construction in Progress Equip

a) Depreciation: Accounts 092500 - 093999

Depreciation is the systematic allocation of the cost of an asset to expense over the Accounting periods of the asset's estimated useful life. Depreciation is usually measured in years, but sometimes it is based upon the volume of usage.

Additional information about depreciation can be found in Higher Education Accounting Standard #5â€"issued by the State Controllerâ€"at http://www.colorado.gov/dpa/dfp/sco/standard.htm [2] .

The normal status for depreciation Accounts 092500- 094999 is **credit.**

The depreciation Accounts include:

092500 - AccumDep-Improv OtherThan Blds

092600 - AccumDep-Blds

092700 - AccumDep-Leasehold Improvements

092800 - AccumDep-Equipment

092870 - Accum Depr Software

092900 - AccumDep-Libr Books&Materials

092901 - Accum Depr- Gifted Royalty Bks

092950 - Accum Depr-Collections

094000 - Accum Amortization-Patents

Due From Accounts

- The *Due From* and *Due To* Accounts must be used together.
- Agency FOPPS (Fund 80) cannot use Accounts in the due from series (except for student agency FOPPS).
- Allloans must be approved by the System Controller.

These Accounts record loans of cash *from* one FOPPS *to* another, hence the *Due From/Due To* Account description. These loans can be within the same fund group, between different fund groups, or across campuses.

Accounts 095000 - 095900 identify the fund from which the loan is due within the same campus, and Accounts 096000 - 096900 signify that the loan is due from another campus. The offset Accounts for the due from transaction are the due to Accounts. These Accounts are 195000 - 195900 for loans within the same campus, and 196000 - 196900 for loans from one campus to another. The due to Account series is discussed later in the chapter.

The normal status for Accounts within the due from series, 095000-095999, is **debit.**

The Due From Accounts include:

095000 - DueFrom Unrest General Fund

095100 - DueFrom Unrest Aux/Self-Fund

095200 - DueFrom Restr Sponsored Pgms

095300 - DueFrom Restr Gift Fund

095400 - DueFrom Loan Fund

095450 - Due from- Intrnl Loan Interest

095500 - DueFrom Endowment Fund

095600 - DueFrom Plant-Unexp Constr

095700 - DueFrom Plant-Unexp R&R

095800 - DueFrom Plant-Retire of Debt

095900 - DueFrom Plant-Invest in Plant

096000 - DueFrom OC-Unrest Gen Fund

096100 - DueFrom OC-Unrest Aux/Self-Fnd

096200 - DueFrom OC-Sponsored Pgms

096300 - DueFrom OC-Restr Gift Fund

096400 - DueFrom OC-Loan Fund

096500 - DueFrom OC-Endow Fund

096600 - DueFrom OC-Unexp Constr

096700 - DueFrom OC-R&R

096800 - DueFrom OC-Retire of Debt

096900 - DueFrom OC-Invest in Plant

Procedures for Executing a Loan

When executing a loan, the borrower and lender must arrive at an agreement on the following points:

- FOPPS involved
- Amount of the loan
- Reason for the loan
- Repayment terms such as length of the loan, frequency of payments, amount of each payment, etc.

A formal principal repayment schedule should be drawn up, and the interest rate should be reasonable.

Signatures of both parties should be secured on the agreement. Once completed, the loan document must be submitted to the campus controller for approval.

Cash

Cash : Accounts 000100 - 004999

Do not use cash account 000100 on any transaction. It is maintained at the System level of the University, and the PeopleSoft Finance System has been programmed to reject any transaction entered directly to this Account.

The cash account 000100 records a claim on the Treasurer's cash pool according to the current principles of fund Accounting. Account 000100 refers to the University's cash, which is combined for investment purposes. Changes in cash result from entering transactions against other asset, liability, revenue, expense, and transfer Accounts, because the PeopleSoft Finance System creates an offset entry to the cash account for every transaction recorded in these other Accounts.

The normal status for Accounts within the cash series 000100 - 004999 is **debit**.

The cash accounts include:

- 000100 - Cash
- 000101 - Cash - French Francs
- 000102 - Cash- British Pounds
- 000103 - Cash - German Deutschmarks
- 000104 - Cash - Canadian Dollars
- 000105 - Cash-Payroll Overpayment
- 000150 - Cash Offset
- 000200 - Petty Cash
- 000201 - Money Orders
- 000300 - Change Fund
- 000400 - Checking Accounts
- 000500 - Cash with Trustee
- 000600 - Deposits-in-Transit
- 000700 - Cash with State Treasurer
- 004901 - Restricted Cash and Cash Equivalents

Note regarding Loan Fund FOPPS: Since all cash balances in the Loan Funds are restricted to make loans to students, each month, to the extent that cash exceeds current liabilities, a transaction is recorded which changes the classification of some of the cash in Loan Fund FOPPS from unrestricted to restricted. The same analysis is done for capital construction Plant Fund FOPPS funded with debt.

The Accounting entry is:

- Debit Account 004901 Restricted Cash and Cash Equivalent
- Credit Account 000150 Cash Offset

Two Accounts of note within the cash series include:

- Account 000200 Petty Cash
- Account 000300 Change Fund

Petty Cash: Account 000200

Petty cash is an amount of money issued to a department, in the charge of a custodian, to be used on a revolving basis for the payment of small, incidental expenses that cannot be paid using another preferred form of payment such as CU Marketplace or the Procurement Card. Account 000200 records the petty cash held by departments.

Account 000200 is debited for the amount of the fund when the petty cash fund is established or when the amount of the fund is increased. This Account is credited when the amount of the petty cash fund is reduced or when the petty cash fund is terminated.

Purchases made using petty cash funds should be charged to an appropriate expense Account.

The normal status for the petty cash account 000200 is **debit.**

Change Fund: Account 000300

Account 000300 records change funds held by departments. A change fund is an amount of money advanced to a department that accepts cash payments from customers and, therefore, must have cash available to make change. Change funds should always consist of cash in the exact amount of the advance. An example of a change fund would be the currency and coins found in a department's cash register or cash drawer.

Account 000300 is debited for the amount of the fund when the change fund is established or when the amount of the fund is increased. This Account is credited when the amount of the change cash fund is reduced or when the change fund is terminated.

The normal status for the change fund Account 000300 is **debit.**

Investments:

Accounts 000500 - 009999 Current

Accounts 081000 - 081401 Non-Current

Investment Accounts are primarily used by the Treasurer's office and are not to be used by most departments. If you believe you have a valid reason to use an investment Account, contact your campus controller's office prior to executing the

transaction.

Accounts in the investment series are used to record the various categories of investments held in the University's investment portfolio. Investments can be current or non-current. Current investments refer to resources that will be realized within a year. Non-current investments refer to those that will be realized in a period exceeding a year.

The status for investment Accounts 005000 - 009999 (current) and

081000 - 081401 (non-current) is normally a **debit.**

The investment Accounts include:

- 005000 - Cash Invest with Treasurer
- 005100 - Invest-Separate Invested Funds
- 005101 - Invest-Separate Reinvested Earnings
- 005102 - TTO Investments
- 005103 - Fitz. Invest with State
- 005104 - Distributable Income
- 005200 - Invest-CU Foundation
- 005201 - Invest-Reinvested Earnings
- 005203 - Invest0Realized Gains/Losses
- 005204 - Invest-Trust Held by Others
- 005300 - Invest-Blended Entities
- 005400 - Invst.-Non-pool Unrealized Gains/Losses
- 005401 - Invst.Pool Unrealized Gains/Losses
- 005402 - TTO Unrealized Gains/Losses

Groups audience:
Controller

Source URL:https://www.cu.edu/controller/assets

Links
[1] https://www.cu.edu/controller/assets [2] http://www.colorado.gov/dpa/dfp/sco/standard.htm