

## Appendix B

### ***Appendix B: OSC Guide to Identifying and Recording Grouped Assets in the NCFS FA Module***

#### **Identifying Grouped Assets**

Agencies should identify group asset purchases of similar items purchased near the same time with a single objective. Typically, these items will relate to machinery and equipment capital outlay accounts. RTU machinery and equipment outlay accounts are excluded from the grouped asset guidance since leases are evaluated by individual contracts and have a separate capitalization threshold. See listing of NCFS capital outlay accounts below.

Currently there are two sources available to identify group asset purchases in NCFS FA module.

1. Expensed assets tracked in the FA Module. Agencies should review their expensed assets that are below the capitalization threshold per 102.01 – Statewide Accounting Policy - Capitalization/Classification.

Characteristics of grouped assets include the following:

- a. Asset type is the same (e.g., laptops)
  - b. Purchased at or around the same time
  - c. Useful life of more than two years
  - d. Aggregate value of \$50,000 or more (as a general guideline).
2. Fixed Asset Dashboard – temporary asset activity. Agencies should review the fixed asset dashboard queue for potential grouped assets.
    - a. Identify invoices of \$50,000 or more (or professional judgement for your agency) for purchases of multiple units with a per unit price less than the capitalization threshold. Note that there may be additional invoices that are less than \$50,000 that should also be included in the evaluation.
    - b. Review purchase orders to identify invoices connected to grouped asset purchases.

## **Recording Grouped Assets in the FA Module**

Grouped assets will need to be added manually in the FA Module. Agencies will be responsible for adopting internal policies utilizing the tools and reports available to them to analyze their fixed asset activity for potential grouped assets by asset type. Agencies should maintain documentation supporting grouped assets added in the FA Module.

If an agency is creating a grouped asset from “expensed” fixed assets already added and being tracked in the FA module, a list of those assets comprising the grouped asset should be maintained to support the grouped asset. Include an attachment of the “expensed” assets that make up the group asset when adding the grouped asset to the FA Module.

NOTE: If the agency plans to track individual fixed assets below the threshold, and an invoice includes multiple lines of the same asset, the agency should continue to “split” the invoice by individual unit so that an asset tag and number is generated for the individual units. There may be scenarios where an agency is reporting both expensed assets and a grouped asset for the same assets. That is OK because only the capitalized grouped asset above the capitalization threshold will be included in the State’s ACFR.

## **Frequency of evaluating and adding grouped assets in the FA Module**

Larger agencies that are more apt to have bulk purchases of similar assets should regularly evaluate and add grouped assets in the FA Module (monthly/quarterly). Smaller agencies may only need to evaluate their fixed assets annually for potential grouped assets as part of their fiscal year-end fixed asset processes. Each agency will need to use professional judgement based on their typical operations.

## **Detail and Description for Grouped Assets that will be added in the FA Module**

See the attached QRG: FA-24 Adding a Grouped Asset for information on how to add group assets to the FA Module.

## **Attachments**

[FA-24 Adding a Grouped Asset | NCOSC](#)

**NCFS capital outlay accounts typically used in group asset purchases\*:**

5450999A-EQUIPMENT

54511000-FURN-OFFICE

54512000-FURN-RESIDENTIAL

54513000-FURN-CLASSROOM/LIBRARY

54521000-OFFICE EQUIPMENT

54523000-EQUIP-SCIENTIFIC/MEDICAL

54524000-EQUIP-ENGINRING/DRFTING

54525000-EQUIP-DIETARY

54526000-EQUIP-ATHLETIC

54527000-EQUIP-AGRICULTURAL

54528000-EQUIP-VOICE COMMUNICATION

54528001-COMM EQUIP-PAY TELEPHONES

54528002-RADIOS

54529000-EQUIP-CUSTODY & SECURITY

54529001-EQUIP CUS & SEC - WEAPONS

54530000-NON-WAN DP EQUIPMENT

54531000-WAN EQUIPMENT

54532000-VIDEO TRANSMISSION EQUIP

54533000-LAN EQUIPMENT

54534000-PC/PRINTER EQUIPMENT

54535000-SERVER EQUIPMENT

54536000-MAINFRAME EQUIPMENT

54537000-IT SECURITY EQUIPMENT

54539000-OTHER EQUIPMENT

54539001-OTH EQUIP-AUDIO/VISUAL

54539002-OTH EQUIP-JACKPOT DIGITS

54539003-OTH EQ-INSTNT TKT DISPNSR

54541000-AUTOS TRUCKS & BUSES

54541001-AUTOS/TRUCK/BUS/REFURBISH

54542000-AIRCRAFT

54543000-BOATS

54544000-TRAILERS

54549000-OTHER MOTORIZED VEHICLES

54550000-LIVESTOCK & OTHER ANIMALS

5460999A-ART OTHER ARTIFACTS & LITERATURE

54600000-ART LIBRARY LEARNING RESOURCES-UNIVERSITY

54610000-ART & ARTIFACTS

54620000-TEXTBOOKS

54630000-LBRRY&LRNING RESRCE COLL

\*Note: This is not an all-inclusive list of accounts that could be used. There may be other capital outlay accounts used to fit the purpose of the items purchased, but these are the most likely to be used.