



<b>Section</b>	<b>16</b>	<b>Correcting Fund Code and Profile Code Errors in STAR AM</b>	<b>Effective Date</b>	<b>7/1/2016</b>
<b>Sub-section</b>	<b>09</b>	<b>Capital Assets</b>	<b>Revision Date</b>	<b>3/22/2018</b>

**BACKGROUND**

Per Section 16-03, agencies are required to enter proper fund and profile codes when adding capital assets to the STAR AM module. At times, errors may occur when capital assets are entered into STAR AM. This results in errors in the STAR reporting tables and in the CAFR ledger used to create CAFR financial statements. These are long term records – thus, errors not corrected may be present in the data for many years.

An appropriate FUND code must always be associated with each capital asset added to STAR AM. If agencies add capital assets to STAR AM without a fund code or erroneously assign a fund code that should not be used (e.g. capital projects 36000, 36300 or 36500), specific steps must be taken to reduce the cost of the asset to zero, retire the asset, and add it again with an appropriate fund code. The same is required if an incorrect PROFILE code is used for an asset.

Section V-7 of the GAAP Conversion Policies and Procedures Manual provides additional information on reporting capital assets in STAR AM and the CAFR.

**POLICIES**

1. Agencies should code capital assets added to STAR AM to the FUND code at their agency that “owns” the capital asset.
2. Agencies should not use capital project fund codes as the FUND code for their assets. The Capital Improvement, Building Trust, and Transportation Revenue Bond capital project funds cannot own capital assets. Rather, those funds serve as a mechanism to report the acquisition and maintenance of capital assets “owned” by other funds.
3. Agency staff shall timely correct missing or incorrect FUND or PROFILE codes associated with capital assets in STAR AM.
4. Agency staff shall correct FUND or PROFILE codes using the process established by SCO. Agencies should reduce the cost and salvage value of the asset to zero, retire the asset, and add it again with an appropriate fund or profile code.
5. Errors must be corrected timely to prevent errors from impacting two or more fiscal years or multiple periods within a fiscal year.

**PROCEDURES**



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**Identifying Capital Assets FUND Code Errors:** SCO-FRS will run a query to identify the assets that were added to STAR AM without a fund code or that were set up with a capital projects fund code (36000, 36300 or 36500). Agencies with these problems will be notified and must promptly correct the asset records in STAR AM. Correcting these assets in a specific manner, as established by SCO, ensures existing errors are fixed and that long-term data errors are prevented in STAR AM.

**Identifying Capital Assets PROFILE Code Errors:** Agencies will most likely identify that an incorrect profile code was established for an asset when working within AM or reviewing AM reports or queries. At times, SCO-FRS staff may also identify incorrect profile codes. Dependent on the nature of the error, the impact may be minimal or significant. If agencies determine they must correct an asset profile, they should follow the same procedures as used to correct a fund code.

**Agency Steps:** After receiving notification of an FUND CODE error or identifying that an incorrect PROFILE was used, agencies should:

- 1) reduce both the cost and salvage value of the asset entered without a fund or with the wrong fund or profile code to zero;
- 2) retire the asset after a cost and salvage value of \$0 has been established; and
- 3) re-add the asset with an appropriate FUND or PROFILE code using an in-service date for when the asset was first placed in service.

Steps must be completed in the order listed or errors will not be zeroed out in the asset record or CAFR ledger. By reducing the cost and salvage value to zero prior to retiring the asset, journal entries will be generated that will reverse out the erroneous entries initially pushed to the CAFR ledger from STAR AM. Once the proper fund code is placed on a capital asset, STAR AM will contain the correct historical records for that asset and the correct journal entries will be pushed to the CAFR ledger. Using STAR AM to “transfer” the asset to the “correct” fund code will not correct the errors contained in the STAR tables and the CAFR ledger. Assets cannot be transferred to a different PROFILE code. Thus, the use of transfers for purposes of correcting FUND and PROFILE codes is not permitted.

Below are the steps for agencies to follow within STAR AM when FUND or PROFILE errors are identified. These corrections should be made as soon as possible but within the same fiscal year if possible to minimize the creation of manual correcting entries for the CAFR and ensure accurate STAR AM reports. The steps must be followed in the order given.



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**STEP 1:**

**ZEROING-OUT A CAPITAL ASSET BEFORE DISPOSAL**

- Navigate to the **Cost Adjust/Transfer Asset** page.
- Navigation: **Main Menu >Asset Management > Asset Transactions > Financial Transactions > Cost Adjust/Transfer Asset**
- Enter your **Business Unit**.
- Enter the **Asset Identification (ID)**.
- Click **Search**.

**Asset Cost Adjust/Transfers**  
 Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

Search Criteria

Business Unit = 50500

Asset Identification contains 17023

Tag Number begins with

Parent ID begins with

Description begins with

Asset Status =

Include History  Correct History  Case Sensitive

Search Clear Basic Search Save Search Criteria

- The **Main Transaction** page displays.
- Verify your **Transaction Date** and **Accounting Date**.
  - Note: if you are the end of the State fiscal year, you must use the last month/day/year of the year you want the transaction to post in. (If you are unsure of what month is open, contact SCO/RPT – Brian Bellford.)
- Select **Adjustment** from the **Action** drop down list.
- Click **GO!**

**Main Transaction**

Unit 50500 Asset ID 00000017023 FORD TAURUS X 2009 Tag AD093251 In Service

**Main Transaction**

Transaction Date 11/29/2016

Accounting Date 11/29/2016

Transaction Code

Rate Type CRRNT

Copy Changes to Other Books

**Copy to Other Books Options**

Transfer Other Books by Amount

Adjust Other Books By Amount

Include Convention Exclude Convention

Action Adjustment

GO!



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- The **Cost Information** tab displays and you can view the current Cost figures.

- To zero out the Cost, if there is a value in the **Salvage** field, clear it out.
- Under the *Chartfields* section, in the **Adjust Current Row By** field, enter the amount in the **Cost** field with a negative (-) in front of it to direct the system to do a credit to asset cost.
- Click **Apply**.
- Click **Save**.



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- Verify the cost adjustment was made by navigating to the **Cost History** page.
- Navigation: **Main Menu > Asset Management > Asset Transactions > History > Review Cost**
- The **Cost History List** page displays.
  - The **Total Cost** should now be *0.00*
  - There should also be an Adjustment (**ADJ**) line which nets the asset cost to zero

The screenshot shows the 'Cost History List' interface. At the top, there are tabs for 'Cost History List', 'Cost History Detail', 'Non Cap History List', and 'Non Cap History Detail'. Below the tabs, the asset details are displayed: Unit 50500, Asset ID 00000017023, FORD TAURUS X 2009, Tag AD093251, In Service. The 'Book' section shows 'Book Name CAFR', 'CAF Reporting Book', and 'Currency USD'. A 'Total Cost 0.00' is highlighted in red. The 'Asset Cost Information' section contains a table with the following data:

Acctg Date	Trans Type	In/Out	Quantity	Total Cost	Detail
1 07/01/2015	ADD		1.0000	20,957.00	Detail
2 11/29/2016	ADJ			-20,957.00	Detail

- This Capital Asset can now be disposed of. Continue to the next sections for steps on disposing an Asset.

(Continued)



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**STEP 2:**

**DISPOSAL OF A CAPITAL OR NON-CAPITAL ASSET**

**Note:** If disposing of a Capital Asset, you should have followed the steps in the previous section to zero-out the asset cost. If disposing of a Non-Capital Asset, zeroing-out the cost is NOT necessary, as Non-Capital Assets are not included in financial reports.

- Navigate to the **Retire Assets** page.
- Navigation: **Main Menu > Asset Management > Asset Transactions > Asset Disposal > Retire/Reinstate Asset**
- If you were just working in the system with a Capital Asset, you should be directed to it without searching. However, you may be required to search for the asset to be disposed.
- Enter your **Business Unit**.
- Enter the **Asset Identification (ID)**.
- Click **Search**.

- The **Retire Assets** page displays.
- Select **Invalid Entry** from the **Retire As** drop down list.
- Click **Go**.

- The asset now shows a status of **Disposed** and a **Cost** of **0.00**.
- Click **Save**.



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The screenshot shows the STAR AM software interface for the 'Retirement' screen. At the top, the asset details are: Unit 50500, Asset ID 00000017023, FORD TAURUS X 2009, Tag AD093251, and Disposed. The transaction date is 11/29/2016 and the accounting date is 11/29/2016. The rate type is CRRNT. The book name is CAFR, and the base currency is USD. The retirement date is 11/29/16 at 9:23:33PM. The disposal code is 'Invalid Entry', the quantity is -1.0000, and the removal cost is 0.00. The proceeds are 0.00. The convention is 'Actual Months', the trans code is empty, and the retire option is 'Calculate Gain/Loss'. The retirement amount is 0.00, and the base removal cost, base proceeds, accumulated depreciation, and gain/loss are all 0.00. The 'Save' button is highlighted with a red box.

**STEP 3: Add the capital asset to STAR AM**

Once the capital asset without a fund or an incorrect fund or profile code has been adjusted to zero and disposed of, it will need to be added again as a new asset. Enter the asset in the accurate open period (accounting date). Be sure to include an appropriate FUND and PROFILE. Also enter the correct transaction and in-service dates to ensure prior depreciation (PDP) will be calculated for the asset, stored in the applicable STAR AM tables, and a journal entry pushed to the CAFR ledger.