Solutions to Frequently Asked EIS Questions

How to add an item acquired in a prior fiscal year

The item would be added as usual through the EISSCN/ITMSCN screen using the add function. A date in the current processing year must be entered in ACQTRN when creating the acquisition transaction. You will want to modify the acquisition date that is found on the item screen to reflect the date from the previous fiscal year. Also, if depreciation is to be calculated on the item, you will want to enter a prior fiscal year date as the "begin date."

After the item has been added through ITMSCN, you will want to go into ACQTRN to modify the acquisition record. The error adjustment field should be set to "Y." This will cause the amount of the item to appear in the "adjustments" column, rather than the "acquisition" column of the EIS103 Change Schedule at the end of the current fiscal year.

How to add an item purchased at a discounted price

The item should be added as any other item with the original cost equal to the discounted price.

How to add an item that has been received as a donation

The item should be added as any other item through the EISSCN/ITMSCN program with the following exceptions:

- On the acquisition transaction screen, no purchase order information is necessary other than a dollar amount. The amount used should be an estimate of the fair market value at the time the item was donated.
- The acquisition method should be set to D (Donated) on the item screen record (screen #2).

How to retag an item on the system that has lost its original physical tag

This situation could be handled in several ways. Following are two common suggestions.

1. The tag number can simply be modified to a new tag number by using the Modify Option in ITMSCN. Tag numbers can be modified at any time, on or off GAAP. If the tag number is modified, a note should be added referencing the old number. This reference can be put in the accessories, second description, or user information fields (all found in ITMSCN).
2. Another approach would be to dispose of the item using the DSPTRN program. To do this, a disposition code, such as "physical tag number removed," should be used. Once the item has been disposed, you can re-add it using the new tag number. You will want to set the "error adjustment" flag to "Y" on the acquisition and disposition transaction records. This will indicate the adjustment on the EIS103 report at the end of the fiscal year.

Tracking textbooks/library books as an asset on the system

Due to the numerous acquisitions and dispositions that can be associated with keeping textbooks and library books on the inventory system, the following procedure has been suggested to simplify the matter. This suggestion is accepted by the State Auditor's Office as long as the district keeps an auxiliary list of the actual books and their original cost.

All textbooks or library books can be entered into the system under one tag number with the original cost set equal to the combined total of all the books. The "No. of Items:" field on the ITMSCN should be set to "1."

As new books are added, acquisition transaction records should be added for this tag number using the cost of the additions. Likewise, when books are disposed of, acquisition transactions should be added using a negative dollar amount to reflect the original cost of the books that are being disposed of. When adding these acquisition transactions, the "Update the original cost flag?" should be set to "Y." Setting this flag to yes will cause the original cost on the item screen to reflect the original cost of all the current books.

How to enter an item consisting of multiple pieces that alone do not meet the capitalization criteria but the combined total does

For example: A district purchases a computer consisting of a CPU, keyboard, monitor, mouse, and printer and they want to physically tag each of the components. However, the original cost of each individual item does not meet the capitalization threshold; but, the total combined cost does.

Here are two suggestions on how this type of situation could be handled:

1. One suggestion would be to put the physical tags on each component but to only enter the CPU on the system setting the original cost equal to the total combined cost. On the item screen record, the "accessories" and/or "description" fields could be used to list the physical tag number of the other components.
2. Another suggestion might be to put the physical tags on each component and enter the CPU on the system once again setting the original cost equal to the total combined cost. The other components could each be added with an original cost of $1.00 and a reference relating it back to the CPU and its tag number. You could also use the "Composite ID" field to enter a common component ID for all of the items. Using this method will cause the CPU to be capitalized and appear on the GAAP schedules with the correct original cost; while the other $1.00 items will not be capitalized.

A new bus is purchased with the trade of an old bus

If, in the purchase of a new bus, an old bus has been traded in, the original cost should be set equal to the total list cost of the bus. The value of the trade-in would not be subtracted from the original cost. In theory, the district has actually paid the full cost with cash plus the value of the old bus.

How to change the capitalization criteria if on GAAP

The EISCAP program will need to be run to re-capitalize the current items. This program will allow you to reset the thresholds found on the DATSCN, as well as re-evaluating each of the items on the inventory.

By changing the dollar capitalization threshold, items that were capitalized at the beginning of the year may no longer be capitalized; or, items that were not may now be capitalized. This will either increase or decrease the beginning year balances depending on whether the threshold is decreased or increased. The problem is that the prior fiscal year's ending balance and the current fiscal year's beginning balance will not be the same. By running the EISCAP program, a report is created showing exactly which items were changed and by how much. The ending balances, plus the amounts

on the EISCAP report should equal the beginning balances of the current fiscal year. This practice has been accepted by the State Auditor's Office and the report should be printed and saved for auditing purposes.

Identifying items included in the "Adjustment" column of the EIS103 change schedule and why they may be included

The EIS103D report will list all of the tag numbers of the items with amounts appearing in the adjustment column on the EIS103 report. These items can appear in this column for the following reasons:

- The "error adjustment" flag on some corresponding transaction record has been set to "Y."
- An item that did not meet the capitalization criteria at the beginning of the year may have had an acquisition record posted to it. If this acquisition updated the original cost to the point of now meeting the capitalization threshold, the total original cost will now appear as a positive amount in the adjustment column.
- An item that was capitalized at the beginning of the fiscal year may have had a negative acquisition record posted to it. If the adjusted original cost no longer meets the capitalization threshold, the amount will show as a negative amount in the adjustment column.
- An asset that has been entered as a lot (more than one item) and is capitalized at the beginning of the year may have been split into two sublots. If the original cost of one, or both, of the sublots no longer meets the capitalization threshold, the amount(s) will show as a negative amount in the adjustment column.

What items make up the "Prior to System Startup" amount on the EIS101 and how to reduce it

There are several ways the original cost of an item can be included on the "prior to system startup" line. Following are examples for items with an acquisition method of P, purchased, and how they can be corrected:

- The item was entered without an acquisition record posted to it. Generally, if the amount on the "prior to system startup" line is large, there is a good chance that a number of items are missing acquisition records. To find these items,
    - First, run a Brief Asset Listing (ESI304) for capitalized items with a status equal to A, N, EH, and EN. You can also select to choose items by an original cost of $5,000.00 or more, in an attempt to locate just the large items. You will want this report sorted by tag number.
    - Second, run the Grant/Source Report (EIS203) by selecting capitalized items with status codes equal to A and N. You will want this report sorted by tag number as well.
    - Next, compare the two reports. Items will only appear on the EIS203 report if they have at least one acquisition record. You will want to look for items that appear on the EIS304 reports but not on the EIS203.
    - You can add historical acquisition records by using the ACQTRN program. The "Update original cost?" flag should be set to "N," a fund dimension in the USAS source account should be entered, and the original cost should be entered as the acquisition amount. The date on this record can be set to the date on the item record if desired.

- The fund dimension of the USAS account code on the acquisition record is missing. To find items that are missing the fund dimension of the account code:
    - First, run the Grant/Source Report (EIS203) for capitalized items with the status equal to A and N. Simply scan the fund dimension of the account code to look for the items with a missing fund.

- You can go into ACQTRN, bring up the acquisition record for the item, and through the modify option, add a fund dimension to the USAS source account. Generally, this will be the same as the asset fund code that is located at the lower right on the acquisition record.
- The sum of the amounts on all the acquisition records for an item is less than the item's original cost with the difference being what is included on the "prior to" line. These items can also be found by examining the EIS203, Grant/Source Report. In this instance you will first need to determine which is correct, the original cost or the sum of the acquisitions.
- If the original cost is determined to be correct, you will want to add an acquisition transaction for the item with the amount being equal to the difference between the original cost and the sum of the acquisitions. You will want to be sure to set the "update original cost?" flag to "N" and that the fund dimension of the USAS source account has a value.
- If the sum of the acquisition records is determined to be correct, you will need to contract your DAS for assistance.

What items make up the "Unclassified" and "Unclassified Function" totals that appear on the GAAP schedules and how can they be eliminated?

Items that have a missing asset class or asset function code on the item screen record will be calculated into the "unclassified" or "unclassified function" lines on the GAAP schedules.

To find these items, you will want to run a Brief Asset Listing (EIS304) for the capitalized items with a status equal to A, N, EH, and EN. By scanning down the Asset Class and Function columns you will be able to find the tag numbers with the missing codes.

You will want to create transfer transaction records using the TRNTRN program to correct these items. Simply add a transaction record using the options of CL (class) or FN (function) and enter the new class or function code. The software will automatically change a blank code to a valid one.

What items make up the "Unknown Fund Type" page that appears on the GAAP schedules and how can they be eliminated?

Items will be calculated into this category if the item has no value in the "fund code" field on the item record; or, if the fund code for an item does not have a defined "fund type" in the FNDSCN record of EISMNT.

Items can be eliminated from this page by first going into the FNDSCN of EISMNT. You will want to scroll down the fund codes to ensure that all funds have a defined "fund type" of G, P, or F.

To find the items that are missing a fund code you will want to run the Brief Asset Listing (EIS304) choosing capitalized items and using the statuses A, N, EH, and EN. By scanning the fund column of the report, you can find all items with a missing fund code.

You will want to add transfer transaction records using the TRNTRN program to correct those items missing a fund code. Add a transaction record using the FD (fund) option and enter a value for the new fund code. The software will change a blank fund code to a valid one.

Why are items that meet the dollar capitalization threshold not being included on the EIS103 or EIS104 change schedules?

The following steps should be used to check why they are not included:

- Verify the current capitalization criteria in EISMNT/DATSCN. Look to see what the current dollar threshold is and if any life expectancy is specified.
- Look at item in ITMSCN. At the top right-hand corner, verify if the system is classifying the item as capitalized or non-capitalized. If it is non-capitalized, determine what is missing on the item that is causing it not to be recognized as a capitalized asset.
    - Verify current status (only A, N, EH, or EN will be included on GAAP schedules).
    - Verify original cost (on screen 2). Does the original cost meet the current dollar threshold?
    - Is there anything in the useful life field on screen 2? If the district has a life expectancy in EISMNT/DATSCN but useful life field is blank in ITMSCN, it will not include the item. (District can enter a life expectancy in ITMSCN to fix this.)
- EIS304 (Brief Asset Listing) can be used as a tool in determining if there are other items on file currently like this. Run the EIS304 for non-capitalized items only and then also choose to select items by original cost, specifying a dollar amount (equal to the current dollar capitalization threshold) and it will produce a report of any items that are currently on the system as non-capitalized with an original cost equal to or greater than the capitalization dollar limit.

District has never added values for land to inventory. They are on GAAP and would like to add tag numbers for land with acquisition dates in a prior fiscal year.

The land should be added in ITMSCN. When in the acquisition transaction screen, a date in the current fiscal year will need to be used but the real acquisition date can be entered in ITMSCN (acquisition date field in screen 2). Once the item has been entered, the acquisition transaction can be modified in EISSCN/ACQTRN. Adjust the error adjustment flag to "Y," which will cause the dollar amount associated with this item to be reported as a positive adjustment on the change schedules (instead of acquisitions, which would cause the true acquisition amount for the current FY to be inflated).

The above procedure would apply to any item that was acquired in a prior year but not added to the inventory. For those items where depreciation is being tracked, the depreciation begin date can be entered as a prior FY date.

How do you stop an item from being tracked for depreciation that has previously been reported?

Previously, depreciation was tracked for land but under GASB34, it should no longer be tracked or included on depreciation reports. Depreciation information is always modifiable in ITMSCN. You can set the depreciation method to "N" and clear out the depreciation beginning date. You should use caution in clearing out the life expectancy field. If a life limit is set in DATSCN for capitalization criteria, then clearing out the life expectancy field will cause the item to become non-capitalized.

The life-to-date depreciation can also be manually cleared out in ITMSCN, or EISDEPR can be run to recalculate the depreciation. However, running EISDEPR may cause depreciation changes on other items that may be incorrectly updated. The advantage to running EISDEPR is that you will have a report that can be used as an audit trail for showing the difference. If the district is concerned about an audit trail but EISDEPR will cause too many other incorrect changes, another option is to print a screen shot of ITMSCN prior to clearing out the depreciation and then a screen shot after.

Item thought to be lost and disposed of in a prior year has now been found. How can we change the current status of the item back to "A" to show that it is active again?

You can't. Instead, you will need to add a new tag through ITMSCN for the item. However, tag numbers are modifiable in ITMSCN. Before you add the new item, modify the tag number with the status of "D" to the tag number you plan on using for the new tag. This will free up the original tag number, allowing you to use the original number when you add the new item.

Auditor has requested the useful life for several items to be changed. What is the best way to do this?

Use the following steps to modify useful life:

1. Run EISDEPR – projection option – to let the system recalculate the depreciation on all items. This will generate an EISDEPR.TXT report detailing the changes made. It will list all items showing old and new LTD depreciation.
2. Then, for those several items that need the useful life changed, use ITMSCN to manually change the LTD depreciation for that item.

Can you check what items have been added to EIS compared to what was purchased on the USAS side for the fiscal year?

Run BUDLED for the current EIS fiscal year and specify 6xx and 7xx object codes. Compare it to an EIS304 report run for all items with an acquisition date in the current EIS fiscal year. NOTE: The numbers likely won't match exactly but items on BUDLED can be compared to items on EIS304. The reason for the discrepancy is that not all items on EIS304 are going to be coded to the same fund they were purchased out of on BUDLED. Also the BUDLED will include all items purchased regardless of the dollar amount and the district may use a threshold, and only items over that dollar threshold (USACON) are added to inventory pending file.

You could also look at the board minutes from the fiscal year to see that all donated items were added to the inventory. Also look at items that were given approval to be disposed of. Make sure disposition transactions have been posted for those disposed of items.

A district called about components of a building they tagged. Everything fell under one tag and now they need to split them out into different tags and they asked how they could do this. They want to be able to assign a certain percentage of the original cost to each new tag.

In ITMSCN, modify the tag and adjust the "No. of Items" field to 100. (Treat this as a percentage of 100% instead of the actual number of items.) Next, use the "Split" option to split the tag out to various components of the building. When they split it, then they could adjust the percentage of how much to charge to each new tag in the "No. of Lot" field (to

equal 100%). After they finished splitting the lot, they can go back to the original item and change the "No. of Items" back to 1.

What makes an item capitalized on the EIS system?

Must meet the capitalization criteria set in EISMNT/DATSCN

- If you only have a dollar capitalization limit specified, any items meeting that threshold will be capitalized regardless of useful life.
- If you have both a dollar and a life limit set, items must also have a specified useful life in the depreciation information that meets or exceeds the life limit.

How can I determine that all my assets with an original cost meeting the dollar threshold are currently on file as capitalized?

Generate an EIS304, Brief Asset Listing for non-capitalized items whose original cost is greater than or equal to the capitalization limit.

What is the difference between EISDEPR and EISCHG?

EISCHG updates all of the fields necessary for calculating depreciation on the item record and calculates LTD depreciation. It also allows you to choose selection options.

EISDEPR calculates LTD depreciation only. The depreciation method and life limit must already be in place on the item record.

What is the difference between life-to-date depreciation and fiscal-to-date depreciation?

LTD is the depreciation as of June 30 of the last fiscal year closed as found on the EISSCN/ITMSCN record. This field gets updated when running the EISCLS program at the end of the fiscal year. Also updated by EISCHG and EISDEPR as of June 30 of the last fiscal year closed.

FTD is the depreciation for the current fiscal year and is calculated on a month-by-month basis.

EIS304, Book Value Report, reports the LTD and the FTD depreciation. The LTD will be equal to the LTD amount showing on the item records in EISSCN/ITMSCN. The FTD is calculated based on the reporting date used in generating the report.

EIS104, Schedule of Depreciation Changes, also reports the LTD and the FTD depreciation for capitalized assets. Beginning depreciation is equal to the LTD depreciation as found on the item records for all assets capitalized at the beginning of the fiscal year. Continuing depreciation is equal to the FTD depreciation for the current fiscal year for all capitalized assets.

How can I reduce the original cost of an item on file?

If the item was entered in the current fiscal year, the acquisition amount on the acquisition record in EISSCN/ACQTRN can be modified. This will automatically update the original cost on the EISSCN/ITMSCN record.

If the item was entered in a previous fiscal year, you will need to add an acquisition transaction for the item through EISSCN/ACQTRN. The acquisition transaction should be for a negative amount equal to the difference, set the update original cost flag to "Y," and the error adjust flag to "Y." Setting the error adjust flag to "Y" will show the dollar amount as an adjustment instead of an acquisition on the GAAP schedules.

How can I increase or decrease an incorrect original cost without doing the same to the acquisition transaction total?

This is generally the cause of errors on the EIS101.

- First, post a new acquisition transaction to increase or decrease the original cost and set the "update original cost" flag to "Y." This will fix the original cost but also increases or decreases the total acquisition amount.
- Next post a second acquisition transaction for the negative amount of the previous acquisition and set the "Update original cost" flag to "N." This will set the acquisitions total amount back to what it was without affecting the original cost.

Correcting Errors in Posting

Error in an item record

- Most fields can simply be changed using the "modify" option. If you are a GAAP user, then the fund, function , asset class, and original cost may not be changed using this option.
- For GAAP users with an error on one of the non-modifiable fields – if the item was added during the current fiscal year or does not meet the capitalization limits, simply delete the item record and re-add correctly.
- If the item cannot be deleted and there is an error in fund, function/activity, or asset class, then post a transfer transaction and set the "adjustment flag" to "Y."
- If the item cannot be deleted and there is an error in the original cost, then post an acquisition transaction for the difference between the current original cost on the files and the correct amount. This can be either a positive or a negative amount as necessary. Set the "adjustment flag" to "Y" and the "update original cost flag" to "Y."

Error in an acquisition, disposition, or transfer transaction

- Certain fields on transactions can be changed by simply using the modify option. The most important exceptions to this are the amount and the "adjust original cost" flag on the acquisition transaction, and the new code field on the transfer transactions. The acquisition amount can only be changed by the user if the transaction was posted in the current fiscal year. Otherwise, if the type = "A" (Acquisition), the district is on GAAP and the transaction was entered in a prior fiscal year, the acquisition amount cannot be modified. The "Adjust Original Cost" flag is always non-modifiable. If the field cannot be changed by using the modify option, then you must follow one of the following procedures.
- If the error occurred in the current fiscal year, the transaction can be deleted and re-posted correctly. The only exception is that if the item had any transfers posted to it during the current fiscal year, then care must be taken. Deleting and re-posting in this case may cause the fund, function, or asset class associated with the item to be incorrect, causing errors in the GAAP change schedules. In this case you would need to delete all transactions, starting with the most current, back to the improper transaction and re-post them all.
- If the error occurred in a prior fiscal year, then deleting transactions is not permitted. In this case it is necessary to post another appropriate type of transaction to correct the problem and set the Error Adjustment flag to "Y."

Item is double-posted

- If you are a non-GAAP user, then simply delete the extra item.
- If you are a GAAP user and the item was posted in the current fiscal year or it does not meet the capitalization limits, then simply delete the extra item.
- If you are a GAAP user and the item cannot be deleted (it was added in a prior fiscal year and it was capitalized), then you should dispose of one of the items and set the Error Adjustment flag to "Y" on the disposition transaction record.

Item mistakenly disposed of

- If you are a non-GAAP user, or a GAAP user and the disposition occurred in the current fiscal year, then just use the delete option to delete the disposition transaction. This sets the status to "Active" on the item record.
- If you are a GAAP user and the disposition occurred in a prior fiscal yar, you will have to re-add the item as if it was a new item.