

FA-21 Partial Retirements vs. Negative Cost Adjustments

Purpose

The purpose of this Quick Reference Guide (**QRG**) is to provide a step-by-step explanation on how and when to perform partial asset retirements and negative cost adjustments in the North Carolina Financial System (**NCFS**).

Introduction and Overview

This QRG explains how and when to perform partial asset retirements and negative cost adjustments. When an asset's cost is decreased aside from depreciation, either a Partial Retirement or a Negative Cost Adjustment is required.

- Partial Asset Retirement
 - Used when a portion of the asset leaves service.
 - Can be due to an end of useful life, sustaining damage enough to terminate use of a portion, surplus/sale of a portion of the asset, or other reasons.
 - For example, a permanent toolbox attached to a truck is damaged and needs to be removed but not replaced.
- Negative Cost Adjustment
 - Used when the value of the asset decreases but the entire asset stays in service.
 - Can be due to incorrect initial valuation or other reasons.

- For example, a truck was originally added as an asset with a value of \$500,000 but should have been entered with a value of \$50,000.

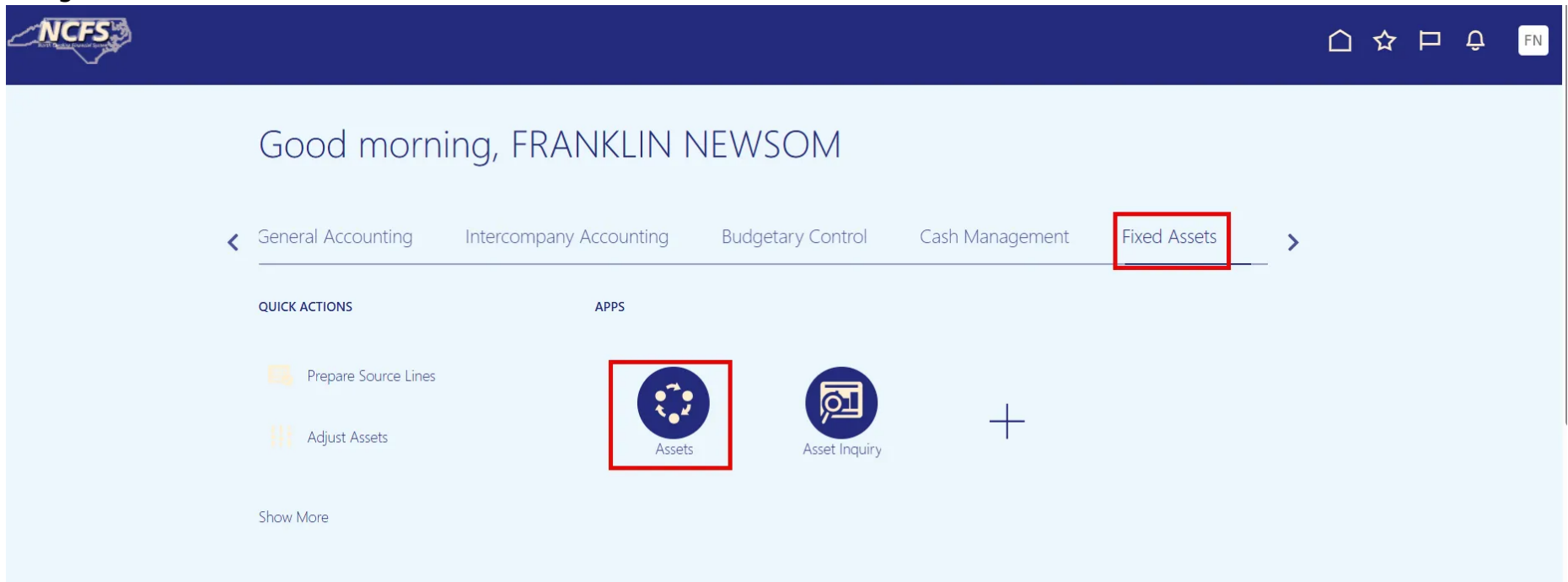
Partial Asset Retirement

To perform a partial asset retirement, please follow the steps below. There are 9 steps to complete this process.

Step 1. Log in to the NCFS portal with your credentials to access the system.

Step 2. On the **Home** page, under the **Fixed Assets** tab, click the **Assets** app.

Image



Step 3. On the **Asset Dashboard** page, open the **Tasks** list and click **Retire Assets**.

Image

Assets ? AGENCY 0100 CASH BOOK - USD

Additions
98 Incomplete
0 Exceptions
0 Ready to Post

Adjustments
0 Incomplete

Transfers
0 Incomplete

Retirements
0 Incomplete

Depreciation
Nov-2025

Transactions

- Add Asset
- Add Assets in Spreadsheet
- Prepare Source Lines
- Adjust Assets
- Adjust Assets in Spreadsheet
- Capitalize CIP Assets
- Transfer Assets
- Transfer Assets in Spreadsheet
- **Retire Assets**
- Retire Assets in Spreadsheet
- Reinstate Assets
- Update Descriptive Details

Actions View Detach Prepare All Merge Add to Asset Split Change Book

Step 4. The **Retire Assets** page will open. On this page, search for your asset.

Image

Retire Assets ? Done

Basic Mass

Search: Assets

Advanced Manage Watchlist Saved Search All Assets

* Book AGENCY 0100 CASH BOOK

** Category

** Asset Number 1002220

Description

Asset Type

** Tag Number

Serial Number

Employee Name

Search Reset Save...

Actions View Detach Retire Cost Retire Units

Asset Number	Description	Category	Serial Number	Tag Number	Asset Key	Asset Type
No search conducted.						

Step 5. Select your asset line (blue highlight) and click the **Retire Cost** button.

Image

NCFS

FN

Retire Assets ?

Done

Basic

Mass

Search: Assets

Advanced

Manage Watchlist

Saved Search

All Assets

* Book

AGENCY 0100 CASH BOOK

** Category

** Asset Number

1002220

Description

Asset Type

** Tag Number

Serial Number

Employee Name

* Required

** At least one is required

Search

Reset

Save...

Actions

View

Detach

Retire Cost

Retire Units

Asset Number	Description	Category	Serial Number	Tag Number	Asset Key	Asset Type
1002220	CATALYST 9300 48PORT POE+ NET ADV CATALYST 9300 48-PORT POE+, NETWORK SERIAL NUM	EQUIPMENT-LAN EQUIPME	SEE ATTACHED	010001062100		Capitalized

Step 6. Enter the cost to be retired in the **Cost Retired** field. For a partial retirement this number represents the cost removed from the total value.

Step 7. Choose the **Retirement Reason** of Partial Retire from the Retirement Reason drop-down list.

Step 8. Add **Comments** and ensure the **Retirement Convention** is set to Half-Year, the state-standard convention.

Step 9. Lastly, click the **Submit** button to complete your Partial Retirement.

Image








FN

Retire Cost: Asset 1002220

Save and Close
Submit
Cancel

Currency = USD

BookAGENCY 0100 CASH BOOK
Asset TypeCapitalized

CategoryEQUIPMENT-LAN EQUIPMENT-NONE
Open PeriodNov-2025

Transaction Details

CommentsPartial Retirement due to damage

* Retire Date11/30/25

Context Value

Regional Information

Retirement Details

* Cost Retired5,000.00

Proceeds of Sale

Cost of Removal

Retirement ReasonPartial Retire

Retirement ConventionHALF-YEAR

Cost103,373.01

Trade in Asset

Check or Invoice Number

Sold To

Context Value

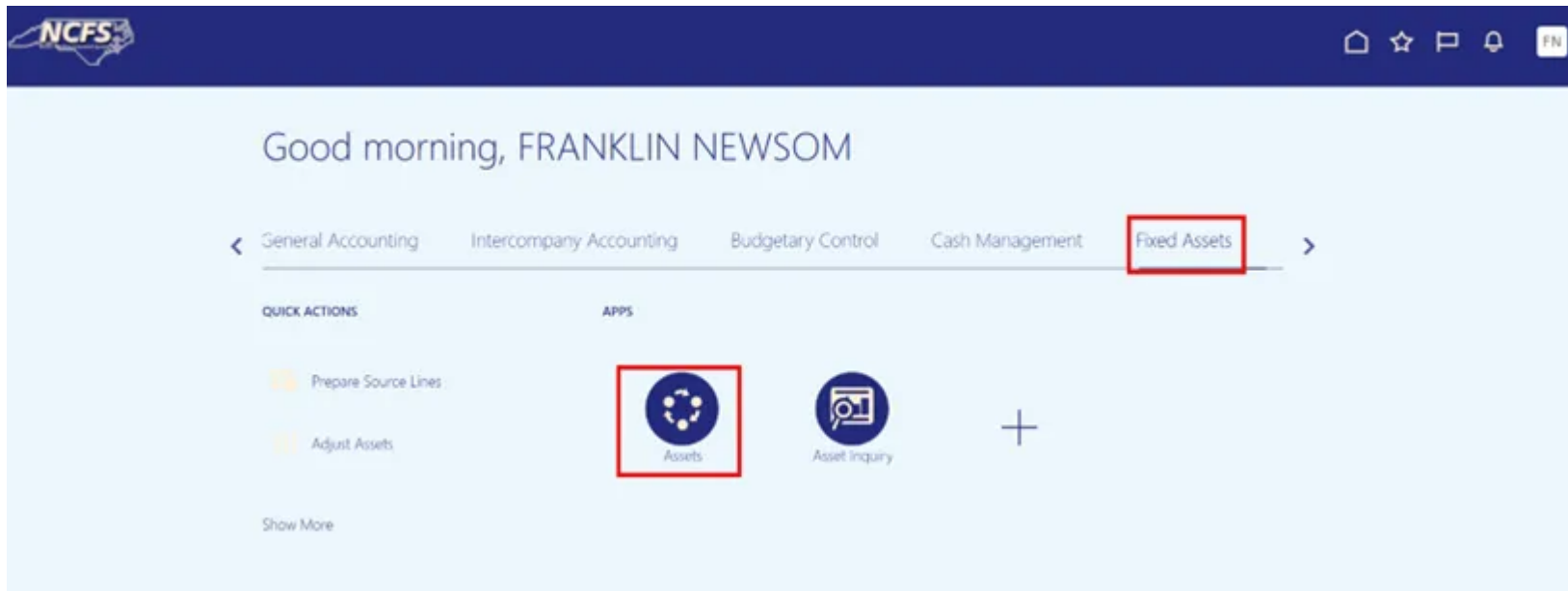
Negative Cost Adjustment

To perform a negative cost adjustment, please follow the steps below. There are 8 steps to complete this process.

Step 1. Log in to the NCFS portal with your credentials to access the system.

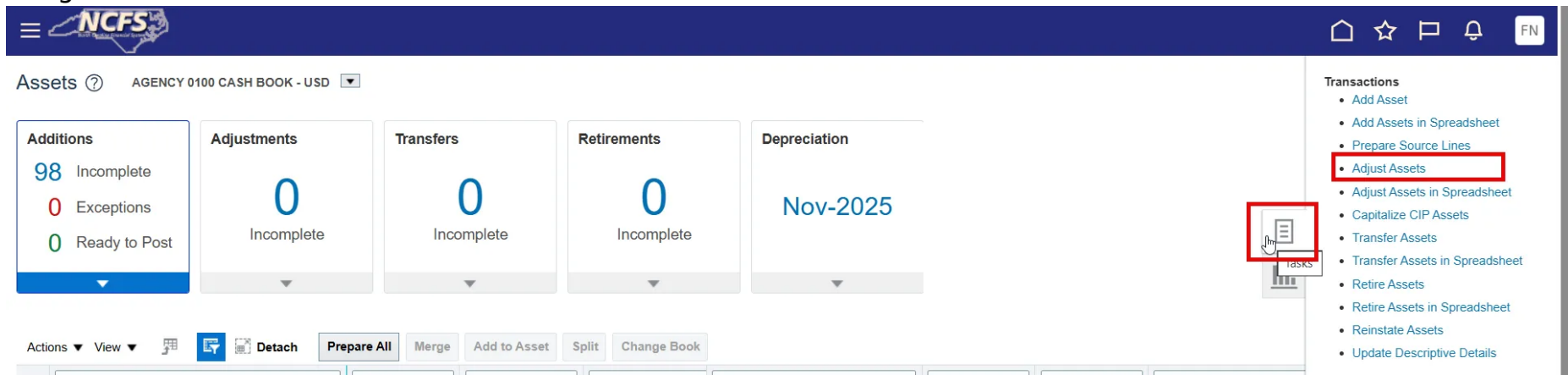
Step 2. On the **Home** page, under the **Fixed Assets** tab, click the **Assets** app.

Image



Step 3. On the **Asset Dashboard** page, open the **Tasks** list and click **Adjust Assets**.

Image



Step 4. The **Adjust Assets** page will open. On this page, search for your asset.

Image

NCFS

FN

Adjust Assets ?

Done

BasicMass

Search

AdvancedManage WatchlistSaved SearchAll Assets

* Required

** At least one is required

* Book

AGENCY 0100 CASH BOOK

** Category

** Asset Number

1002220

Description

Asset Type

** Tag Number

Serial Number

Employee Name

Search

Reset

Save...

ActionsView

Change Financial Details

Transfer Source Lines

Change Category

Asset Number	Description	Category	Asset Type	Asset Key	Tag Number	Serial Number
No search conducted.						

Step 5. Select your asset line (blue highlight) and click the **Change Financial Details** button.

Image

Done

Search

Advanced Manage Watchlist Saved Search All Assets ▼

* Book AGENCY 0100 CASH BOOK ▼

** Category

** Asset Number 1002220

Description

Asset Type ▼

** Tag Number

Serial Number

Employee Name 🔍

* Required
** At least one is required

Search Reset Save...

Actions ▼ View ▼ 📄 Change Financial Details Transfer Source Lines Change Category

Asset Number	Description	Category	Asset Type	Asset Key	Tag Number	Serial Number
1002220	CATALYST 9300 48PORT POE+ NET ADV CATALYST 9300 48-PORT POE+, NETWORK SERIAL NUM	EQUIPMENT-LAN EQUIPMENT-N	Capitalized		010001062100	SEE ATTACHED

Step 8. Lastly, click the **Submit** button to complete your Negative Cost Adjustment.

Image

Change Financial Details: Asset 1002220 ?

Submit Cancel

Currency = USD

Book AGENCY 0100 CASH BOOK
Asset Type Capitalized

Category EQUIPMENT-LAN EQUIPMENT-NONE
Open Period Nov-2025

Transaction Details

Comments Negative Adjustment due to initial valuation error

☐ Amortize

Amortization Start Date m/d/yy

Context Value

Regional Information

Financial Details

General Advanced Rules Regional Information

* Cost 50,000.00

Salvage Value Type Amount

Salvage Value Amount 0.00

Salvage Value Percent

Depreciation Factor

* Depreciation Method STL

* Life in Years 25

* Life in Months 0

* In Service Date 7/1/22

* Prorate Convention HALF-YEAR

— Fully depreciate in current period

Bonus Rule

Cash Generating Unit

Depreciation Ceiling

YTD Depreciation 1,378.32

Depreciation Reserve 11,715.66

YTD Bonus Depreciation 0.00

Bonus Depreciation Reserve 0.00

YTD Impairment 0.00

Impairment Reserve 0.00

Wrap-Up

Understand when and how to perform a Partial Retirement or Negative Cost adjustment using the steps above.

Additional Resources

- Virtual Instructor-Led Training (vILT)
 - [FA100: Asset Manager](#)

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