



County of Santa Clara

Policy Name: Fixed Assets Policy

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Policy Type: Administrative

Category: Fiscal and Budget

Sub-Category: Fixed Assets

Policy Name: Fixed Assets Policy

Policy Owner: Controller-Treasurer Department

Policy Purpose

The purpose of this policy is to provide County employees with the [Fixed Assets Administrative Guide](#).

Policy Summary

The [Fixed Assets Administrative Guide](#) is a document that contains the County's policies and procedures relating to all aspects of its fixed asset transactions. The [Fixed Assets Administrative Guide](#) is to be followed by all County employees whose duties require them to perform fixed asset related activities.

The [Fixed Assets Administrative Guide](#) should be used as a guide for the creation, recording, modification, disposition, and other fixed asset related transactions, and all employees performing fixed asset related activities must be familiar with its contents. The [Fixed Assets Administrative Guide](#) should be made readily available to employees as a reference in handling fixed assets and in training new employees.



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Occasionally, unique operating requirements may arise in a department that would require a deviation from the procedures listed in the [Fixed Assets Administrative Guide](#). In that case, we suggest that the department contact the Controller-Treasurer Department for guidance and advice.

Procedures

See the Fixed Assets Administrative Guide. The Fixed Assets Administrative Guide can be found online at

<https://sccconnect.sharepoint.com/sites/controller/Controller-Treasurer%20Policies%20and%20Procedures/Documents/Fixed-Assets-Administrative-Guide.pdf>.

Definitions

For the purposes of this policy, the following definitions apply:

1) **“Fixed Assets”** means tangible assets of significant value with useful life that extends beyond one year; and are broadly classified as land, buildings and improvements, infrastructure, and equipment; and exceed the County’s capitalization threshold policies for various fixed asset classifications.

Frequently Asked Questions

1) **How can departments view their fixed assets?**

To view fixed assets in SAP (County’s accounting system), use transaction code XXXXXXXXXX. Input your department’s Plant (Budget Unit) and execute. This report may be customized using various Sort Versions and/or Variants.



2) How do departments verify Inventory Notes?

Inventory Notes includes the tag numbers of each fixed asset. Departments verify Inventory Notes using transaction code [REDACTED] in SAP. Input your plant, choose Sort Version Z010, Click List Assets, Choose Display Variant /Z010 and execute. This will provide a listing of the department's assets. The Inventory Note field will be blank for assets without SCC tags. These assets need to be updated.

3) How do departments update an asset with an Inventory Note?

To update an asset with an inventory note use transaction code [REDACTED] (Change Asset). Input the SAP asset number and press enter. On the General tab, in the Inventory section, input the tag number in the Inventory Note field.

4) Which transaction code is used to view Asset under Construction (AuC) details at month-end and year-end for Financial Reporting?

To view AuC details, use transaction code [REDACTED]. In Asset Class, choose the AuC asset class range [REDACTED] and execute. Another option is transaction code [REDACTED]. Choose Asset Class [REDACTED], Sort Version [REDACTED], Display variant [REDACTED] and execute.

5) How can departments verify that their asset retirements have been recorded in SAP?

Use transaction code [REDACTED] (Asset Transactions) to verify that retirements have been recorded in SAP. Click on All Selections, input your Plant, click list assets, input Transaction Type 200 to 299 and execute.



Another alternative is to generate an updated listing of the department's assets, retired assets will no longer appear on the report.

6) **Which transaction code is used to obtain the Funding Source and/or Funding Source Percent for department's assets?**

Funding Source shows the fund that acquired the Fixed Asset. Transaction code [REDACTED] will provide the Funding Source and the Funding Source Percent. Choose Sort Version [REDACTED], click List Assets, choose Display Variant [REDACTED], then select appropriate Cost Center, Plant, or Asset Number and execute. After the report is generated, you will need to change the layout to include the Funding Source and Funding Source Percentage columns.

7) **How to correct Funding Source and/or Funding Source Percent?**

When correcting Funding Source and/or Percent use [REDACTED]. Input the asset number into the asset field and press enter. Click on the Allocations field, and change the Funding Source and/or Funding Source Percent.

8) **How can depreciation expense be reviewed?**

To review depreciation expense for a Cost Center, use transaction code [REDACTED]. Enter the fiscal year and accounting periods you plan to review. Enter either the Cost Center Group or the Cost Center(s) in the Or Value fields. Also, you may enter the Cost Element Group or the General Ledger Accounts in the Or Value fields. Execute the report. For assistance in selecting the appropriate Cost Center Group and/or Cost Element Group, click the Match Code box at the side of either field.



9) **How can departments obtain a summary of asset transactions for their department?**

For a summary of asset transactions, use transaction code [REDACTED]. Input your plant, click List Assets and execute. It is possible to organize this report using different Sort Versions and Variants.

10) **Where are a department's depreciation and accumulated depreciation posted?**

Depreciation is posted against the Cost Center of an asset. Accumulated Depreciation is posted against the corresponding Fund.

11) **What happens to a department's Unposted Assets?**

Periodically, the Controller-Treasurer Department notifies departments of Unposted Assets that are one (1) year old and beyond. With departments' approval, the Unposted Assets will be deleted.

12) **How do you post a credit to an asset?**

Credits to assets usually are rebates and/or refunds issued by the vendor. The department prepares an Affidavit of Deposit crediting miscellaneous revenue account. The department must also submit an Adjustment Form (S6) to the Controller-Treasurer Department, whom then will post the credit to the asset.

13) **Should software be capitalized?**



Certain application software should be capitalized depending on the classification and type. For more information, please refer to the County Fixed Asset Policies and Procedures.

14) **If a department purchases an asset and it is expensed, can it be capitalized later?**

It is possible to create an asset later and post an entry crediting the charged expense G/L within the same fiscal year. Please contact the Controller-Treasurer Department for additional details.

15) **What are the auditing criteria for assets that are created?**

Acquisitions should be audited on a periodic basis to verify Inventory Note, Serial Number, and proper classification.

16) **What is the process for retirements (disposals)?**

Disposals are now considered as Retirements. Departments prepare transfer forms and send the equipment to Property Disposal, whom then signs the transfer forms and submits them to Controller-Treasurer Department. Upon disposition of the asset, Property Disposal prepares the Retirement form and submits it to Controller-Treasurer Department.

17) **When are fixed assets valued?**

Fixed assets are valued at the time of the Goods Receipt.

18) **Can an asset be reclassified to an expense?**



It is possible to reclassify an asset to an expense in the same Fiscal Year using transaction FB01.

19) **Are Asset under Construction (AuC) and Low Value Expense Item (LVEI) included in the Annual Physical Inventory?**

AuC and LVEI are not included in the Annual Physical Inventory.

20) **When generating a listing of a department's assets, why do the balances differ between S_ALR_87011966 Asset Balances and ZAAFAPRPT Asset Inventory Report?**

ZAAFAPRPT is a specialized report used only for the Annual Physical Inventory Certification and the financial data is from June 30 of the fiscal year; whereas, the S_ALR_87011966 uses real-time financial data. Therefore, the cost for certain assets and the balances of the department will not match.

Related Policies

None.

Related Forms and Information

- Fixed Assets Administrative Guide - <https://sccconnect.sharepoint.com/sites/controller/Controller-Treasurer%20Policies%20and%20Procedures/Documents/Fixed-Assets-Administrative-Guide.pdf>



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Revision History

Date	Changes Made
1/14/2019	Links Updated. (David Bruno)
6/29/2016	Substituted references and links to Fixed Assets Policies and Procedures Manual with references and links to Fixed Assets Administrative Guide. (David Bruno)
4/12/2016	Updated FAQs and link to Fixed Assets Policies and Procedures Manual. (David Bruno)
10/22/2015	Link to Fixed Assets Policies and Procedures Manual updated. (Kyle Larson)
3/21/2014	Policy Uploaded. (Kyle Larson)