



WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller’s Office

Section	16	Critical Dates for Reporting Assets in the STAR Asset Management Module	Effective Date	7/1/2016
Sub-section	08	Capital Assets	Revision Date	3/22/2018

BACKGROUND

The reports and CAFR entries created from the STAR Asset Management (AM) module are impacted by the dates entered into the asset records input into the module. As a result, agencies should ensure appropriate dates are used for all capital asset records.

The **Transaction Date** and the **Accounting Date** both drive the depreciation schedule of a capital asset and account for the monthly information that is sent to the CAFR Ledger. They drive all subsequent asset transactions after the ADD is created (ADJs, TRFs, RETs) for the life of the asset. These also generate the monthly transactional data that ends up in the CAFR Ledger.

Accounting date is a financial date in STAR AM. It is critical because it indicates the fiscal year a transaction is recognized in the CAFR financial statements. Capital asset transactions should have an accounting date that is no later than June 30th of the fiscal year in which the addition, retirement, cost adjustment, etc. took place. Use of a June 30th accounting date will result in asset transactions being reported in period 12 of that fiscal year. Period 12 stays open longer in AM to accommodate entry of information for that fiscal year.

In Service Date – this is the date, or approximate date, that a capital asset is placed in use. It will be the same date as the transaction date unless you enter a different in-service date. A depreciation expense transaction (DEP) will first be recorded in the CAFR ledger for that month regardless of what day of the month the asset was placed in service. Prior period depreciation expense transactions (PDP) will be recorded in the CAFR ledger for assets not added to AM in the month they were initially placed in service.

Acquisition Date – this is the date, or approximate date, that an asset was acquired (received). The STAR system will make the acquisition date the same as the in-service date unless you enter a different acquisition date. Acquisition date is a non-financial date which means it is *not* used to generate financial transactions or CAFR ledger entries.

Transaction Date – this is the date that the asset record is created in STAR AM. **Transaction date** will default to today’s date in STAR AM unless you change it. Transaction date will determine when depreciation expense is started on an asset unless you enter a different in-service date. Therefore, it impacts financial entries. **Transaction Date must be earlier than or equal to the Accounting Date.** This is very important to understand especially if you are entering capital asset information in to STAR AM after the fiscal year is over. Any difference between accounting and transaction date will affect depreciation as well as posting entries to the CAFR ledger.

Retirement date is the date, or approximate date, the agency stopped using an asset. It impacts the financial entries generated in STAR AM and posted to the CAFR ledger. Retirements should be reported with an accounting date of June 30 or prior in the fiscal year the asset was retired.



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POLICIES

1. Agency staff shall enter proper capital asset records in to STAR AM in a timely manner using appropriate dates. Capital asset records should be added, retired, and updated in STAR AM monthly as capital asset-related activity occurs.
2. Agency staff shall not use a transaction date that is *earlier* than an accounting date.
3. Period 12 of the fiscal year shall stay open longer than periods 1 through 11 to accommodate the final entry of capital asset data into AM for proper CAFR reporting for the fiscal year.
4. Period 12 of the fiscal year in AM shall be closed for each business unit as of a date determined by SCO. The nature of a business unit’s capital assets will determine whether agencies are assigned a Tier 1 or a Tier 2 closing date. AM will close for the fiscal year for Tier 1 agencies one week after the close of the AP module. AM will close for the fiscal year for Tier 2 agencies one week after the issuance of the final Capital Accounting Construction-in-progress Report.
5. SCO-FRS will confirm the AM close with agencies prior to closing for the fiscal year.