

ASSETS HELP SHEET – Asset Categories

ARTWORK

E.g. Paintings prints, ceramics, photographs etc.

Thresholds	PO Category Item	Asset Profile ID	GL Account Code
Assets ≥ \$5,000 <i>Indefinite useful life</i>	ARTWORK_>=5K	ARTWORK	5400
Assets < \$5,000 <i>Expensed</i>	ARTWORK_<5K	ART_NONC	5400

HELP Tip

If you need help or advice, please contact the Asset Management Team at ASSETS@UNSW.EDU.AU

COMPUTER EQUIPMENT

E.g. Mainframes, servers, monitors, base units, modems, multi-controllers, notebooks, laptops, PCs, desktop printers, plotters, barcode readers, image devices, scanners, digitisers, sensitizers, interface cards etc.

Thresholds	PO Category Item	Asset Profile ID	GL Account Code
Assets ≥ \$5,000 <i>3-year useful life</i>	COMPUTER_EQ_>=5K	COMP_CAP	5200
Assets < \$5,000 <i>Tracked items only</i>	COMPUTER_EQ_<5K	COMP_NONC	5210

HELP Tip

If there is more than 1 component that makes up the asset, add all amounts together for an overall total to determine if the item is over \$5k

LAB & PLANT EQUIPMENT

Plant and Lab equip - E.g. Laboratory, surgical and training equipment, generators, pumps, gym equip etc

Gardening equipment - E.g. Tractors, mowers, forklifts, trailers, farm machinery, maintenance machinery, etc

Other equipment - E.g. Aeroplanes, Music instruments etc

Thresholds	PO Category Item	Asset Profile ID	GL Account Code
Assets ≥ \$5,000 <i>10-year useful life</i>	EQUIPMT_10YR_>=5K	EQ_CAP10YR	5630
Assets < \$5,000 <i>Tracked items only</i>	EQUIPMT_<5K	EQ_NONCAP	5211

HELP Tip

Direct associated costs must be included in the total cost of a capitalised asset – e.g. Delivery, freight, installation, labour and insurance costs etc

OTHER EQUIPMENT

Office equip - E.g. Photocopiers, MFP printers, fax machines, portable air conditioning units, shredders, fridges, etc

Audio Visual equip - E.g. Slide/data projectors, overhead projectors, TVs, video, camcorders, microphones, editing equip, studio equip, Imaging screens etc.

Photographic equip - E.g. Cameras, lenses, floodlights, processing equip etc.

Thresholds	PO Category Item	Asset Profile ID	GL Account Code
Assets ≥ \$5,000 <i>5-year useful life</i>	EQUIPMT_5YR_>=5K	EQ_CAP5YR	5630
Assets < \$5,000 <i>Tracked items only</i>	EQUIPMT_<5K	EQ_NONCAP	5211

HELP Tip

When purchasing assets, do not code the PO to goods or services. For further information on how to raise and receipt asset POs, visit the Finance [Knowledge Base](#)

MOTOR VEHICLES

Motor vehicles for transportation ONLY - E.g. Cars, motor bikes, quad bikes, vans etc

Purchase of motor vehicles for research purposes – please treat these assets as lab/plant equipment.

Thresholds	PO Category Item	Asset Profile ID	GL Account Code
Assets ≥ \$5,000 <i>8-year useful life</i>	MOTORVEHICLES_ACQN	MOTOR	5300

HELP Tip

For further clarification, visit [decision tree](#) and [User Guide](#)

OTHER TIPS

Software – Is not an asset. Coded to A/C 5260

Furniture – Is not an asset. Coded to A/C 5600

UNSW Campus Location – Must be entered as building code and room number e.g. F23112

ASSETS HELP SHEET – PO Item Categories

PO Item Category (Effective Jan 2014)	Description	Profile ID	Account
ARTWORK_>=5K	Artwork >= \$5,000	ARTWORK	5400
ARTWORK_<5K	Artwork < \$5000 (Expensed)	ART_NONC	5400
COMPUTER_EQ_>=5K	Computer Equipment >= \$5K	COMP_CAP	5200
COMPUTER_EQ_<5K	Computer Equipment < \$5K (tracked item) ¹	COMP_NONC	5210
COMP_NONASSET	Computer Equipment < \$5K (non-tracked item) ²	-	5210
COMPUTER_EQ_DSK<5K	Computer Equipment Desktop <\$5K (IT use only)	COMP_NONC	5214
COMPUTER_EQ_PRT<5K	Computer Equipment Printer <\$5K (IT use only)	COMP_NONC	5212
COMPUTER_EQ_SER<5K	Computer Equipment Server < \$5K (IT use only)	COMP_NONC	5213
EQUIPMT_10YR_>=5K	Lab and Plant Equipment >= \$5K, 10 Years Life	EQ_CAP10YR	5630
EQUIPMT_5YR_>=5K	Lab and Plant Equipment >= \$5K, 5 Years Life	EQ_CAP5YR	5630
EQUIPMT_<5K	Lab and Plant Equipment < \$5K (tracked item) ¹	EQ_NONCAP	5211
EQ_NONASSET	Lab and Plant Equipment < \$5K (non-tracked item) ²	-	5211
FM_CAPITALPROJ_EXP	FM Capital Projects (FM use only)	WIP_BUILD	5614
FM_NEW_BUILDING	FM New Buildings (FM use only)	BUILDINGS	5100
FM_OFFSITEPROPERTY	FM Offsite Property (FM use only)	BLDG_SA&RP	5103
LAND	Land	LAND	5001
LIBRARY_HOLDINGS	Library Holdings (DVCA use only)	LIB_OTHER	5512
RARE_BOOKS	Rare Books	LIB_RARE	5505
MOTORVEHICLES_ACQN	Motor Vehicles Acquisition	MOTOR	5300

Note 1: Items with an acquisition cost under \$5,000 that the Business Unit wishes to track. Although expensed, these items will be listed on the UNSW Assets Register as non-capitalised assets for tracking purposes.

Note 2: Items with an acquisition cost under \$5,000 that the Business Unit does not wish to track. These items are expensed and are not listed on the UNSW Assets Register. No Profile ID required.

For equipment or other items that do not have a useful life of at least 12 months, these expenses should be charged to 'consumables'.

ASSETS HELP SHEET – Asset Definitions

Asset Definitions

Asset - A physical or non-physical item that generates future benefits beyond 12 months that can be identified and which UNSW has ownership of. An asset can be tangible (like a building) or intangible (such as intellectual property). Types of assets purchased at UNSW include computer, laboratory and plant equipment, etc.

Associated costs of a fixed asset

The cost of a fixed asset includes all amounts incurred to acquire the asset and any amounts that are directly attributable to bringing the asset into working condition.

Directly attributable costs may include:

- *Delivery, freight costs*
- *Costs associated with acquiring the asset such as stamp duty and import duties*
- *Costs of installation of the asset (installation and labour costs)*
- *Professional fees, such as legal fees and architects' fees (building, land)*

If these costs refer to a new asset, please refer to the definition of **COMPONENT** for additional information on how to receipt related PO lines.

If these costs refer to an existing asset, please refer to the definition of **BUILT-IN** for additional information on how to receipt related PO lines.

The following costs **ARE NOT** considered directly attributable costs:

- *Training*
- *Maintenance services*
- *Warranties*

Note that general overhead costs or administration costs would not be included as part of the total costs of a fixed asset (e.g. the costs of the factory building in which the asset is kept, or the cost of the maintenance team who keep the asset in good working condition).

The cost of subsequent expenditure on a fixed asset will be added to the cost of the asset provided that this expenditure enhances the benefits of the fixed asset or restores any benefits consumed. This means that major improvements or a major overhaul may be capitalised and included as part of the cost of the asset in the accounts.

However, the costs of repairs or overhauls that are carried out simply to maintain existing performance will be treated as expenses of the accounting period in which the work is done, and charged in full as an expense in that period.

Asset Definitions – for use of [Manufacture ID](#) *(click on link for further info)*

Core Asset – This term is used to describe the main functional part of the asset that components and built-ins get added to. Details of the core asset are recorded and tracked in the asset management system.

Built-in (of an asset) - Similar to a component but specifically refers to the acquisition of an item that is considered an essential part of an existing core asset, either because it enhances the core assets' capabilities/functionalities or extends the asset's useful life.

This term is specifically used in the context of receipting purchase orders for costs in relation to the purchase of new equipment, or other associated costs, that have to be consolidated under an existing core asset that is already listed on the UNSW Assets Register (E.g. Pump for an existing cryogenic chamber or additional freight costs for a piece of equipment that has already been receipted and made an asset).

The related PO lines must be coded to the correct PO item category / Profile ID / Account Code combination and identified as *BUILT-IN* under the Manufacturer ID field.

The asset tag number relating to the existing asset should be used in this instance.

ASSETS HELP SHEET – PO Item Categories

Component (of an asset) - Specific part of a core asset having an independent physical or functional identity but is considered an essential part of that asset, without which the core asset could not function according to its specifications. Also refers to a part of an asset which may be separately removed and replaced to extend the life of that asset. (e.g. Finisher unit for a multi-function printer; measuring instrument for a centrifuge; or a roof as a component of a building)

This term is also used in the context of receipting purchase orders for costs that are to be consolidated under a new asset that is acquired under the same purchase order.

The related PO lines must be coded to the correct PO item category / Profile ID / Account Code combination and identified as *COMPONENT* under the Manufacturer ID field.

The asset tag number relating to the new asset should be used in this instance.

Trade-in (of an asset) - This refers to the sale of one asset, with the proceeds of this sale going towards the purchase price of the new asset. In this instance, the existing asset would need to be retired following the appropriate disposal process and the new equipment would be recorded as a separate asset. The trade-in value (i.e. sale proceeds/discount amount) will be deducted from the remaining NBV of the old asset when disposed of and added to the acquisition cost of the new equipment.

The related PO lines showing the trade-in amount must be coded to the correct PO item category / Profile ID / Account Code combination and identified as *TRADE-IN* under the Manufacturer ID field.

A new asset tag number is to be used for the new equipment.

Upgrade - In general terms, this is the process of replacing a product with a newer or better version of the same product.

When this process refers to the replacement of a whole asset, please refer to the definition of 'Replacement (whole Asset)' and treat it as a new asset acquisition.

When this refers to the upgrade of a component that is part of an existing asset, the existing component is replaced with a newer or better version, in order to bring the asset up to date, improve its characteristics and/or extend the remaining useful life of the asset.

Costs related to this type of upgrade would normally be consolidated under the existing asset where the equipment is not fully depreciated.

The related PO lines must be coded to the correct PO item category / Profile ID / Account Code combination and identified as *BUILT-IN* under the Manufacturer ID field.

The asset tag number of the existing asset should be used in this instance.

Other Asset Definitions

Replacement (Part / Component of Asset) - This refers to a component or part which needs replacing in order for the asset to continue functioning in its current capacity. The replacement of the faulty part/component will have no effect on the remaining 'useful' life of the overall asset. Costs related to the replacement of parts/components should be expensed under maintenance and repairs (services).

Replacement (whole Asset) - This refers to the replacement of an existing asset, either because the equipment has reached its useful life span, has ceased to function or has become obsolete due to new technologies. In this instance, the existing asset would need to be retired following the appropriate disposal process and the new equipment would be recorded as a separate asset.

A new asset tag number is to be used for the new equipment.

Consumables - These are products that you would buy recurrently, for example items which "get used up" through use of equipments such as paper (for printers), stationery, toner or ink cartridges etc. Here, the equipment's capacity to operate is not affected, but needs the consumable to operate. These costs are not to be consolidated under an asset but coded to consumables (goods).

Repairs & Maintenance - Repairs & Maintenance involves fixing a part of an equipment to bring it up to its current working capacity. When a piece of equipment is faulty and needs fixing, the replacement of a worn out part would be classified as maintenance rather than consumables. As a result of this replacement, the expected remaining 'useful' life of the overall equipment does not change. These costs are not to be consolidated under an asset but coded to repairs & maintenance (services).

ASSETS HELP SHEET – PO Item Categories

Useful Life of a fixed asset

An asset may be seen as having a physical life and an economic life.

Most fixed assets suffer physical deterioration through usage and the passage of time. Although care and maintenance may succeed in extending the physical life of an asset, typically it will, eventually, reach a condition where the benefits have been exhausted.

However, a business may not wish to keep an asset until the end of its physical life. There may be a point when it becomes uneconomic to continue to use the asset even though there is still some physical life left.

The economic life of the asset will be determined by such factors as technological progress and changes in demand. For purposes of calculating depreciation, it is the estimated economic life rather than the potential physical life of the fixed asset that is used.

Other Useful Definitions

Depreciation - The systematic allocation of the depreciable amount of an asset over its useful life. The two most common methods in Australia are straight line and diminishing value. UNSW employs the straight line method.

Fair Value - The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Impaired Asset – A condition in which an asset's market value falls below its carrying amount and is not expected to recover. This means that an asset's market value is less than its Net Book Value (NBV). For assets, the NBV is calculated on the total acquisition cost of the asset less any depreciation or impairment costs made against the asset. This can happen when an asset is faulty or has become obsolete owing to advances in new technologies.

Intangible Asset - A non-physical asset, for example, computer software program forming part of an overall IT system. In contrast, computer machines and wiring are physical or tangible assets.

Non-Capitalised Asset - Under our policy, items owned by UNSW for less than 12 months or with a total acquisition cost less than \$5,000 are not capitalised for financial reporting. These items are expensed, but are recorded on the UNSW Assets Register for tracking purposes.

Residual Value (of an asset) -

1. The estimated amount an organisation would obtain (in current market conditions) for an asset after deducting the estimated costs of disposal or;
2. The value of the asset left at the end of a lease is called the residual value.

Retirements or Write-offs (of assets) - When assets have been identified as needing to be taken off the books (i.e. they no longer have any value in the financial system) they need to be written-off. This could occur if they are damaged or broken beyond economic repair, obsolete, no longer required or have been stolen.

Revaluation - The adjustment in value of an asset (up or down) based upon a fair value valuation. Note that the adjustment process can be different for different asset types.

Stock-take - A count of all assets/equipment/stationery etc in an organisation. It must be done annually (but often more regularly). Once the stock-take has been completed the value of stock held goes into the financial accounts as stock-on-hand.

Tangible Assets - An asset you can physically touch i.e. a car or building.

Valuation - The function of obtaining an independent value of an asset or business.

Write-offs or Retirements (of assets) - When assets have been identified to be removed off the books (i.e. no longer have any value in the financial system) they need to be written-off. This could occur if they are damaged or broken beyond economic repair, obsolete, no longer required or have been stolen. A debt is said to be written off when it's deemed irrecoverable.

ASSETS HELP SHEET – PO Item Categories

Frequently Asked Questions

1. PO Item Categories

These have been simplified, and naming conventions changed to avoid confusion for the buyer when choosing which category to use.

Q: How do I know what PO Item Category to use?

A: Buyers/administrators should refer to the [Asset Help sheet](#) when unsure what code to use. The Asset Help sheet helps to identify which PO Item Categories to choose and with the relevant account codes.

Q: Can anyone use PO item categories that are restricted to certain areas such as IT and FM? For example, If we buy a server can we use the new IT item category for servers (COMPUTER_EQ_SER<5K)?

A: Whilst the system will not prevent you from using various categories, it is not recommended due to the complexities of audit requirements. Users are encouraged to use the unrestricted categories.

2. PO Error Alert

An automated email notifying of an error, designed to ensure asset PO's are correct at the source, therefore avoiding the need to amend PO's, the requirement for forms, as well as the time and effort consumed in subsequent communications between Faculty/Division and Asset Management Unit.

Q: Does the PO Error Alert tell me what is wrong with my PO?

A: No, the system picks up the wrong combination but is unable to distinguish whether the account code or the item category is incorrect. The user is required to identify the correct combination of item category, account code, and asset profile by referring to the [Asset Help sheet](#).

Q: When I get a PO Error Alert, how do I know which PO and in particular which lines of the PO are incorrect?

A: The PO Error Alert provides a direct link to the incorrect PO as well as the incorrect lines of that PO.

Q: If I make errors to multiple purchase orders am I going to get a lot of emails?

A: No, all errors are delivered in the one email with individual links to each error. The email will be sent daily until errors are corrected.

Q: Does the PO need to go for re-approval if the coding needs to be changed?

A: No, as long as the amounts don't increase re-approval is not required

3. PO Tracking Report

An automated query, extracting information from various PeopleSoft modules relevant to the lifecycle of the PO and alleviates the need to manually track PO's via spreadsheet as is the case across many areas of the University.

Q: Does the report show foreign currency amounts?

A: Yes the report shows both foreign currency amount and AUD equivalent amount

Q: Does the query get distributed?

A: No, because it is a query it can be run at any time. This was designed so users would not have to wait for the report and can run it whenever they please. The query name for the PO Tracking Report is F91_PO_DEPT_TRACKING_3.

4. Decision Trees/Help Sheets

The Asset Help Sheet has been updated with additional definitions and links to decision trees to educate Faculties/Divisions, and reduce any confusion caused by the additional complexities involved in accounting for asset purchases.

Q: How do I know what costs are to be included as part of the asset?

ASSETS HELP SHEET – PO Item Categories

A: Page 3 of the [Asset Help sheet](#) explains what should and should not be included as part of an asset

Q: How do I know what item category and account code to use?

A: Guidelines on all the categories and account codes can be found on pages 1 and 2 of the [Asset Help sheet](#).

Q: How do I decide if my asset is an upgrade or an add-on?

A: Definitions of replacements/upgrades/add-ons can be located on pages 3-5 of the [Asset Help sheet](#).

Q: What is the accounting treatment for assets that usually don't last longer than 12 months eg Motor vehicles purchased for crash-testing.

A: Assets that are not expected to last 12 months or more should be expensed to the profit and loss account in accordance with the [University Policy](#).

5. Asset Tracking/Aging Report

An automated query that shows all relevant details associated with an asset. The report is designed to enable Faculties/Divisions to track and manage assets as well as the ability to provide real-time updates to the Asset register. This will also reduce red tape by eliminating the need for forms, as well as being an instrumental tool for transitioning from a 100% stocktake to a risk-based approach.

Q: How often will the report be distributed by Finance requesting feedback?

A: As the report is a query, it can be run at any time and therefore feedback can be forwarded to the Asset Management Unit (assets@unsw.edu.au) at any time. Finance currently request feedback on a bi-annual basis.

Q: Do I as a Faculty receive a disposal register for audit trail purposes?

A: Confirmation of disposals for your Faculty/Division can be sent by the Assets Management Unit for your records upon request.

Q: Will the stocktake continue, as some managers like the stocktake as it acts as an additional control?

A: The stocktake will continue with random spot checks of assets being performed progressively during the year. (Updates to the asset register such as unrecorded assets, disposals, transfers, location changes etc are now communicated via the asset tracking report.)

Q: Where do the actions in the asset tracking report get sent?

A: Actions for your business unit should be sent to your Faculty/Division Finance team by the 20th of each month who will then forward to the Asset Management Unit.

The query name for the Asset Tracking report is F91_AM_AGING_COST_NBV_3.

6. Use of Manufacturing ID

PeopleSoft functionality that has been enabled to help Faculties/Divisions identify/highlight core assets, components, built-ins etc when multiple line PO's or even multiple PO's are raised for the asset acquisition. (Refer to page 3 of the [Asset Help sheet](#) for categories you can use when using this functionality.)

Q: How are trade-ins dealt with?

A: Trade-ins are treated like a new asset. Refer to page 4 of the [Asset Help sheet](#) for further detail

Q: If asset PO is one line do I still need to select manufacture id "asset_core"

A: No, the system will automatically pick this up as the primary or core asset

Q: Will you get an error if fields are not populated in manufacture ID?

A: No, the manufacture ID is an optional field designed to streamline the asset management process for both Faculty/Division and Finance.

ASSETS HELP SHEET – PO Item Categories

7. Training

Q: Will ongoing training be available after the initial roll-out?

A: [User guides](#), [Decision Tree's](#), and [Asset Help sheets](#) have been designed to assist users in the process. If further training is required it can be arranged via the Finance Training Team at fti@unsw.edu.au.

Q: Who can I contact if my issue is not covered within frequently asked questions?

A: If your issue is not addressed by any of the FAQ's, send an email detailing your issue to assets@unsw.edu.au.

8. Other

Q: How does one account for the purchase of assets on a UNSW credit card?

A: [UNSW credit card procedures](#) state that UNSW credit cards are intended to provide an efficient method of purchasing travel, accommodation and low value goods and services for UNSW purposes. As a result, Assets should be purchased via PO.

Q: Who do I contact if I have a query with a tracking report (PO/Asset)

A: Queries regarding tracking reports should in the first instance go via your Finance Manager and then the Assets Management Unit if you require further assistance

Q: Why can't I depreciate furniture if it is greater than \$5k?

A: As per [University Policy](#), furniture is regarded as an expense and not an asset.