

Below are the procedures listed for each **Responsible Party**.

General Fund Transactions

Unit

- Complete and submit a requisition for the proposed installment purchase of equipment to [Procurement & Contract Services \(PaCS\)](#).
- Work with Buyer to select vendor.
 - Follow procurement procedures
 - FSS and Unit select vendor and create purchase order
- Fill out [Fixed Assets Data Entry \(FADE\)](#) form providing information for the creation of the asset record and submit to Financial Strategic Services (FSS).

Financial Strategic Services (FSS)

- Ensure requisition is properly completed.
- FSS notifies [Fixed Assets Property Management](#) of approved installment purchase and market value of purchased asset(s).
- Accounts Payable processes invoice upon receipt of vendor's invoice and equipment:
 - Code the initial payment as 40199 to initiate the inventory record, exclusive of any interest
 - Add text noting the market value of the purchased asset
 - Process JV to setup asset at full value by debiting 4010X/A801X and crediting 40113 for the remaining value (contact [Fixed Assets](#) with any questions)
 - Code the subsequent payments as 40113: Installment-Purchase, with the interest portion coded 28810: Interest Expense
 - Each payment should reference the asset number, either on the description line or in the text field (e.g., Monthly payment on copier, asset #3xxxxx)

Fixed Assets Property Management

- Adjust the installment purchase liability for Non-Proprietary Funds.
- Create asset record from the FADE form information.

Fixed Assets Property Coordinator

- Contact unit to affix bar code tag to equipment.

Service Centers and Auxiliary

Unit

- Complete and submit a requisition for the proposed installment purchase of equipment to [Procurement & Contract Services \(PaCS\)](#).
- Fill out [Fixed Assets Data Entry \(FADE\)](#) form providing information for the creation of the asset record and submit to FSS.

Financial Strategic Services (FSS)

- Ensure requisition is properly completed.
- Send a copy of the signed leased agreement to [Fixed Assets Property Management](#).
- Notify Fixed Assets Property Management of approved installment purchase and market value of purchased asset(s).
- Initiate purchase order in BennyBuy using operating index and account code 40199 for the asset and 28810 for the interest expense.
- Upon receipt of invoice and equipment, FSS simultaneously processes invoice and a Journal Voucher:
 - Process an invoice for initial payment using operating index and account code 40199 for asset portion and 28810 for interest
 - Liquidate the balance of the purchase order
 - Process a Journal Voucher to book the asset and the liability incurred:
 - Debit A801X for the full value of the asset
 - Credit operating index and account code 40199 for portion paid on initial invoice
 - Credit B2102 for the balance of the principal
 - Add appropriate text (See Ex402-2 Completing a Journal Voucher)
Example: Purchase order processed for \$20,000 asset paid over 24 months with 5% interest, total PO equals \$21,000

Initial invoice pays:

Index/40199 \$833.33

Index/28810 \$41.67

Journal voucher is processed:

Dr: Fund/A8011 \$20,000.00

Cr: Index/40199 \$833.33

Cr: Fund/B2102 \$19,166.67

- Process remaining payments to vendor (to reduce liability) on unit **fund** and **account code B2102**. Interest expense should be processed against unit's index and account code 28810. Each payment should reference the asset number, either on the description line or in the text field (e.g., Monthly payment on copier, asset #3xxxxx).

Fixed Assets Property Management

- Create asset record from the FADE form information.

Fixed Assets Property Coordinator

- Contact unit to affix bar code tag to equipment.

Additional Information

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