# Asset Adjustments and Maintenance

**Overview**

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## System References

None

## Distribution

Oracle Assets

Job Title*

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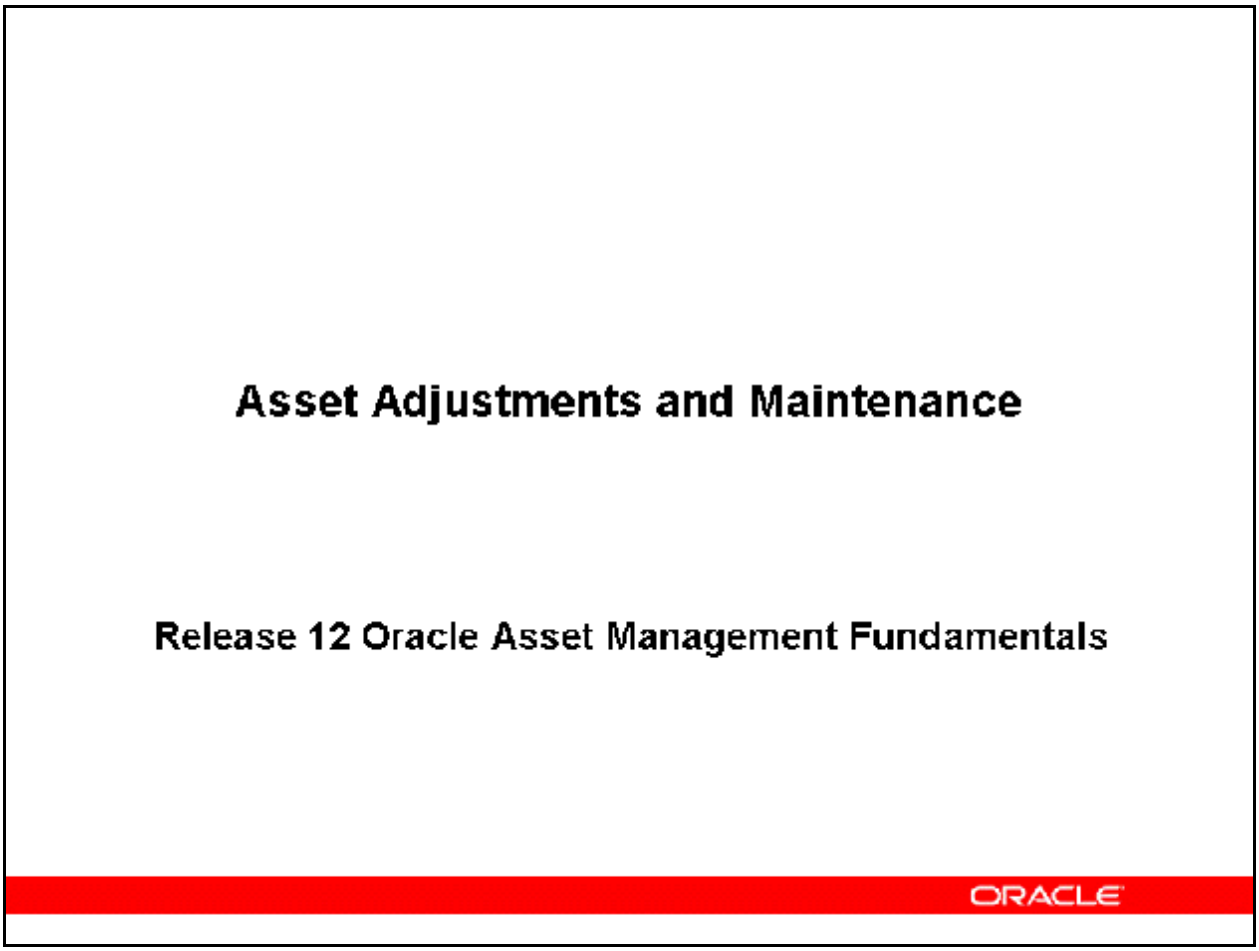


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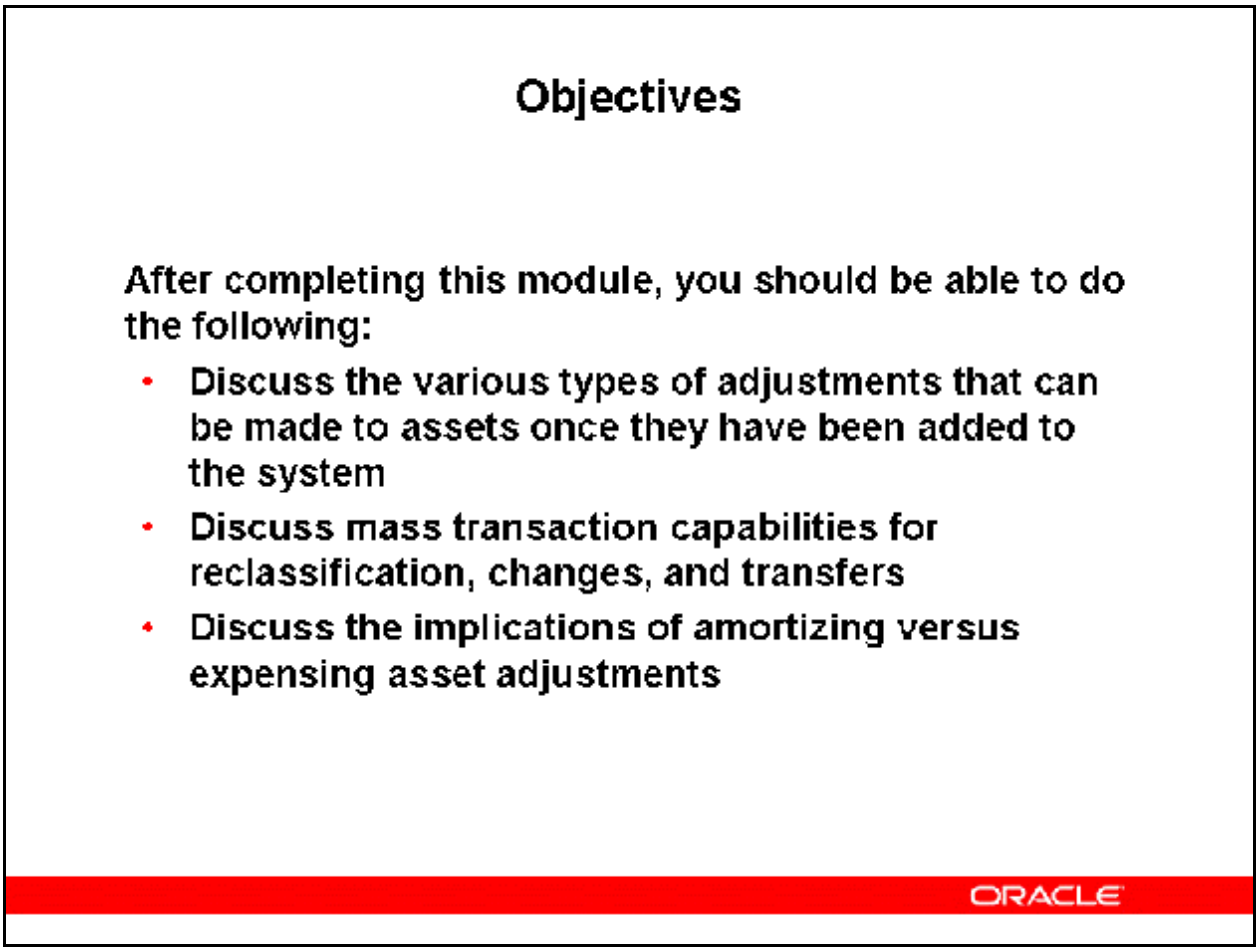


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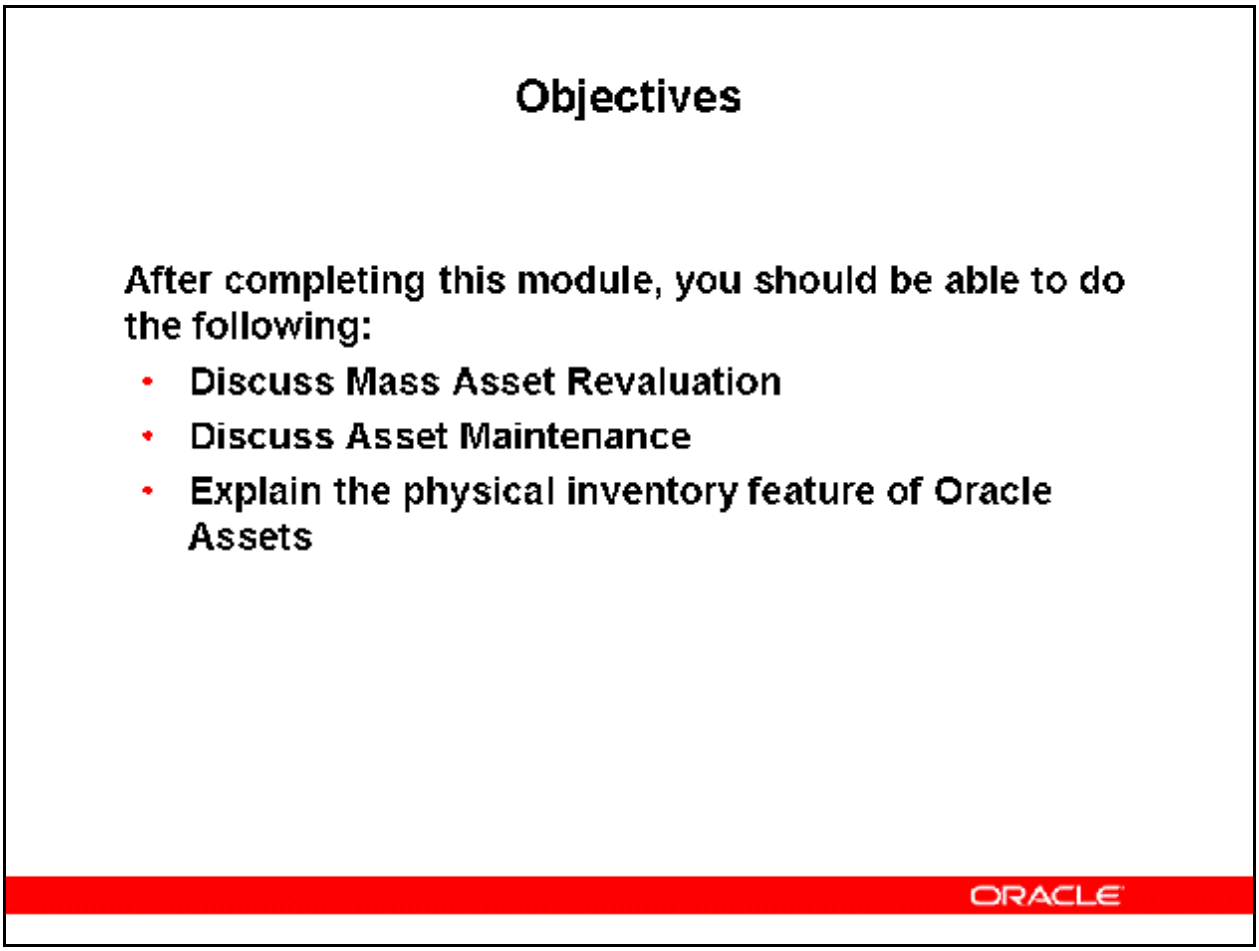


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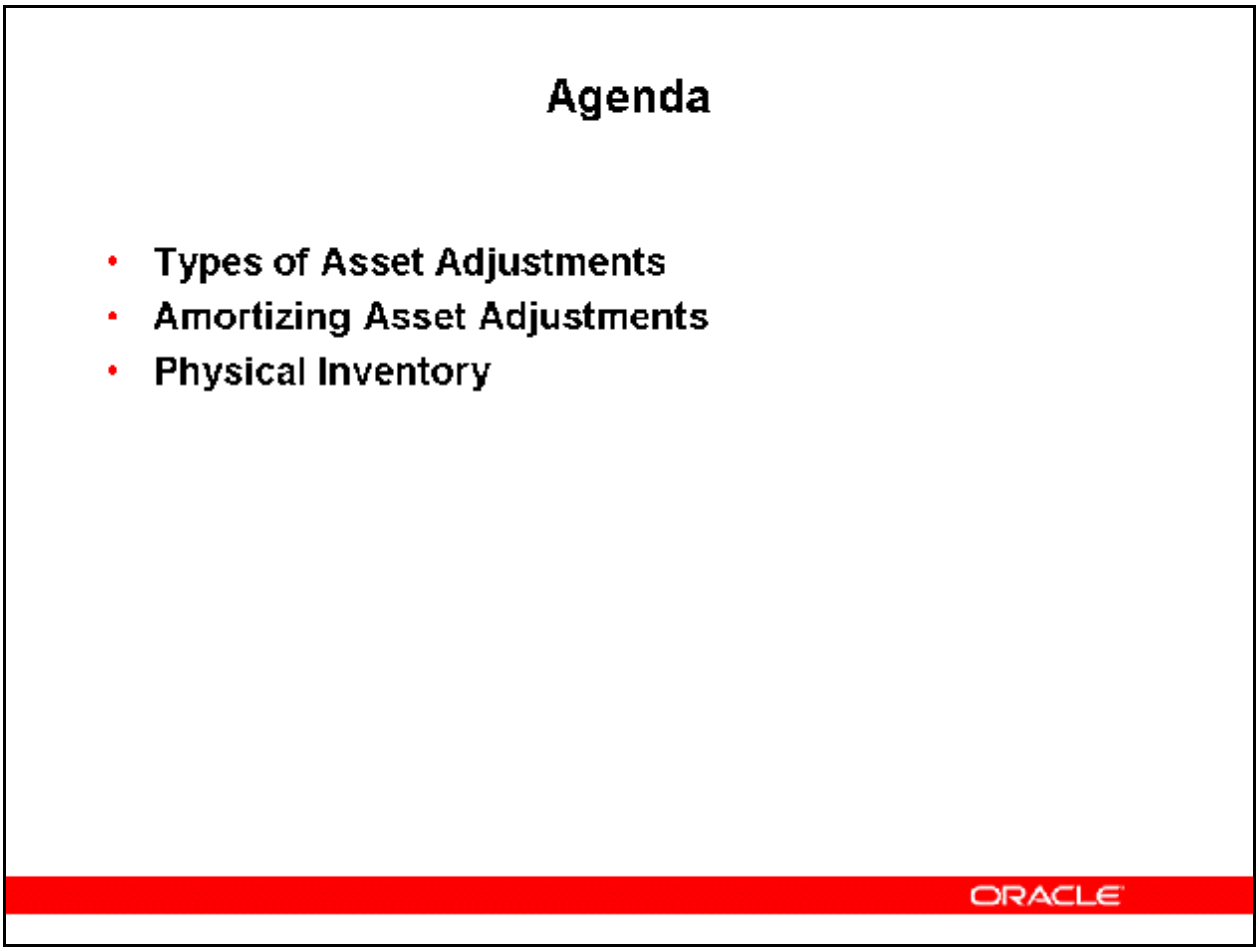


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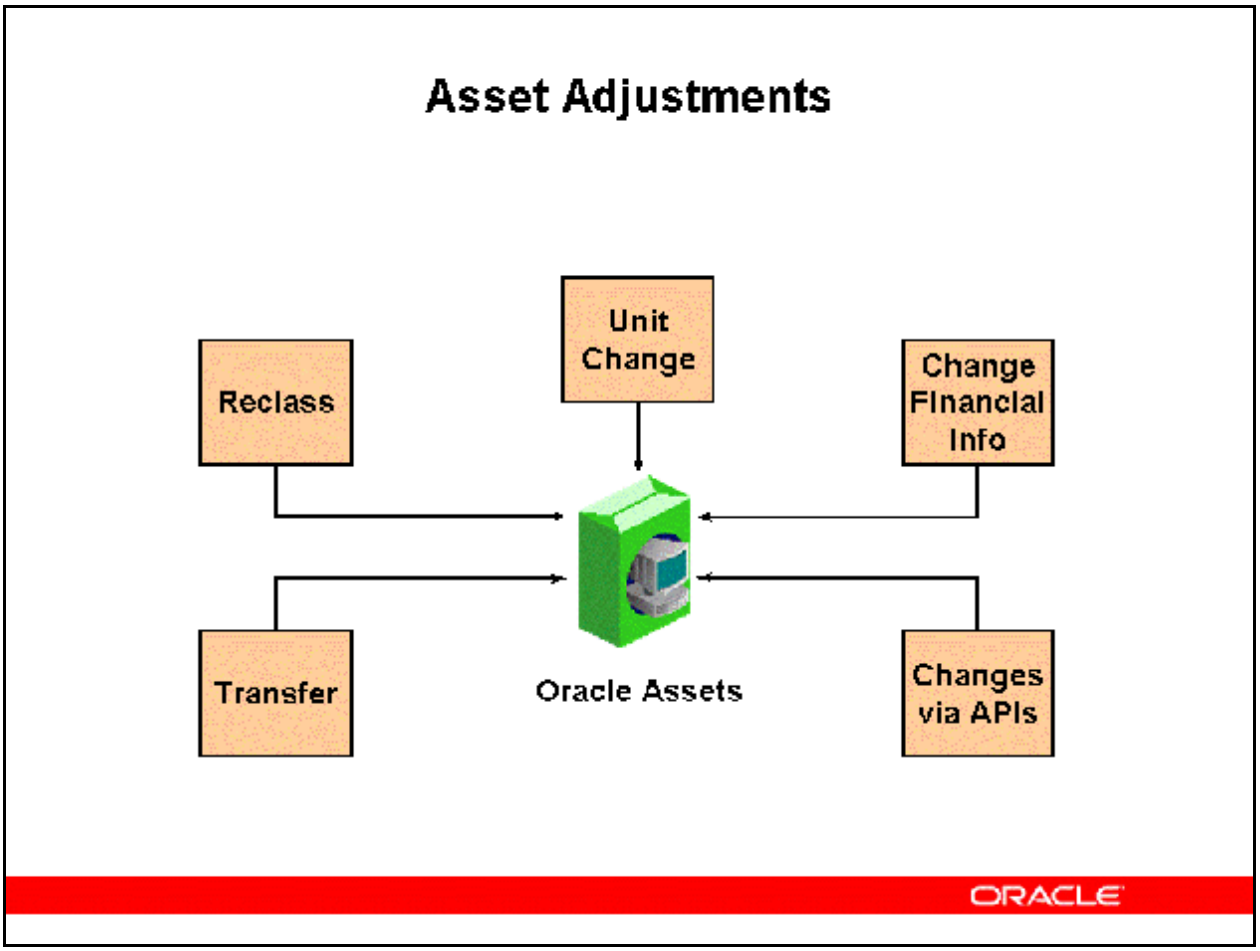


## Asset Adjustments

You adjust an asset by reclassifying, changing the number of units, adjusting the financial information, or performing a mass change. These adjustments are automatically reflected in the reporting currencies asset books. All cost adjustments use the daily exchange rate based on the transaction date entered during adjustment. Oracle Assets calculates new weighted average rate for the asset.

You can also submit transactions directly thru PL/SQL using convenient Transaction API's (Application Program Interface) . Instead of navigating thru the regular application, you can bypass the forms to directly submit various financial transactions against your assets.

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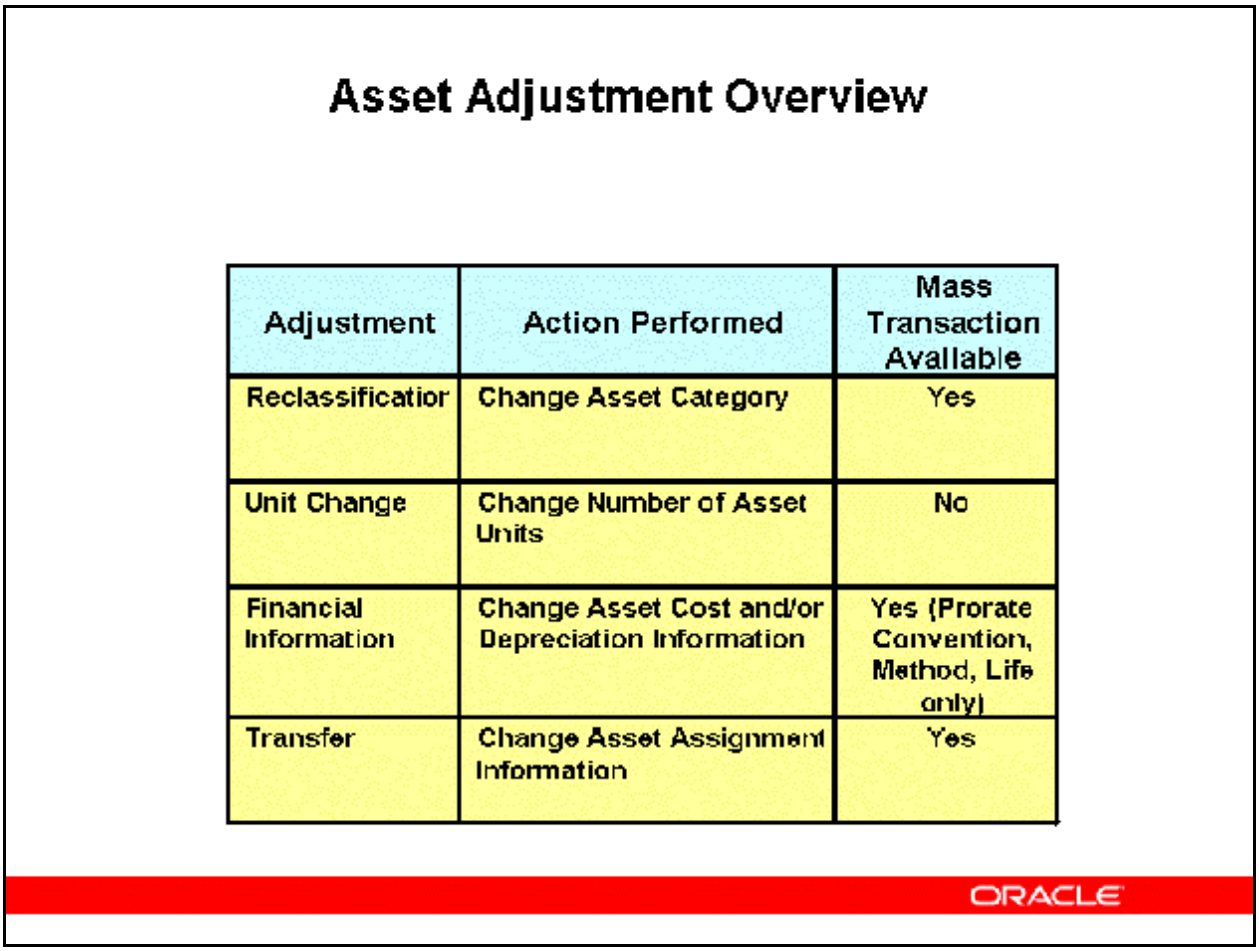


## Asset Adjustment Overview

### Reclassifying an Asset

You assign an asset to a new category in the Asset Details window to update information, correct data entry errors, and consolidate categories.

### Adjusting Asset Units

You change the number of units for an asset in the Asset Details window which will then take you to the Assignments widow to update the distribution and assignment information.

### Adjusting Financial Information

You adjust the financial information in the Books window to correct an error, update the financial and depreciation data, and expense or amortize the adjustment following the period in which you added the asset.

### Transferring an Asset

You transfer an asset when there are changes in asset assignments (Employee, Depreciation Expense Account, and Location) to help you maintain accurate asset inventory. You use the Assignments window in the Asset Workbench to transfer assets from one assignment to another within a corporate book.

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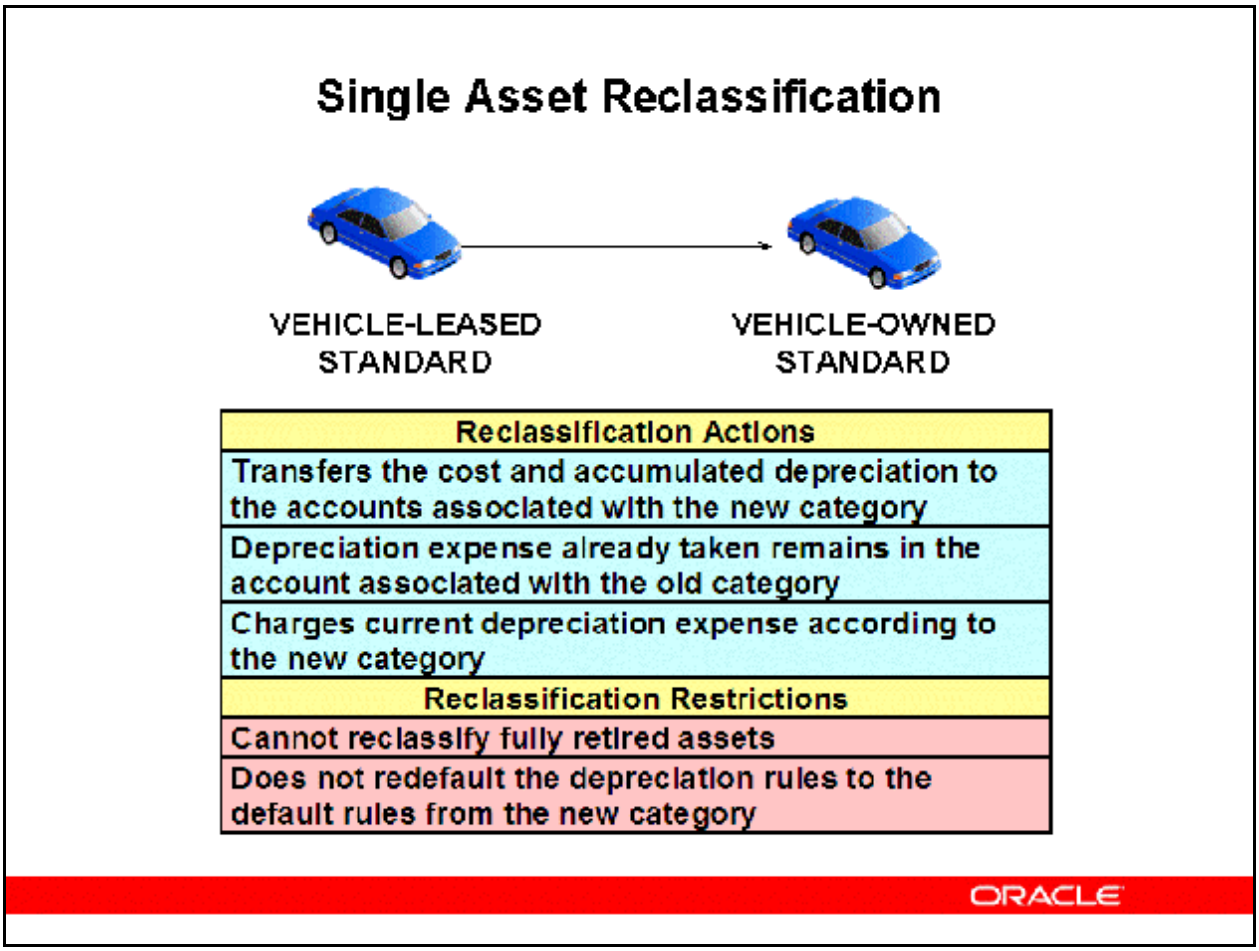


## Single Asset Reclassification

(N) Assets > Asset Workbench (B) Open

Reclassify assets to update information, correct data entry errors, or when consolidating categories.

- When you reclassify an asset in a period after the period you entered it, Oracle Assets creates journal entries to transfer the cost and accumulated depreciation to the asset cost and accumulated depreciation accounts of the new asset category. This occurs when you create journal entries for your general ledger.
- Reclassification does not redefault the depreciation rules to the default rules from the new category. Manually change the depreciation rules in the Books or Mass Change windows if necessary.

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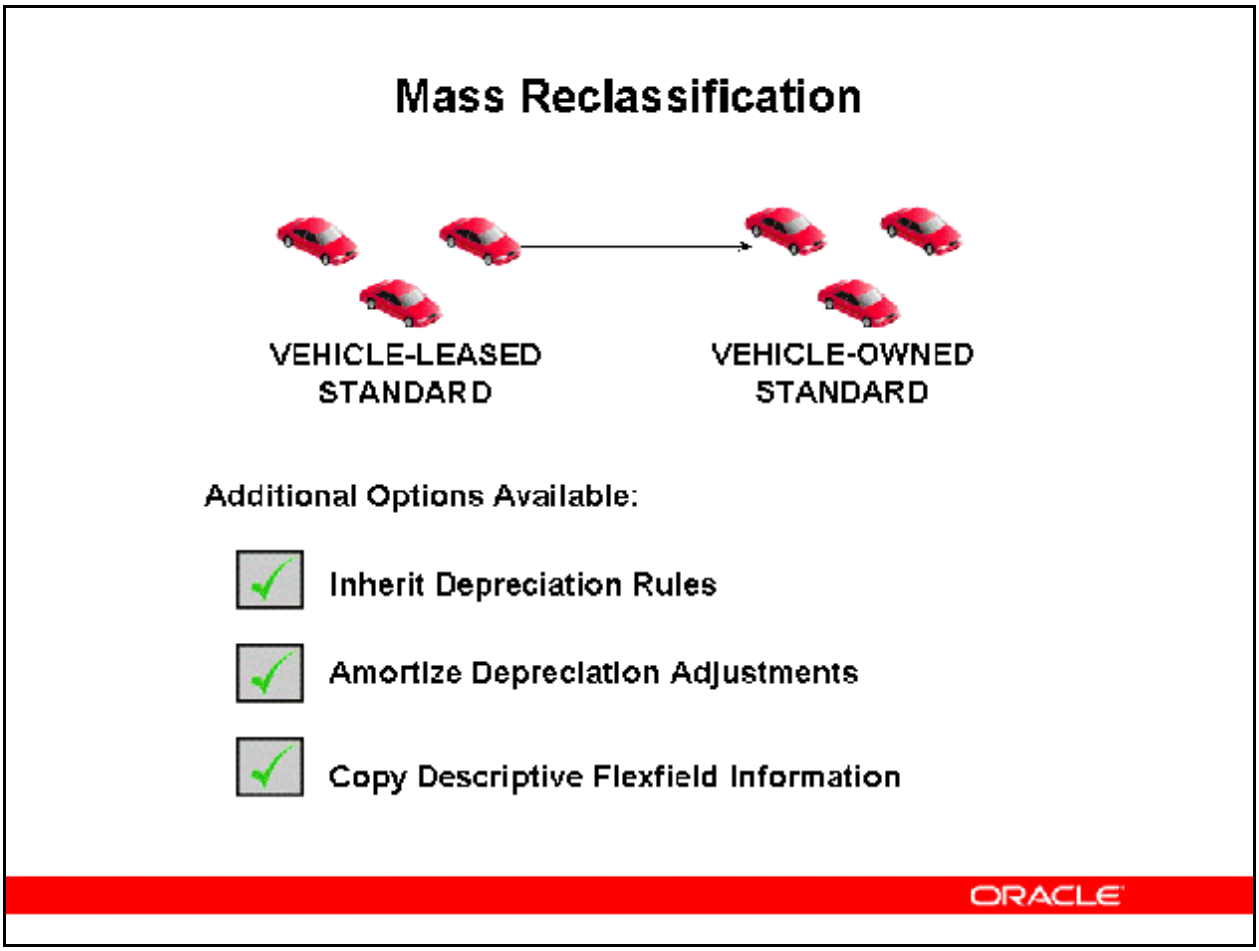


## Mass Reclassification

(N) Mass Transactions > Reclassifications

You can reclassify a group of assets using the Mass Reclassifications window. In addition to reclassifying assets to a new category, when you run the Mass Reclassification process, you have the option to have assets inherit the depreciation rules of the new category. If you choose to have the reclassified assets inherit depreciation rules, you can also choose to either amortize or expense the resulting depreciation adjustments.

**Restrictions**

- Reclassification is done at the asset level. If an asset cannot be reclassified in one book, the asset will not be reclassified in any of the books to which it belongs.
- You cannot reclassify an asset in a prior period.

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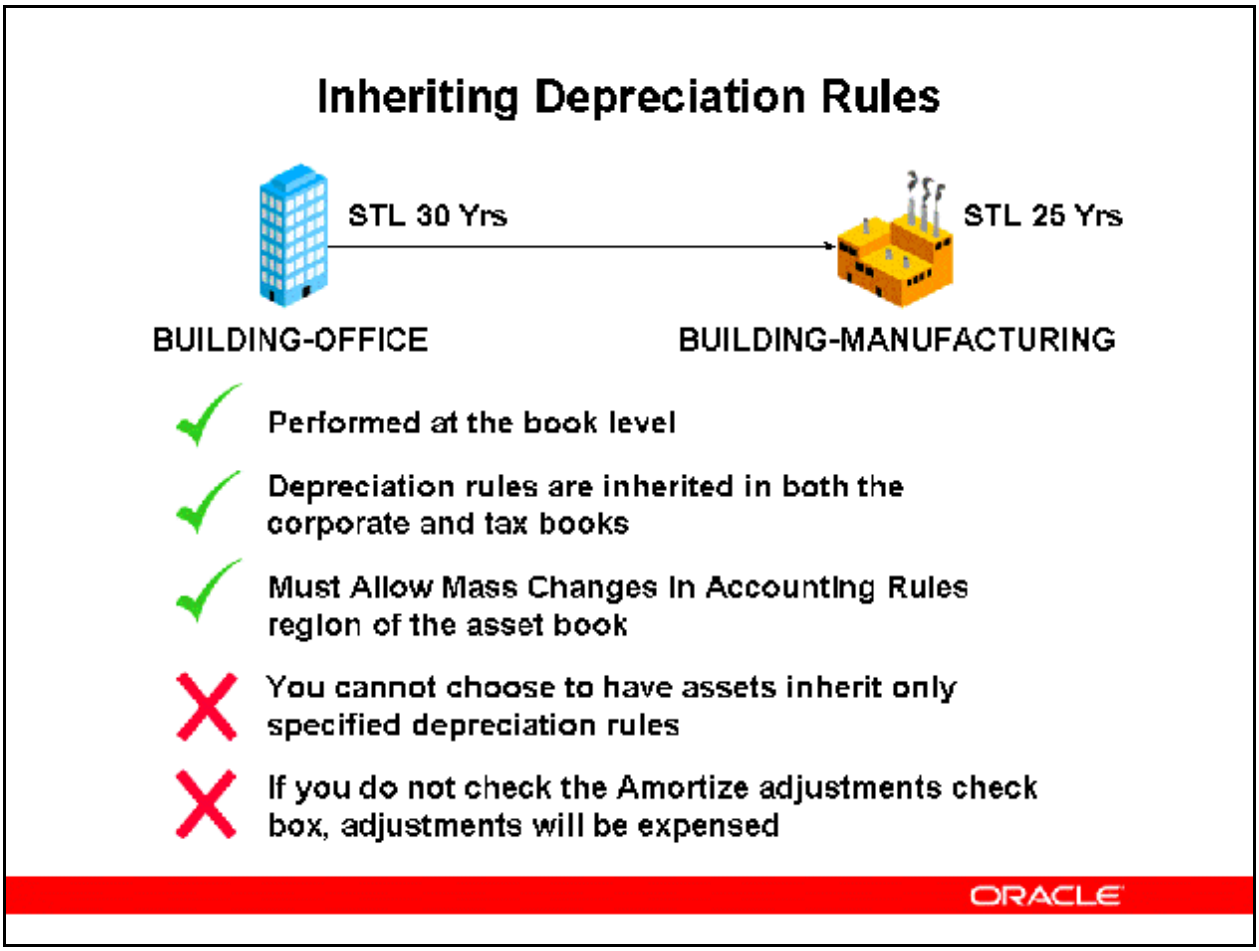


## Inheriting Depreciation Rules

- Inheriting depreciation rules is performed at the book level, meaning that if assets do not inherit depreciation rules in one book to which the assets belong, it will not prevent assets from successfully inheriting depreciation rules in other books to which they belong.
- When you choose to have assets inherit depreciation rules of the new category, you can also choose to amortize the resulting adjustments by checking the Amortize Adjustments check box on the Mass Reclassifications window. If you do not check the Amortize Adjustments check box, adjustments will be expensed.
  - Note that if you choose to expense adjustments on the Mass Reclassifications window (the Amortize Adjustments check box is not checked), reclassification will fail for any assets for which you have previously amortized an adjustment.
- Depreciation rules are inherited in both the corporate and tax books. The rules set up for the category in the corporate book are inherited in the corporate book and the rules set up for the category in the tax book are inherited in the tax book.
  - Depreciation rules are not copied from the corporate book to the tax book.
  - You do not need to check the Allow Mass Copy – Copy Adjustments check box in the Accounting Rules tabbed region of the Books Controls window.

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- If the Depreciate check box in the Books window is not checked for an asset before the asset is reclassified, that asset will inherit the depreciation rules of the new category, but the Depreciate check box will remain unchecked.
- If the Allow Mass Changes check box in the Accounting Rules region of the Book Controls window for the asset book is not checked, reclassified assets will not inherit depreciation rules, even though you checked the Inherit Depreciation Rules of New Category check box on the Mass Reclassifications window.

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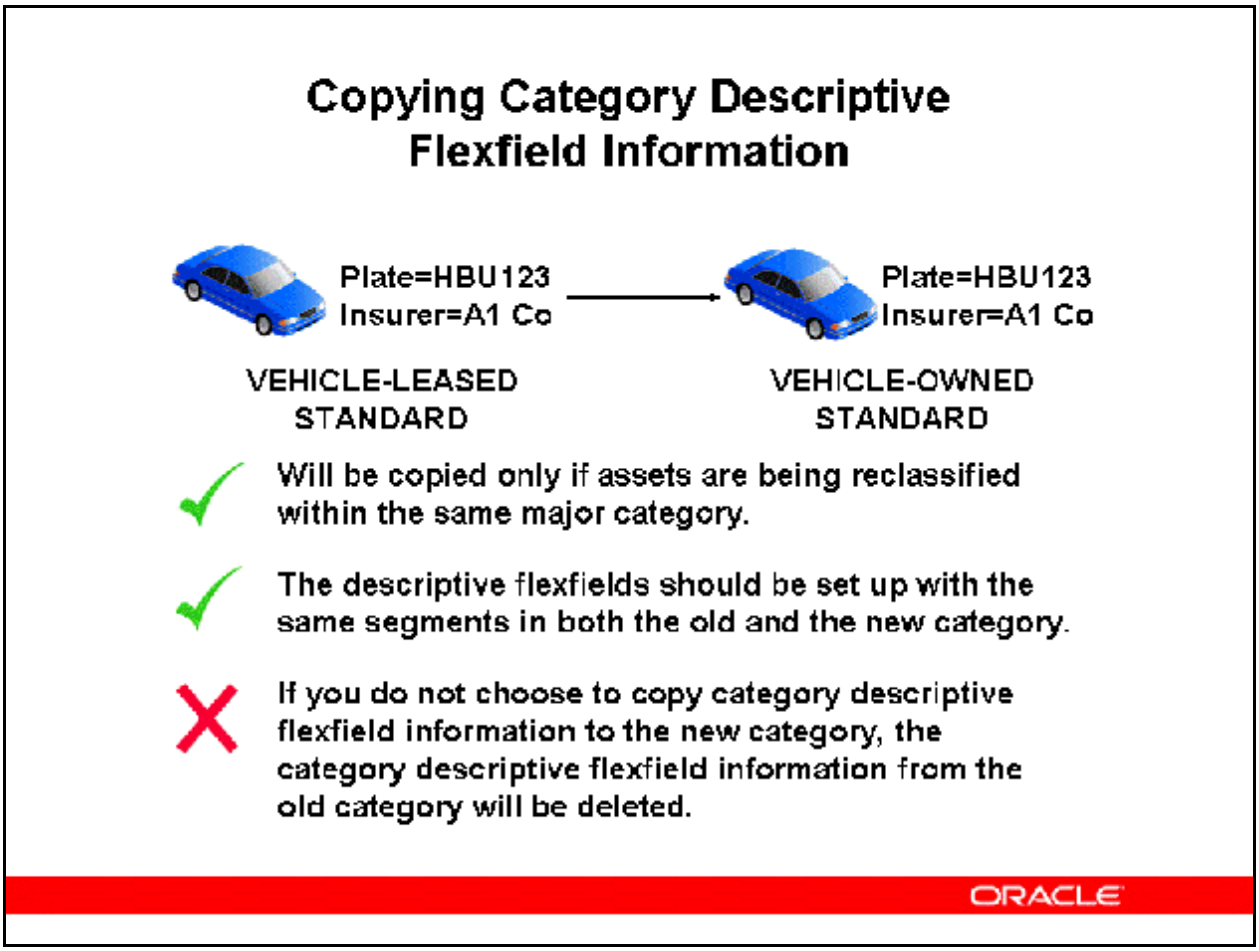
# Copying Category Descriptive  Flexfield Information




**Copying Category Descriptive Flexfield Information**

- You can choose to copy descriptive flexfield information to the new category by checking the Copy Category Descriptive Flexfield to New Category check box on the Mass Reclassifications window.
- If a segment in the old category and a corresponding segment in the new category have different formats (for example, segment 1 in the old category is alphanumeric and segment 1 in the new category is in date format), the information will be copied, but you will need to correct the descriptive information in that segment.

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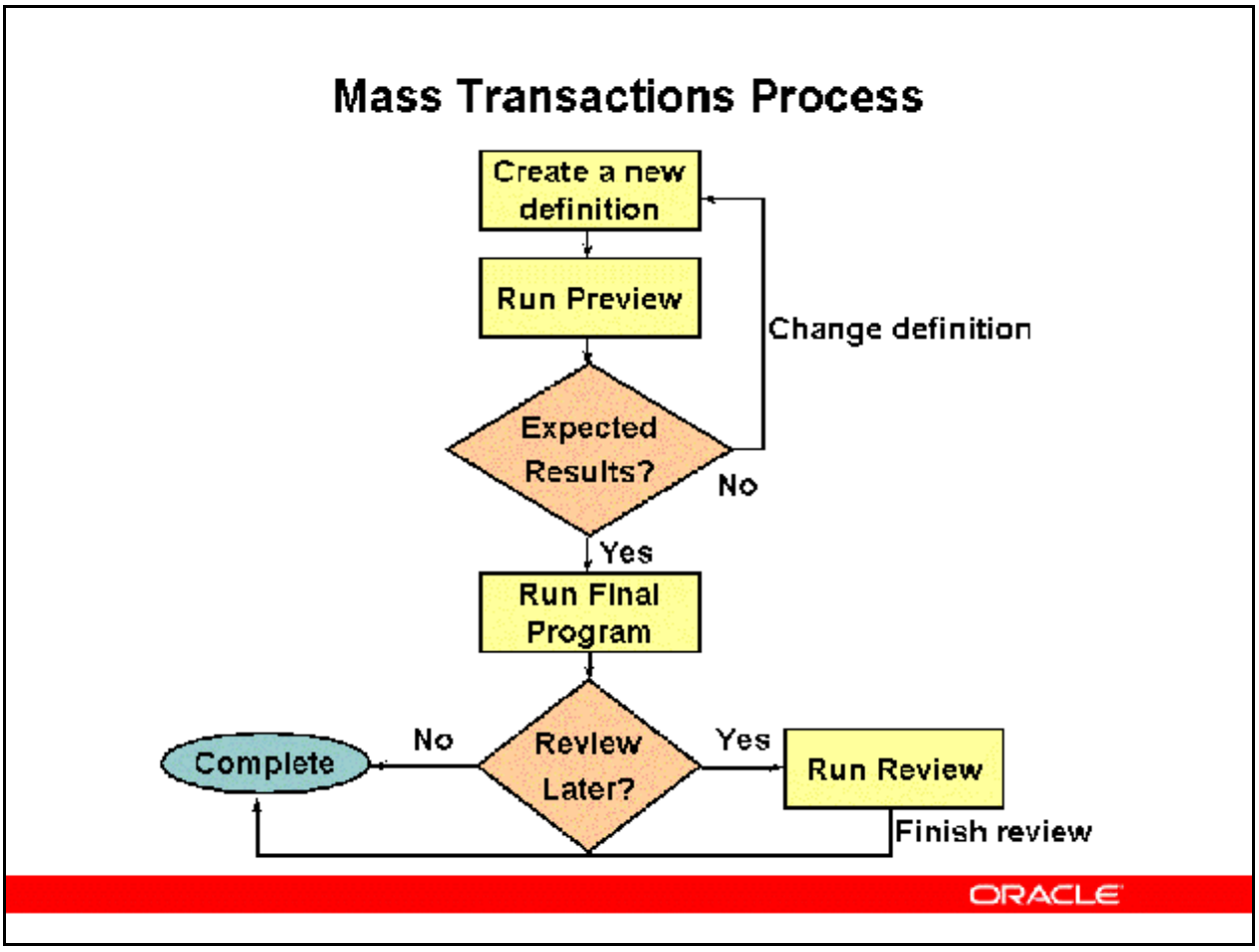


## Mass Transactions Process

**Using the Processing Status Field to Control Mass Transactions**

- Use the processing Status field to view the current status of the Mass Transactions and determine what action to perform next.
- Click Preview, Run, or Review to specify what Oracle Assets does next. Note: Mass Retirements transactions do not use this same process.
- Relevant reports include the applicable mass transaction preview reports and mass transaction review reports.

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## Recording a Reclassification

Cost $4,800

STL 4 Yr

In Period 4 you reclass the asset from COMPUTER-PC to COMPUTER-NETWORK

Per 1 Per 4 Per 48

| Reclass journal entry: | Dr | Cr |
|---|---|---|
| Asset Cost - COMPUTER-NETWORK | 4,800 | |
| Asset Cost - COMPUTER-PC | | 4,800 |

| Depreciation journal entry: | | |
|---|---|---|
| Depr Exp (current) - COMPUTER-NETWORK | 100 | |
| Acc Depr - COMPUTER-PC | 300 | |
| Acc Depr - COMPUTER-NETWORK | | 400 |

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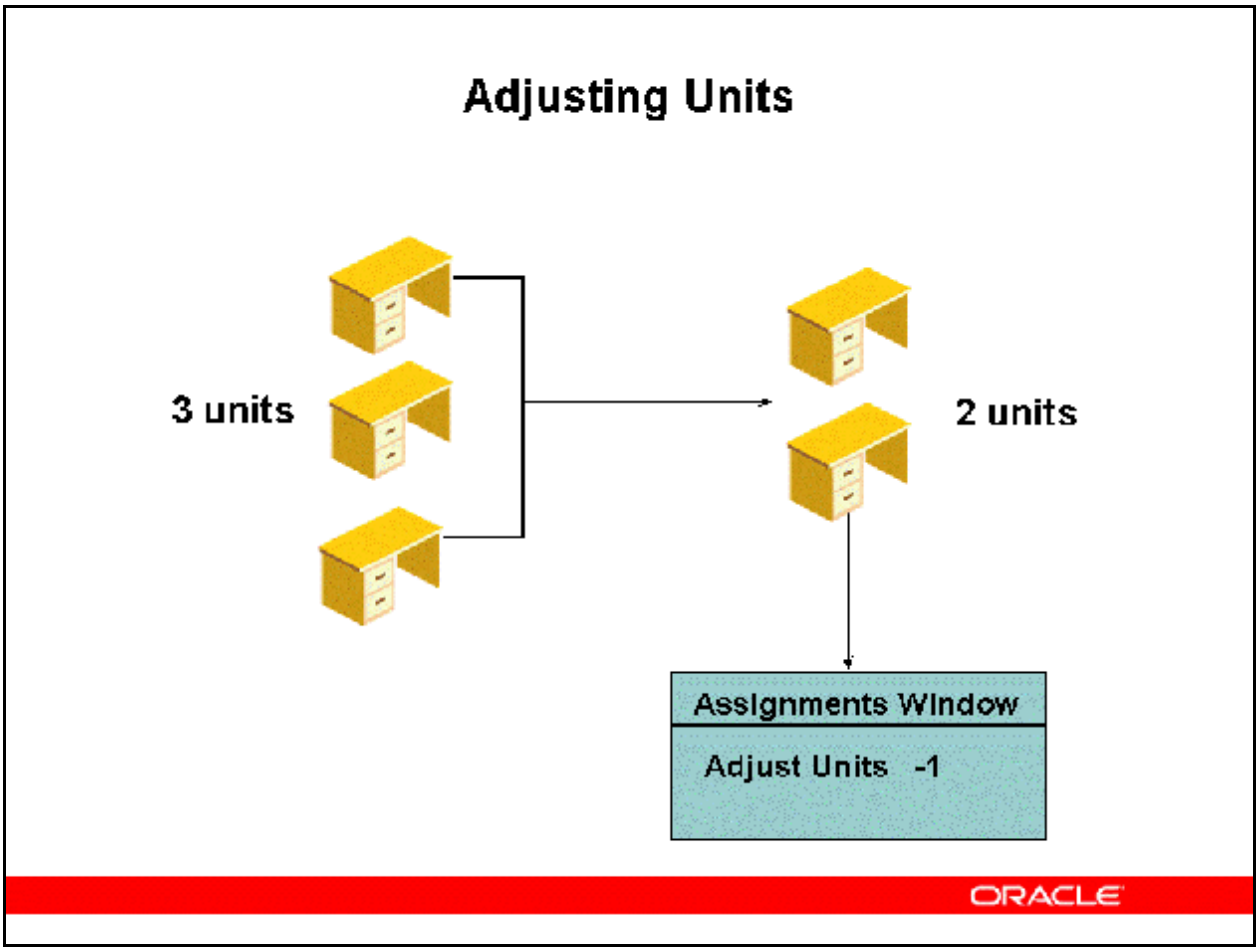


## Adjusting Units

(N) Assets > Asset Workbench (B) Open

**Adjusting Asset Units**

- You change the number of units for the asset in the Asset Details window.
- You update assignment information when you change the number of units.
- You are not retiring these units; you are adjusting the number of units to reflect the correct amount.
- When you save your work, Oracle Assets navigates to the Assignments window so you can update distribution information.

**Assigning Units**

- You update the distribution lines for the asset to reflect the new units.
- The Units to Assign field displays the number of units to be distributed.
- The Units to Assign field must be zero before you save your work.
- If all units remain in the original cost center, Oracle Assets does not create any journal entries.

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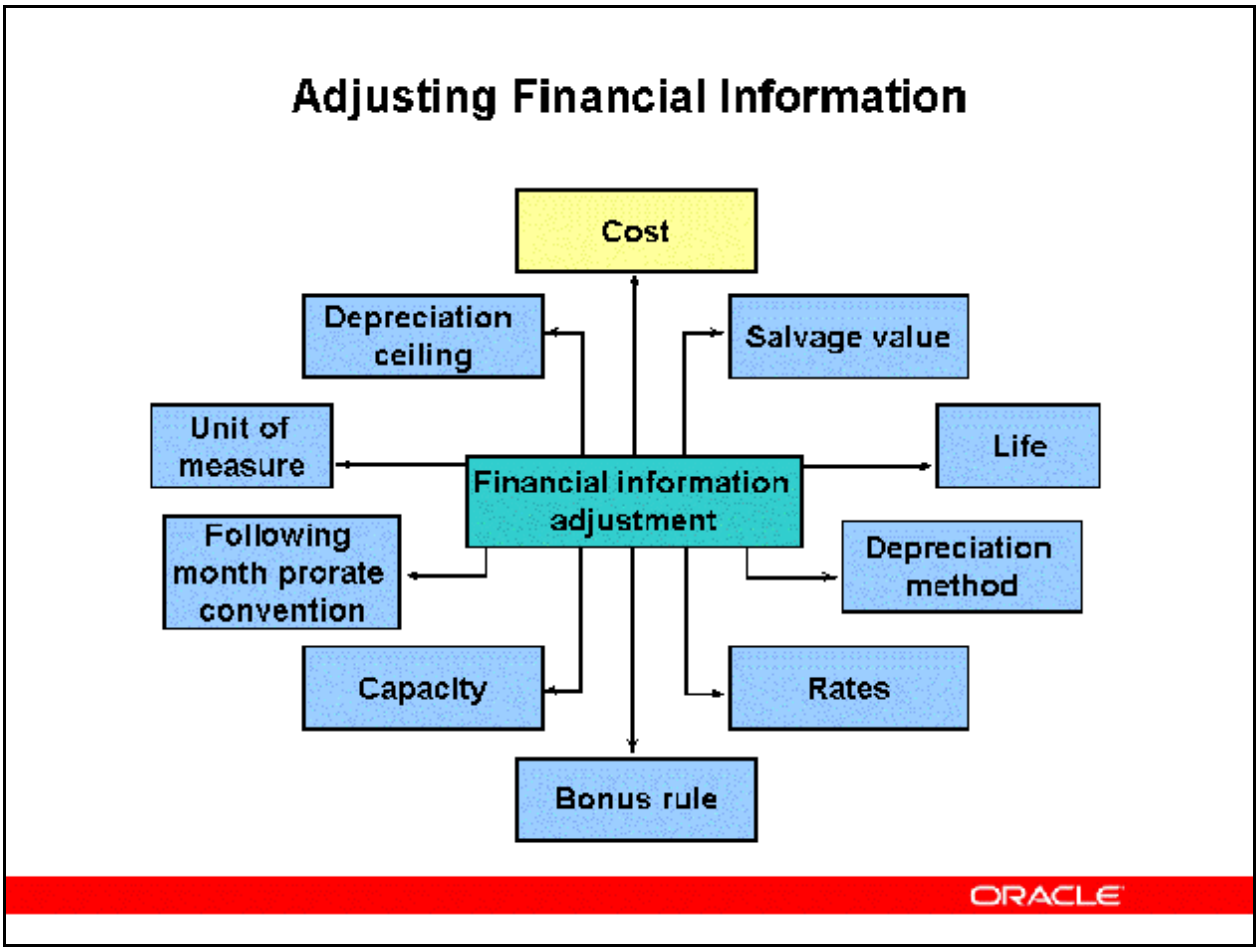


## Adjusting Financial Information

(N) Assets > Asset Workbench (B) Books

Correct an error or update financial and depreciation information for a single asset or a group of assets. You can also override depreciation information for an asset while adding it using the Detail Additions process.

- Before running depreciation (in the period in which you added the asset), you can change any field.
- After you have run depreciation (in any period after the one in which you added the asset), you can change asset cost, salvage value, prorate convention, depreciation method, life, capacity and unit of measure (in the corporate book), rate, bonus rule, depreciation ceiling, and revaluation ceiling.
- If the asset is fully reserved, you can adjust the same fields as for an asset for which you have run depreciation. If the asset is fully retired, you cannot change any fields.
- You can choose whether to amortize or expense the adjustment.

**Note:** If you run depreciation and do not close the period, choose to Rollback Depreciation, and then you will again be able to change any field.

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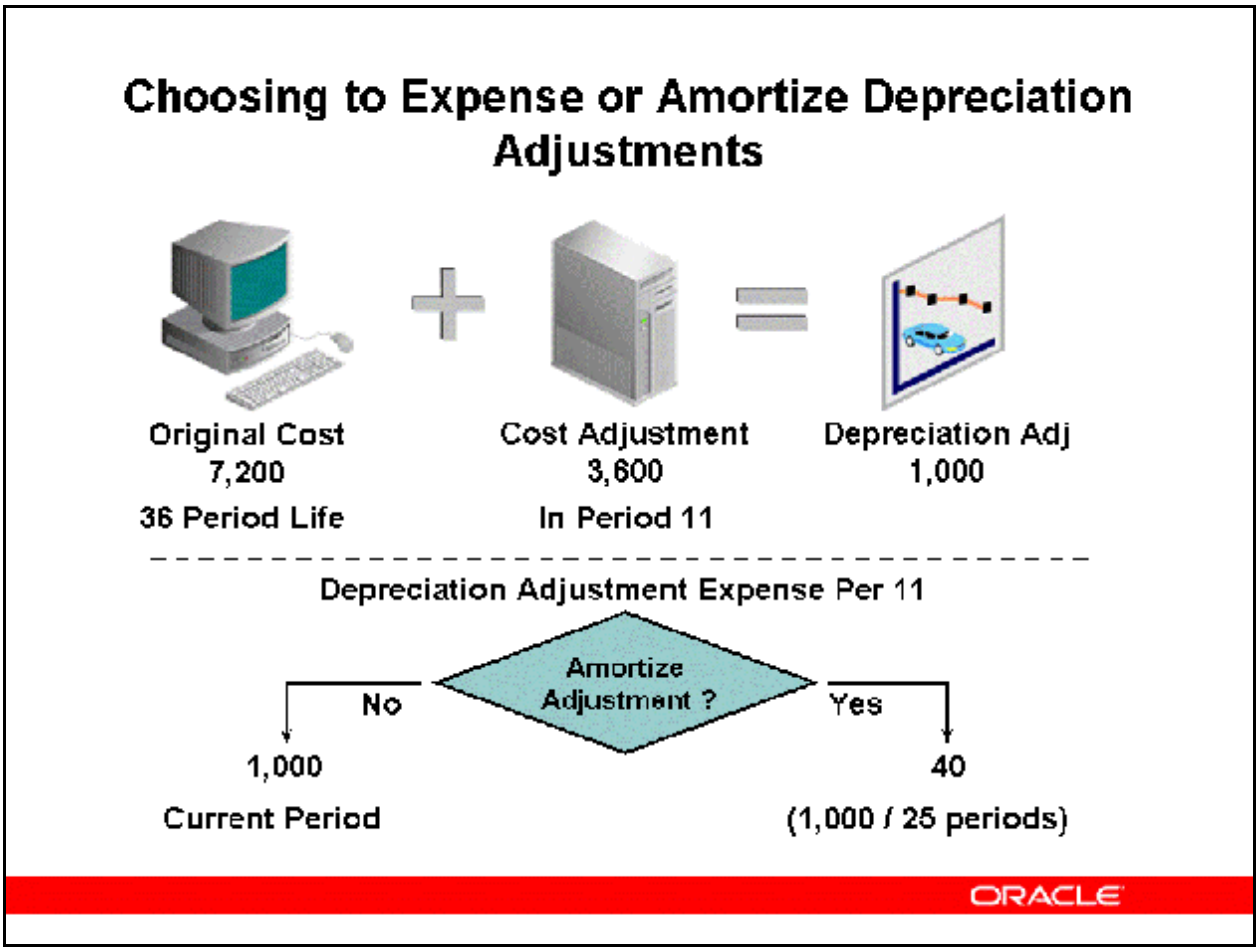


## Choosing to Expense or Amortize Depreciation Adjustments

You must choose whether to expense or amortize the adjustment following the period in which you added the asset. **You cannot expense adjustments after amortizing an adjustment for that asset. You must amortize all future adjustments.**

Amortizing the adjustment spreads the amount over the remaining life of the asset. Not amortizing causes Oracle Assets to expense the amount in the current period.

**Note:** In order to amortize adjustments, you must enable the Allow Amortized Changes checkbox in the Accounting Rules region of the Book Controls form for the asset book you are working in.

**Adjustments to Expense or Amortize**

- Recoverable cost
- Depreciation methods
- Asset life
- Asset capacity

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Changing financial information does not adjust depreciation in the period in which you add an asset, because no depreciation has been taken. In later periods, choose to amortize the adjustment to depreciation.

**Method Adjustments**

For amortized method changes, Oracle Assets does not recalculate accumulated depreciation, but uses the new information for the remaining time the asset is in service.

- Oracle Assets depreciates the recoverable net book value over the remaining life of the asset as determined by the calculation basis.
- If your depreciation method multiplies the flat–rate by the cost, Oracle Assets begins using the new information to calculate depreciation.
- In the Depreciation Methods form, use the checkbox Strict Calculation to determine what Net Book Value to use after an adjustment. If the checkbox is enabled, the system uses the NBV as of the beginning of the fiscal year, otherwise, it will use the NBV as of the current period. The Strict Calculation option only applies to flat rate NBV methods.

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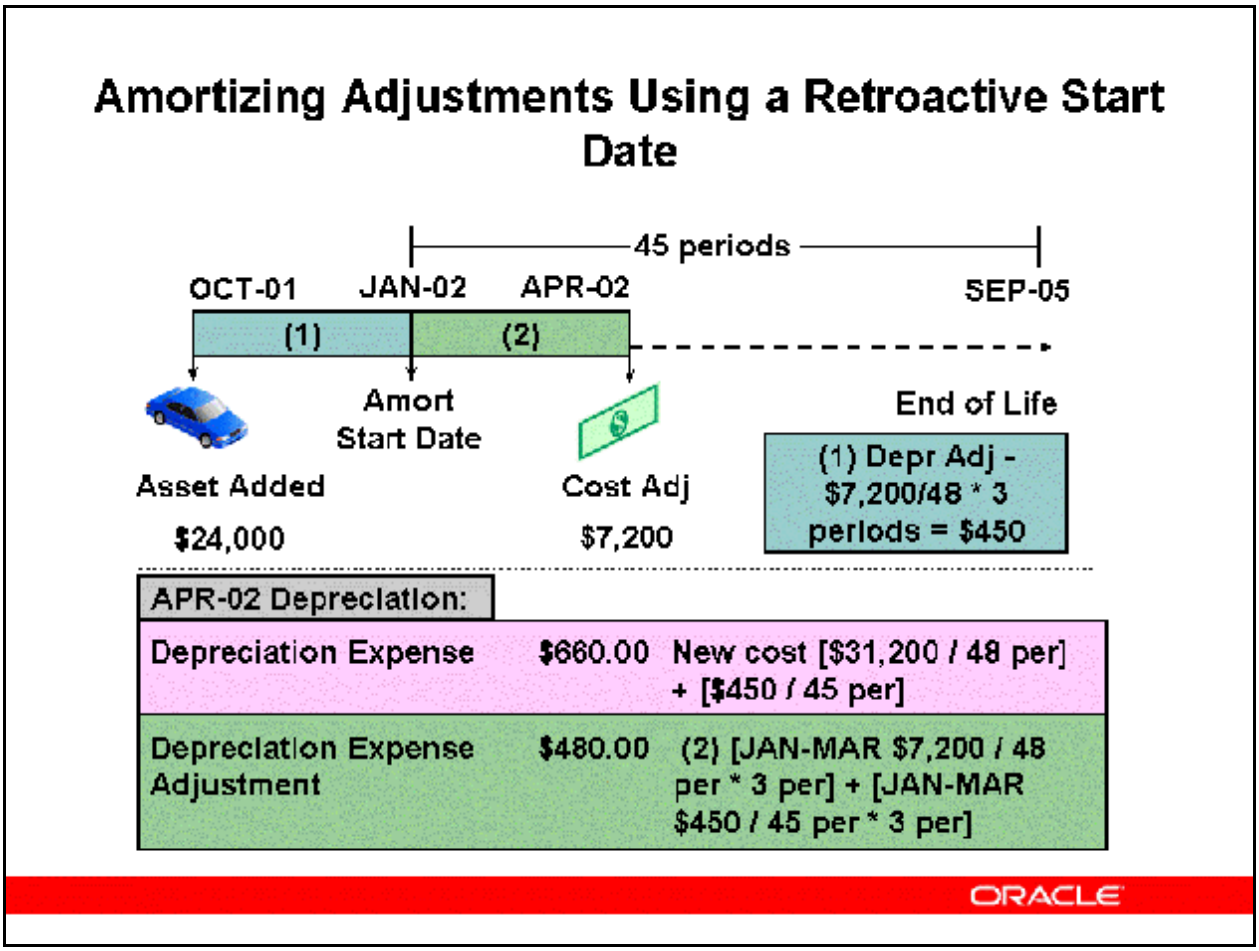


## Amortizing Adjustments Using a Retroactive Start Date

(N) Assets > Asset Workbench (B) Books

To amortize adjustments using a retroactive start date, you change the default amortization start date (usually the system date) to a date in a previous period. Any adjustment not taken since the amortization start date is taken in the current period.

Use the Amortization Start Date field to enter the retroactive date.

**Scenario Depicted Above**

Asset is added in OCT-01 at a cost of $24,000 and uses the STL method over 48 periods. In APR-02, a cost adjustment is made for $7,200 pertaining to an invoice dated January 1, 2002. The Oracle Assets user wants to amortize the depreciation adjustment retroactive to JAN-02.

**Prior Period Amortized Adjustments**

If you back date an amortized adjustment, Oracle Assets automatically calculates depreciation from the retroactive amortization start date, and adds the retroactive depreciation to the current period. You can perform multiple prior period amortized adjustments to an asset.

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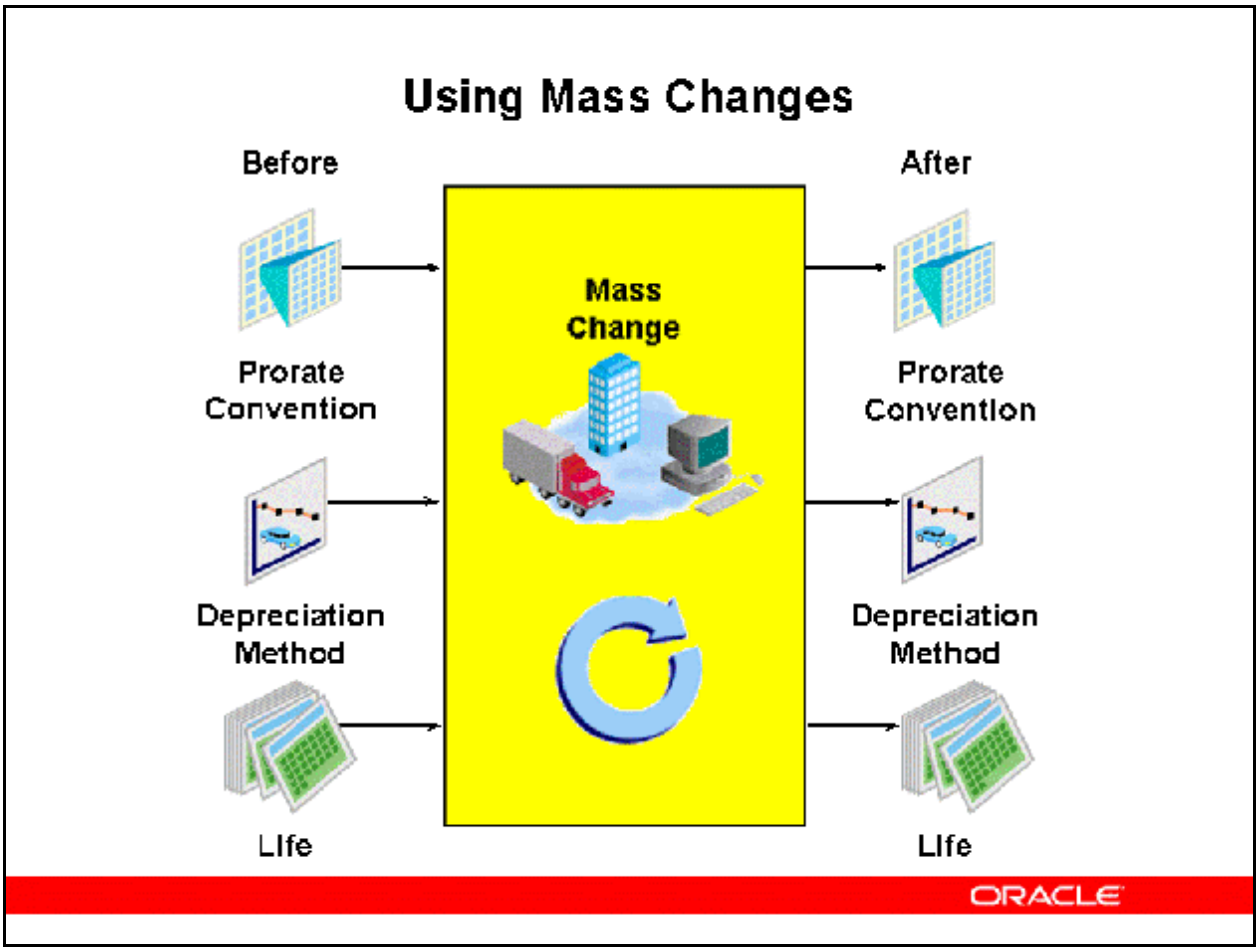


## Using Mass Changes

(N) Mass Transactions > Changes

Sometimes a change applies to more than one asset. This can be a change in the prorate convention, the depreciation method, or the life, rates, capacity, and unit of measure for the method. For example, tax laws for a group of assets may change. If you enable Mass Change for the specified book, you can make expensed adjustments to financial information for a group of assets.

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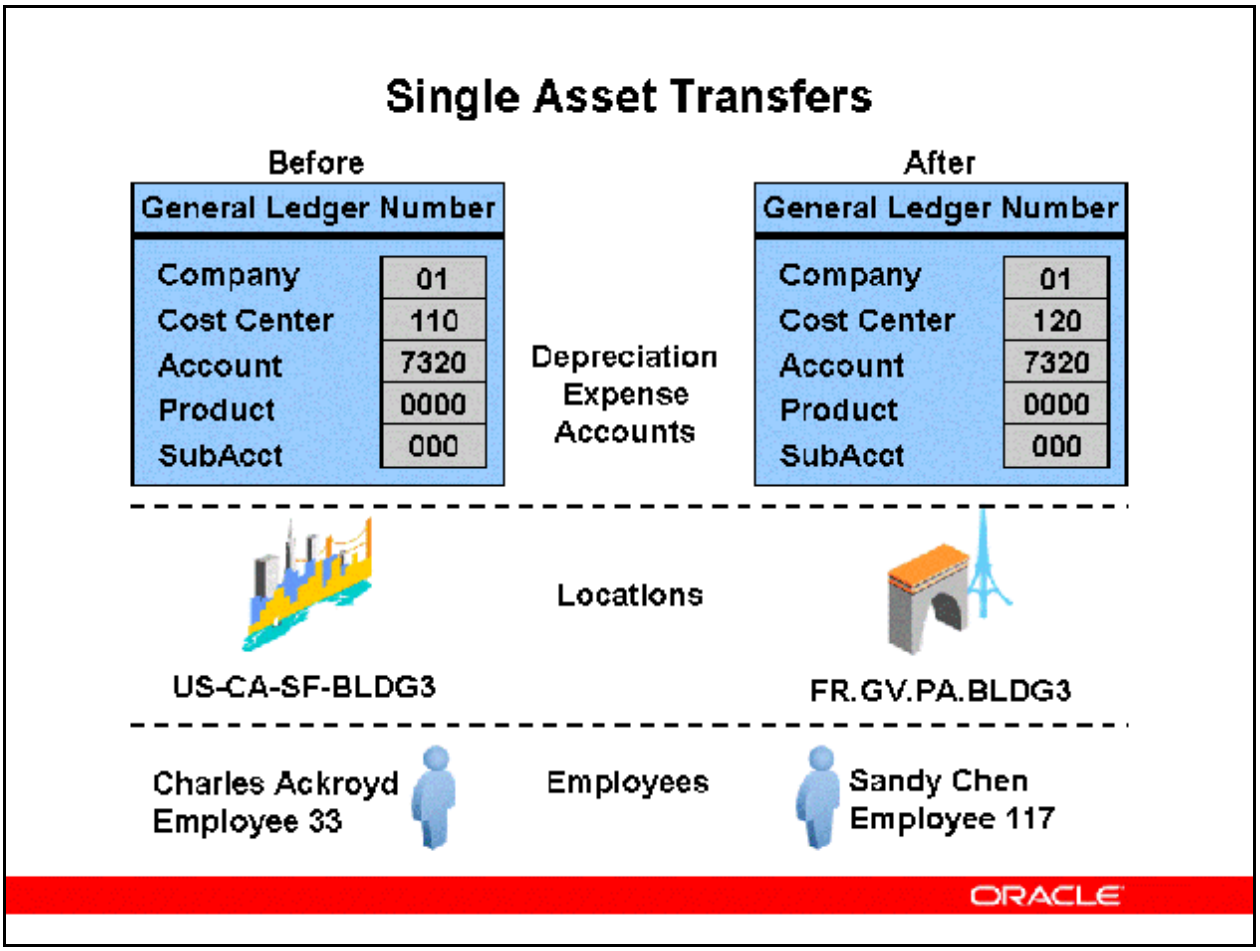


## Single Asset Transfers

(N) Assets > Asset Workbench (B) Assignments

You can transfer assets between employees, depreciation expense accounts, and locations. When transferring assets, you should consider the following:

- You can change the transfer date to a date in a prior period for a particular transfer, but the transfer must occur within the current fiscal year
- You can change the transfer date of an asset to a prior period only once per asset.
- You cannot transfer an asset to a future period.
- You cannot transfer an asset after its normal life is completed.
- In the Unit Change field of the Assignments window, enter a negative number for the assignment line from which you want to transfer the asset. Enter a positive number if you want to add units to existing assignments or create new assignments. Only one negative line is allowed per transaction.
- If an asset is transferred from one Depreciation Expense Account to another, a journal entry may be created.

**Scenario:**

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Transfer an asset between companies ABC Marketing and XYZ Advertising in Year 3, Quarter 4. Cost is $4,000, depreciation method is straight-line, and life is four years.

Oracle Assets creates the following journal entries for the transfer and for the current period depreciation expense:

| **ABC Marketing** | **Dr** | **Cr** |
|---|---|---|
| Accumulated Depreciation | 2,750 | |
| Intercompany Receivables | 1,250 | |
| Asset Cost | | 4,000 |
| | | |
| **XYZ Advertising** | | |
| Asset Cost | 4,000 | |
| Depreciation Expense | 250 | |
| Accumulated Depreciation | | 3,000 |
| Intercompany Payables | | 1,250 |

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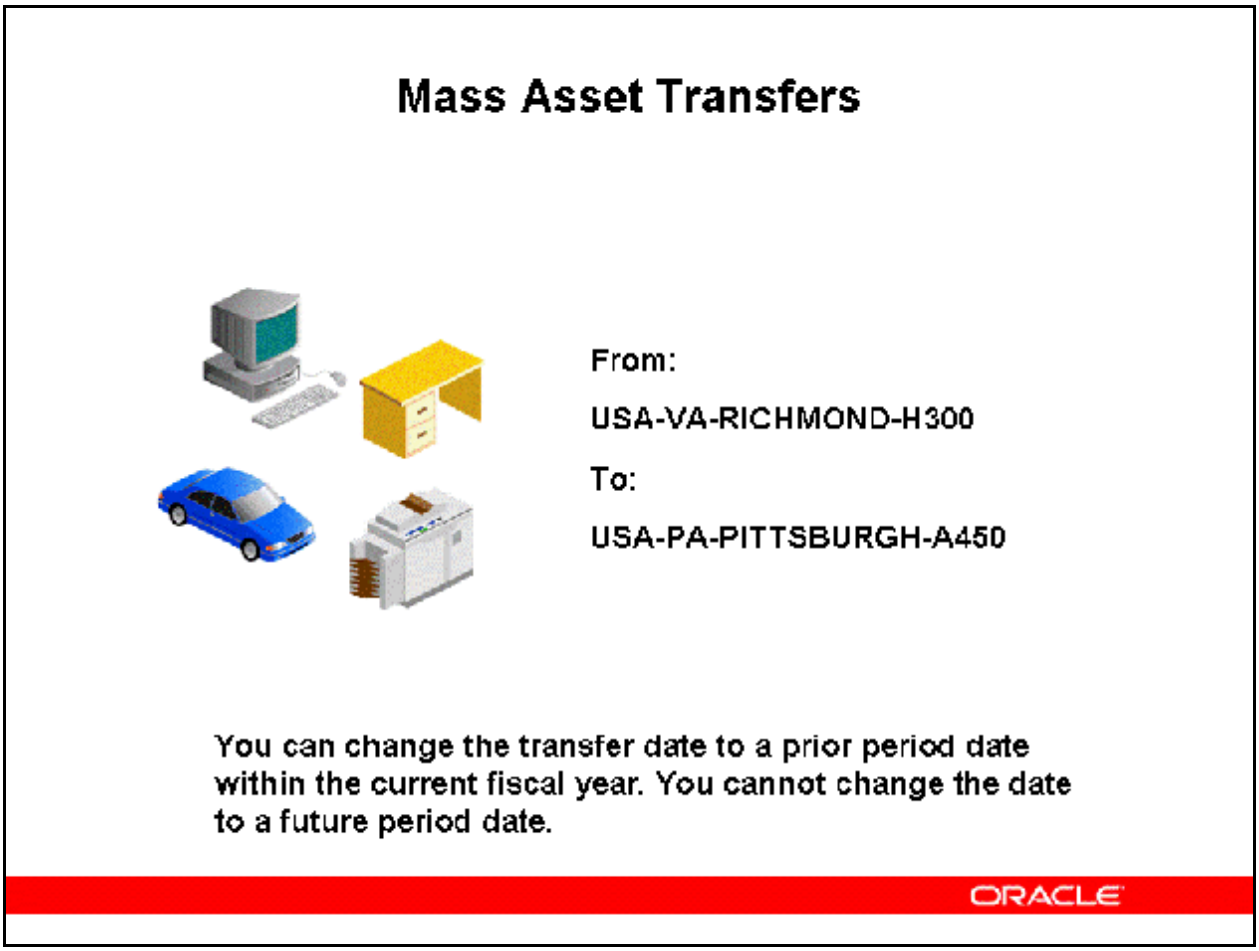


## Mass Asset Transfers

(N) Mass Transactions > Transfers

Oracle Assets allows you to transfer multiple assets in one transaction. You use the Transfer From and Transfer To fields to identify the assets to be transferred.

You can transfer between expense accounts, locations, and employees and employee numbers. By selecting any combination of these criteria, you can further restrict the range of assets to be transferred.

**Transferring Between Expense Accounts**

For the From account, you can enter a single expense account or a range of expense accounts. When entering a single account number, you need to enter the account number in both the low and high fields for the From account. You can enter the entire account combination or only a partial combination.

For the To account, you can enter the entire account combination or only a partial combination. Note that when specifying partial combinations for both From and To accounts, you do not need to specify the same segment in both. For example, you can specify the first segment for the From account, and the second segment for the To account.

For example:

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| Transfer From | Transfer To |
|---|---|
| Expense Accounts: 001 – 100 | Expense Account: 100 |
| Location: New York | Location: Dallas |
| Employee Name: Robert Smith | Employee Name: Janet Jones |

The above transfer affects all assets that are assigned to Robert Smith in New York with an expense account in the range of 001 through 100. An asset must satisfy all three criteria to be transferred to Janet Jones in Dallas with an expense account of 100.

**To transfer multiple assets between employees, expense accounts, and locations:**

(N) Mass Transactions > Transfers

1. Select the corporate depreciation Book for the assets you want to transfer.
2. Optionally select a Category to use as a selection criterion for the mass transfer.
3. Optionally update the Transfer Date. You can change the transfer date to a a prior period date. You cannot change the date to a future period date.
4. Enter one or more selection criteria for the mass transfer in the Transfer From and Transfer To fields.
5. Select Preview to run the Mass Transfers Preview report. Use this report to preview the expected effects of the Mass Transfer before you perform it. If necessary, update the definition and run the preview report again.
6. To perform the Mass Transfer, query the mass transfer and select Run. Oracle Assets submits a concurrent process to perform the transfer.

Note: If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel.

7. Review the log file after the request completes.

**Prior Period Transfers**

If you back date an asset transfer, Oracle Assets automatically reallocates depreciation expense by reversing some of the depreciation charged to the "from" account, and redistributing it proportionally to the "to" accounts. Retroactive transfers do not impact the total depreciation. You cannot backdate a transfer to a prior fiscal year.

**Refer to *Guided Demonstration - Perform Single Asset Adjustments [LAB035EY]***

**Refer to *Guided Demonstration - Perform Mass Transaction Adjustments [LAB035FY]***

**Refer to *Practice - Perform Single Asset Adjustments [LAB0385Y]***

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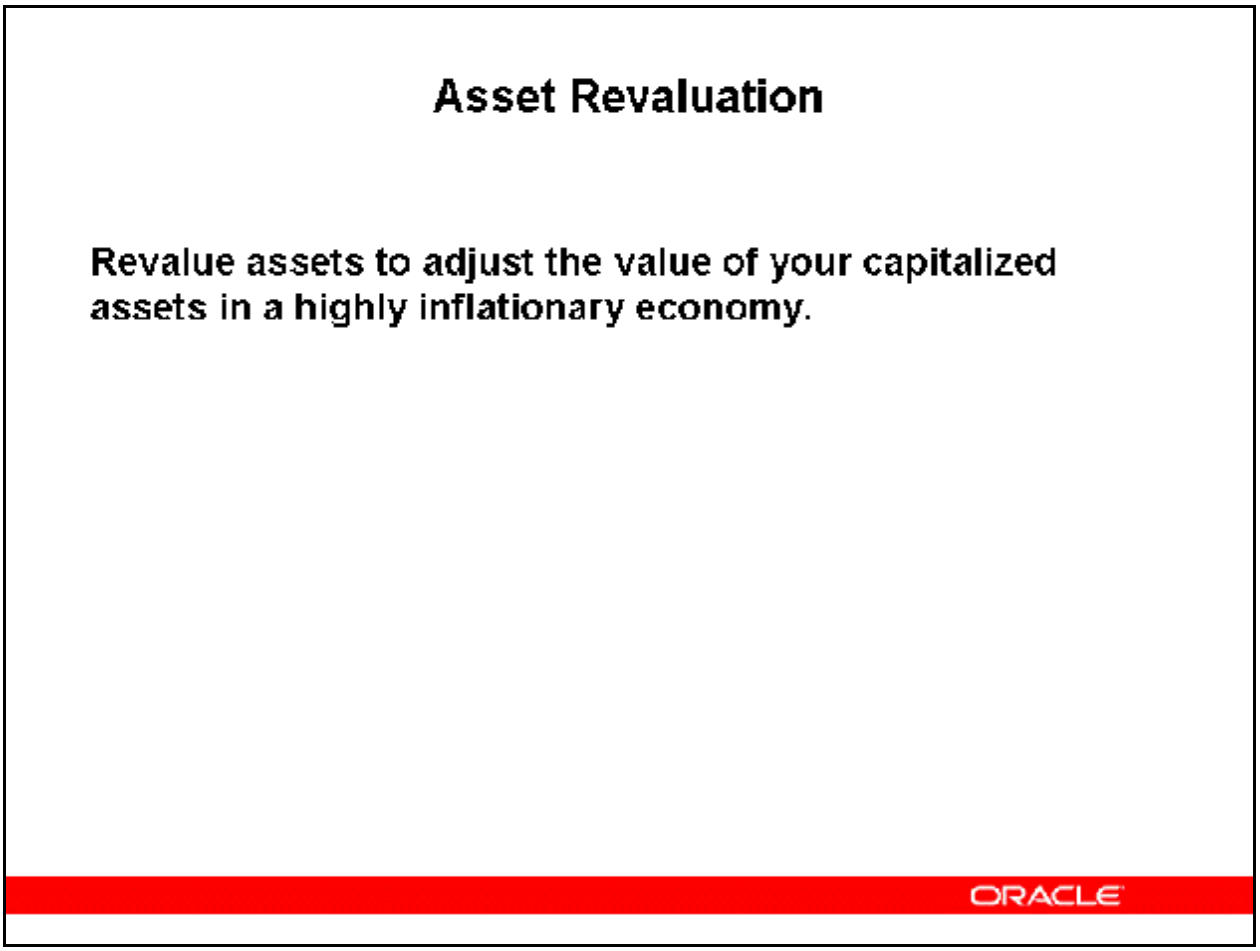


## Asset Revaluation

You can revalue all categories in a book, all assets in a category, or individual assets. You can revalue all assets using the Mass Revaluation process. The Mass Revaluation process does not use price indexes to revalue assets.

The Mass Revaluation process includes the following steps:

- Create Mass Revaluation Definition
- Preview Revaluation
- Run Revaluation
- Optionally Review Revaluation

**To revalue all assets in a category:**

(N) Mass Transactions > Revaluations

1. Open the Mass Revaluation window.
2. Enter the Book for which you want to revalue assets.
3. Enter a Description of the revaluation definition.
4. Specify revaluation rules.

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5. Enter the category you want to revalue.
6. Enter the revaluation percentage rate to revalue your assets. Enter either a positive or negative number.
7. Override revaluation rules if necessary.
8. Select Preview. Oracle Assets runs the Mass Revaluation Preview Report so you can preview what effect this revaluation will have when you perform it. If necessary, update the definition and run the preview report again.
9. Find the revaluation definition using the Mass Transaction Number.
10. (B) Run
11. Review the log file after the request completes.

**Note:** You cannot run Mass Revaluation more than once per period. Once you run Mass Revaluation, values are changed in the Oracle Assets system. If you re–run Mass Revaluation in the same period, the Mass Revaluation calculation will be based on the previous Mass Revaluation calculation. You can run the Mass Revaluation Preview report as many times as you like, without affecting actual values in the system.

Oracle Assets runs the Mass Revaluation Preview Report so you can preview what effect this revaluation will have when you perform it. If necessary, update the definition and run the preview report again.

**To revalue an individual asset:**

Enter the asset number you want to revalue instead of a category. If you revalue a single asset in a category which is also being revalued, the rate you enter for the asset overrides the category rate.

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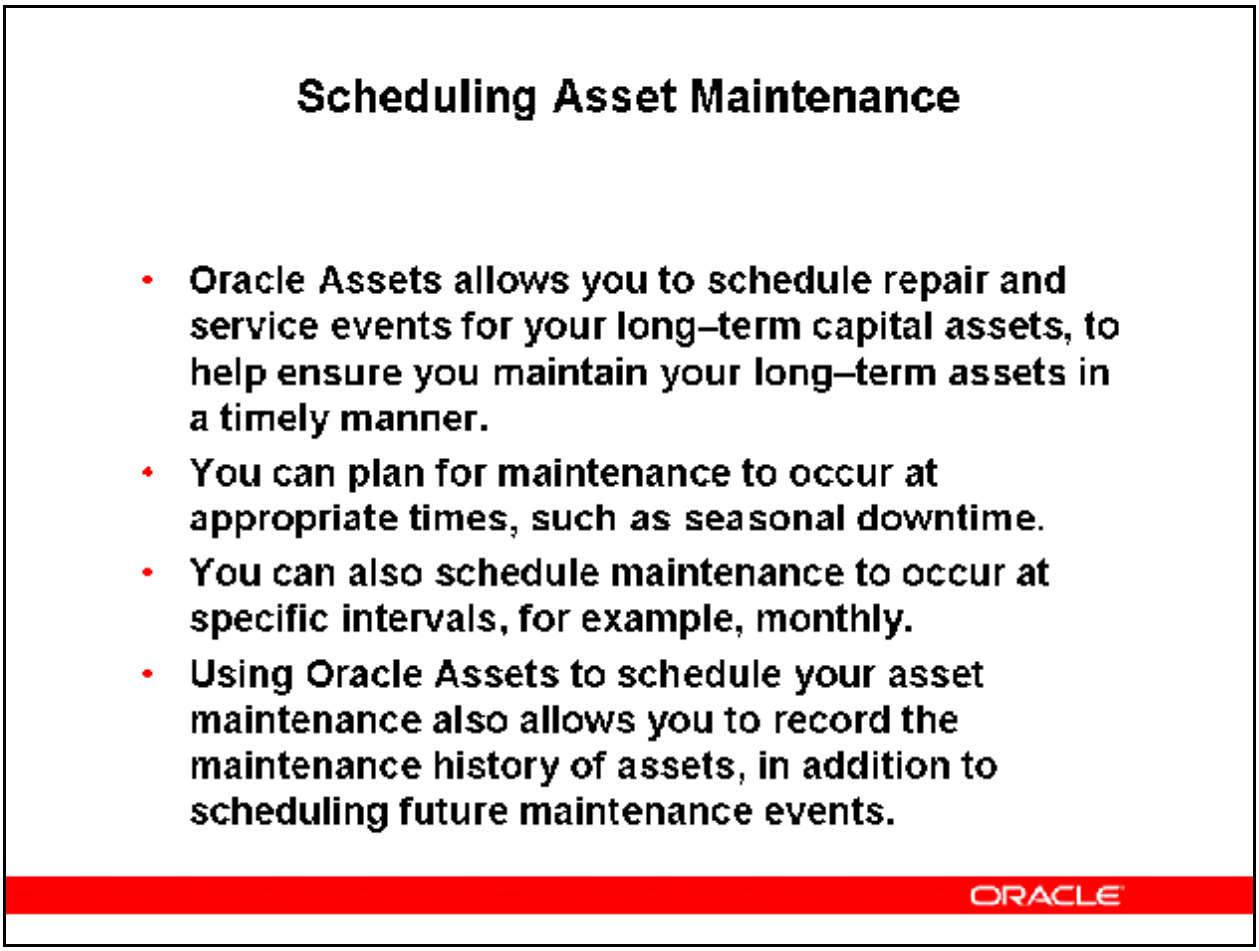


**Refer to *Demonstration - Schedule Asset Maintenance [LAB3514Y]***

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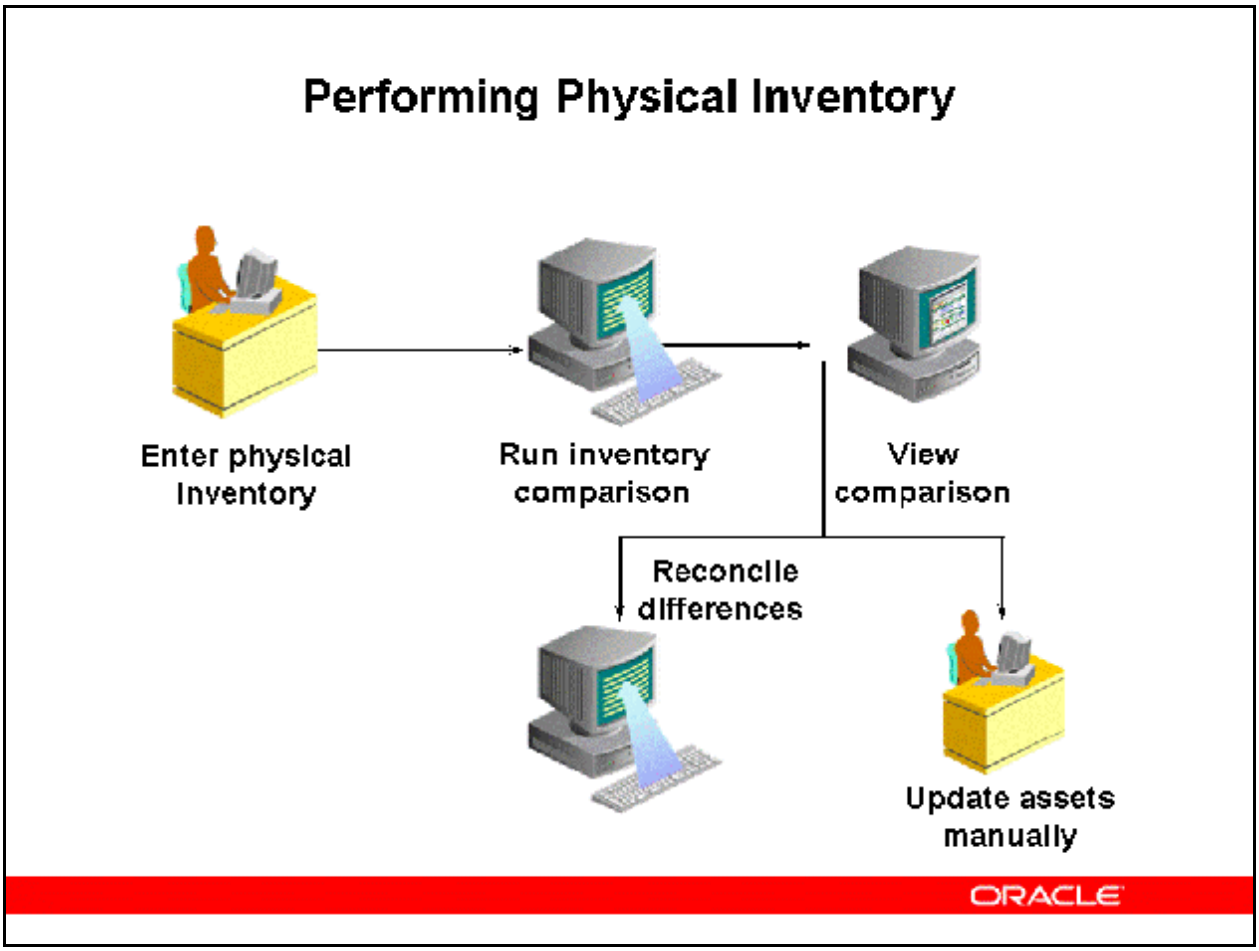


## Performing Physical Inventory

Physical inventory is the process of ensuring that the assets a company has listed in its production system match the assets it actually has in inventory. The Physical Inventory feature in Oracle Assets assists you in comparing and reconciling your physical inventory data. To use the Physical Inventory feature, you must first take physical inventory of your assets. You need to include the following information about your assets:

- A unique identifier, which can be either the asset number, tag number, or serial number
- The location
- The number of units

You can include other information that may make it easier for you to keep track of the assets you are comparing, such as a description of each asset, but only the information listed above is required.

You load your physical inventory data into Oracle Assets using the Physical Inventory Entries window, or you can use the Physical Inventory Integrator in the Oracle Web Applications Desktop Integrator (Web ADI), which allows you to import data from an Excel spreadsheet. You can also use SQL*Loader to import physical inventory data from a non–Oracle file system.

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When you finish entering physical inventory data into Oracle Assets, you run the Physical Inventory comparison program, which highlights the differences between the asset information in Oracle Assets and the actual assets in physical inventory. This program compares your physical inventory data with your Oracle Assets data for all assets that have the In Physical Inventory check box checked. You can view the results of the comparison online in the Physical Inventory Comparison window, or by running the Physical Inventory Comparison Report. The comparison results highlight differences between the assets in your production system and those in physical inventory. You can reconcile the differences between physical inventory and the information in your database by updating each asset manually, or you can use the mass additions process to add assets that are missing from the production system.

When you have completed your physical inventory, you can run the Missing Assets Report, which lists all assets that have not been accounted for in the physical inventory process.

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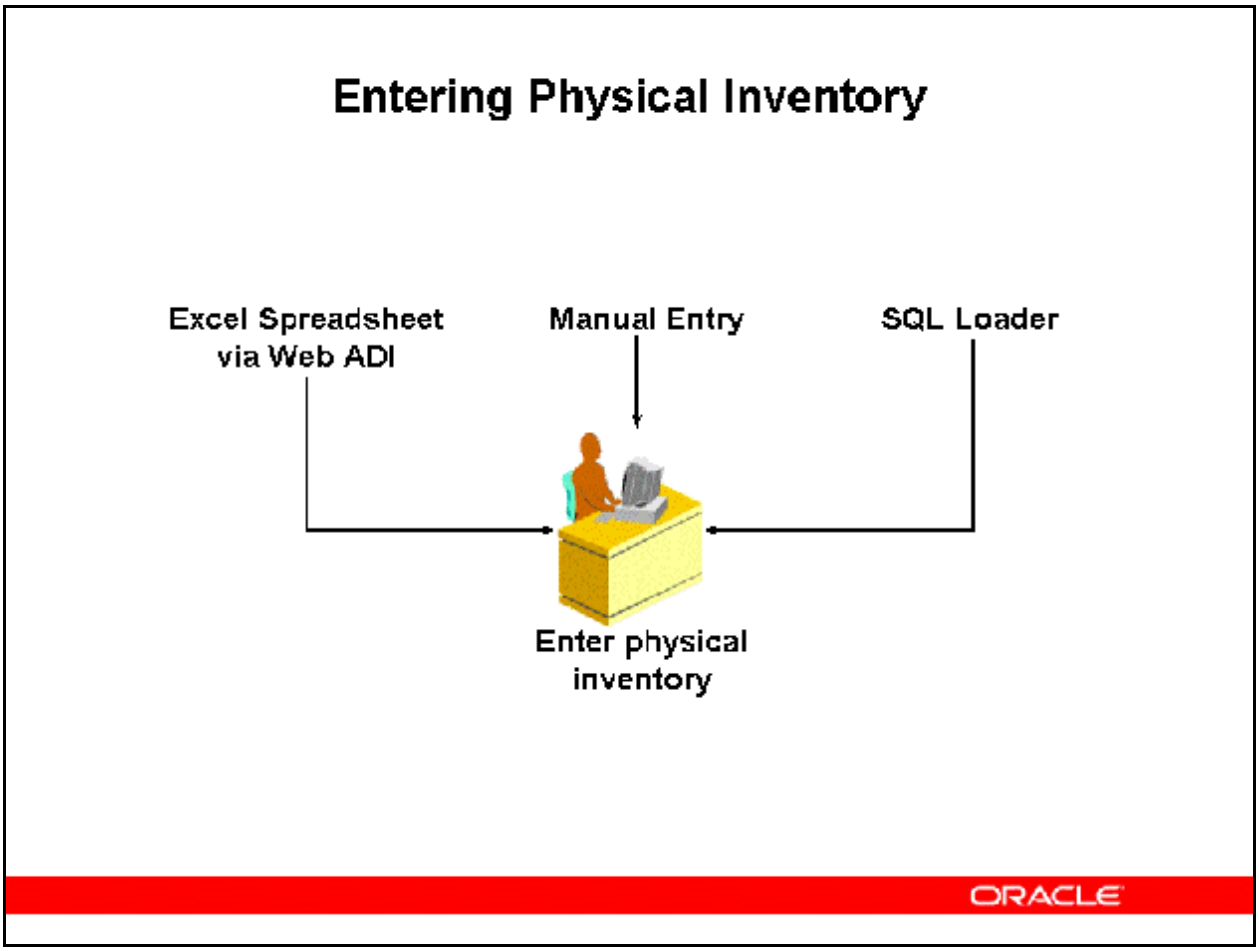


## Entering Physical Inventory

(N) Physical Inventory > Enter (B) Open

**Enter data using the Physical Inventory Entries window**

You can enter data for each asset directly into Oracle Assets using the Physical Inventory Entries window. Keep in mind that you can only enter data for one asset at a time when using this method.

**Import data from an Excel spreadsheet using Web ADI**

You can use Web ADI to load your physical inventory data into an Excel spreadsheet and import the data into Oracle Assets.

**Import data from a non–Oracle system using SQL*Loader**

You can use SQL*Loader to import physical inventory data by completing the following steps:

- Define your interim table in the Oracle database.
- Load your interim table using SQL*Loader.
- Compare record counts and check the SQL*Loader files.
- Spot check the interim table.

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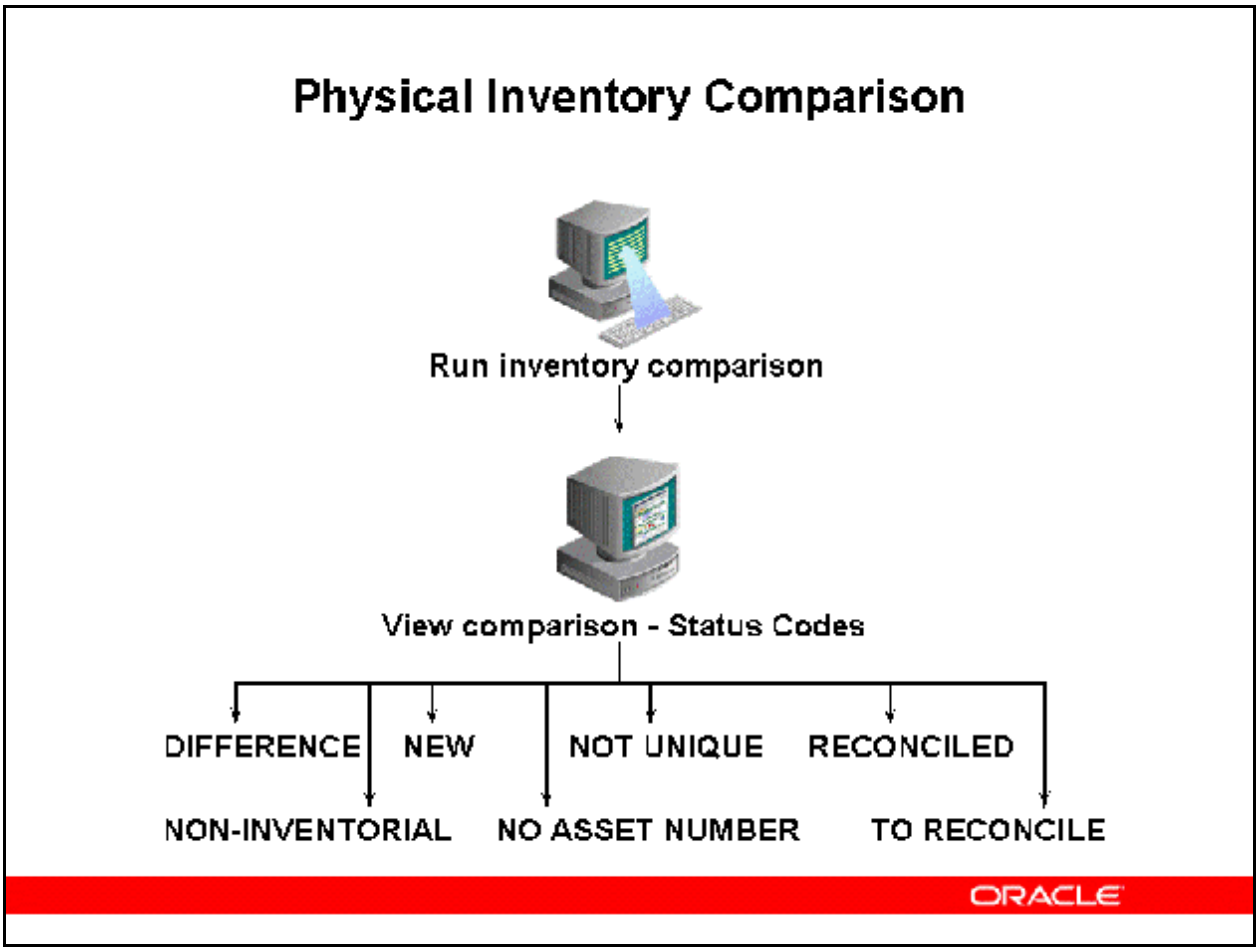


## Physical Inventory Comparison

(N) Physical Inventory > Comparison > Run Comparison (B) Run

This program matches each asset in the physical inventory data to an asset in the production system. It only compares entries with NEW status. It searches for matching unique identifiers, such as asset number, tag number, or serial number.

- The program first determines whether the inventory data includes an asset number, and then matches it to an asset number in the production system. Then it determines whether the location and number of units match. If these do not match, the program updates the asset status to DIFFERENCE.
- If no asset number has been recorded, the program next determines if the data includes a tag or a serial number, and searches its match in the production system. In all cases, if the program does not find a matching identifier in the Oracle Assets system, it terminates the comparison for that asset and compares the next asset.
- If none of the unique identifiers exist for that asset, the program matches the asset using other criteria, such as description and asset key. If these criteria are not unique, the program may not uniquely identify an asset.

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- After completing the comparison, the program updates the FA_INV_INTERFACE table, indicating the assets in the inventory that are irreconcilable with those in Oracle Assets and the adjustment type to be made.
- If no difference exists, and the asset meets the other requirements for inclusion in the inventory process, the asset automatically has a RECONCILED status. Otherwise, a status code is assigned to the asset.
- You can use the Physical Inventory Comparison window or run the Physical Inventory Comparison Report through the ReQuest Center to view the comparison.

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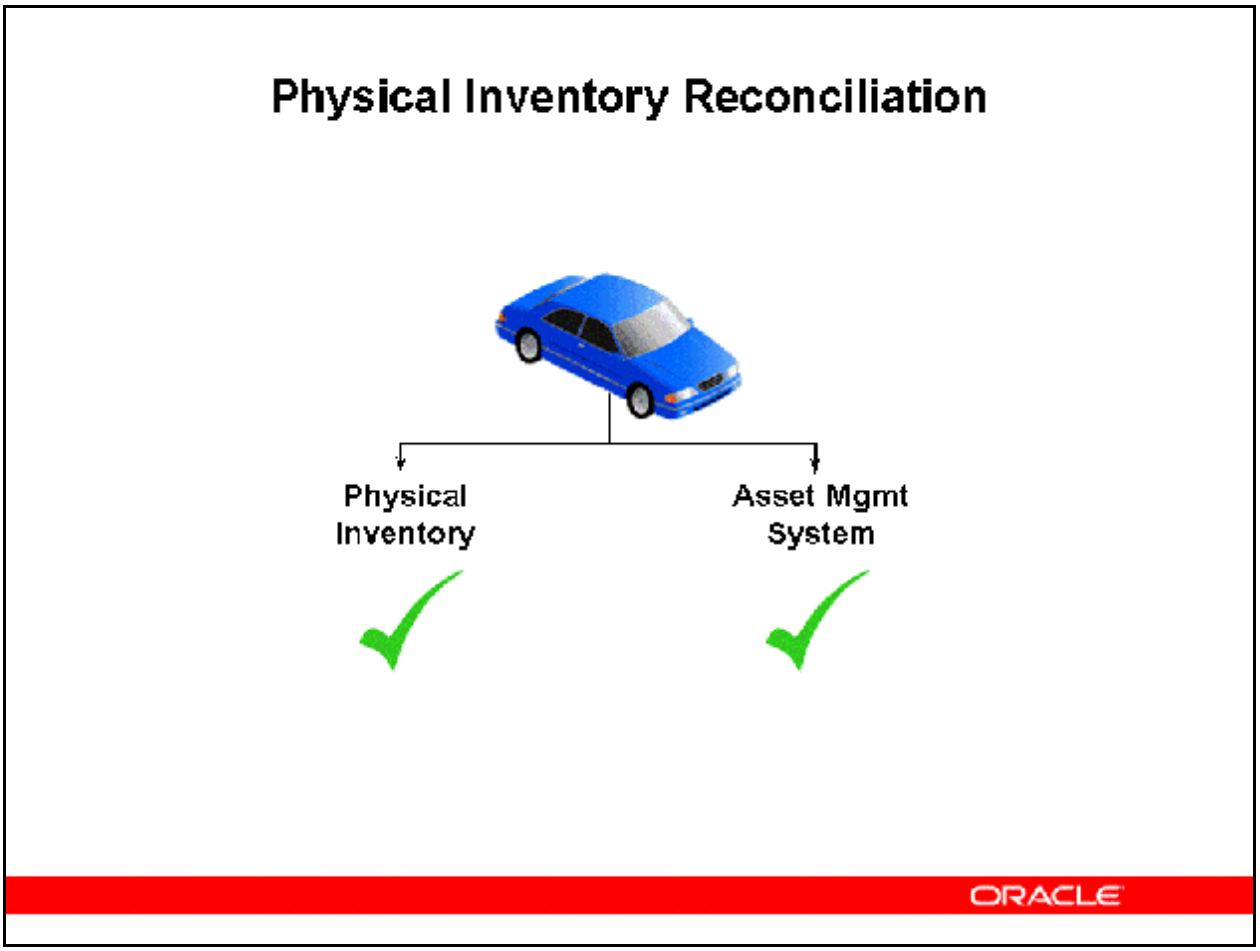


## Physical Inventory Reconciliation

After you finish running physical inventory and generating reports, you need to reconcile your physical inventory data with your Oracle Assets data.

To reconcile your physical inventory with stored asset information:

- Analyze your reports to determine the assets that need to be reconciled.
- Obtain proper approval to change assets that need to be reconciled.
- Change the asset information by using the Asset Workbench or the Mass Change window.

**Refer to *Guided Demonstration - Review a Physical Inventory [LAB0360Y]***

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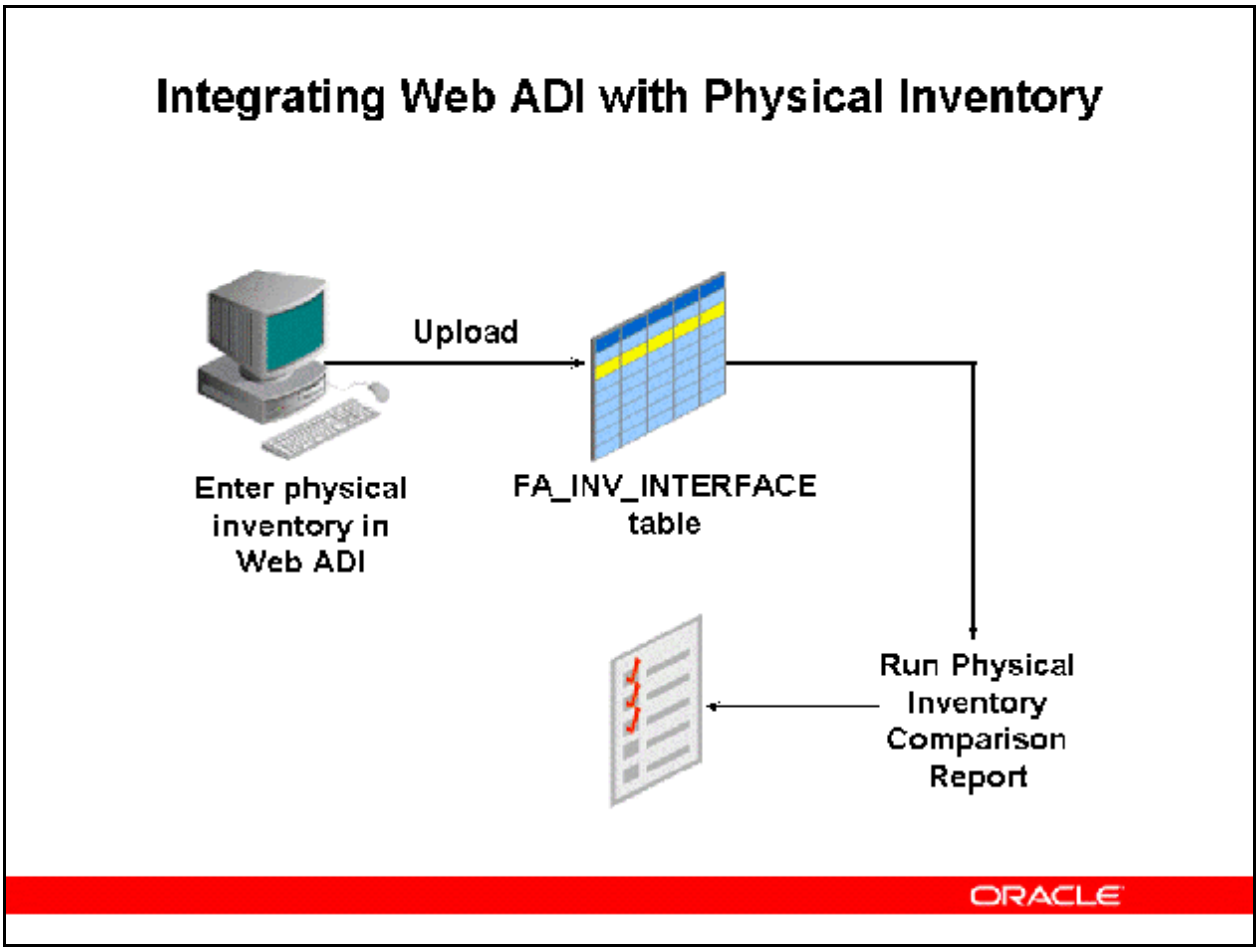


## Integrating Web ADI with Physical Inventory

Oracle Assets integrates with Web ADI to enable you to create physical inventory through the Physical Inventory Integrator. The Physical Inventory Integrator provides a spreadsheet-based interface to simplify the physical inventory process. Use the Physical Inventory Integrator to automatically build personalized inventory spreadsheets based on the information required by your organization's specific implementation of Oracle Assets. You can enter your inventory data manually, use the list of values, and take advantage of Excel's data entry shortcuts. You can also map files created from scanned barcode data into the inventory worksheet. When you are satisfied with the worksheet, the Physical Inventory Integrator automatically uploads the data into Oracle Assets.

With the Physical Inventory Integrator, you can:

- Customize physical inventory worksheets.
- Use the powerful spreadsheet features of Excel.
- Generate comparison reports to determine if assets are missing or in the wrong location

In the Integrator page, you need to select an inventory. In the Layout page, you need to select one of the following layouts:

- Physical Inventory – Default

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- Physical Inventory – Line Entry
- Physical Inventory – Single Category
- Physical Inventory – Single Location
- Physical Inventory – Tag number entry

**Refer to *Guided Demonstration - Create a Physical Inventory Using Web ADI [LAB0361Y]***

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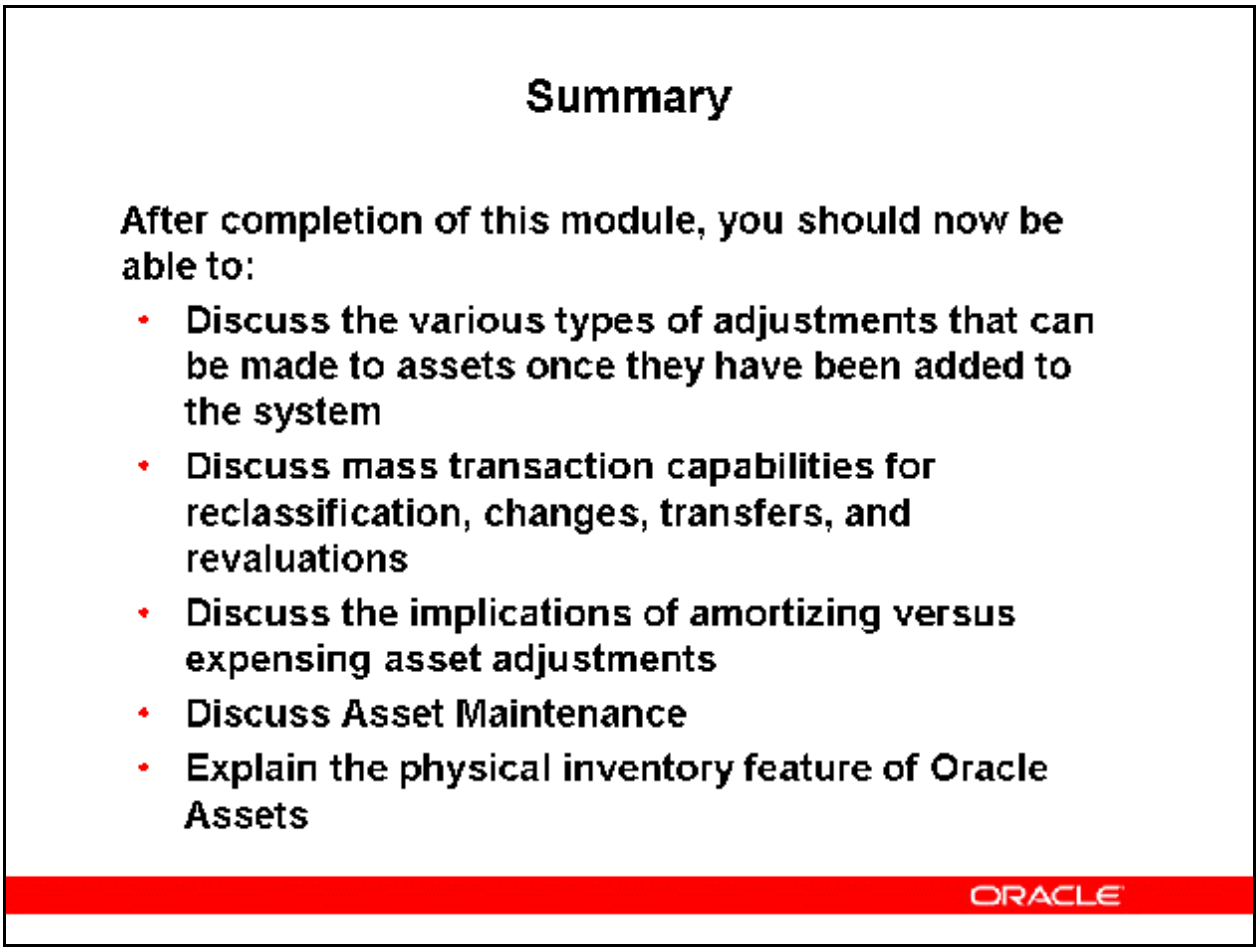


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