

QUICK REFERENCE GUIDE

Retiring an Asset

December 4, 2015

Retire an Asset

This topic covers retiring a Financial Asset (Asset with Cost History) and retiring a Non-Financial Asset (Asset with no Cost History).

Follow the steps outlined in the appropriate option:

- Option 1: Retire a Financial Asset (Asset with Cost History)
- Option 2: Retire a Non-Financial Asset (Asset with no Cost History)

Option 1: Retire a Financial Asset (Asset with Cost History)

Begin by navigating to the *Retire/Reinstate Asset* page.

1. **Navigation Links:** Asset Management, Asset Transactions, Asset Disposal, Retire/Reinstate Asset.
2. At the *Asset Retirements* page, enter search criteria to locate the asset you want to retire. Commonly used options are described below:

Field	Field Description
Business Unit	Accept the default <i>Business Unit</i> or click on the Lookup and select a different <i>Business Unit</i> .
Asset Identification	Enter an <i>Asset ID</i> to limit your search. The percent sign (%) can be used to replace one or more characters.

Field	Field Description
Tag Number	Optionally, enter a <i>Tag Number</i> if your agency uses asset tags.
Description	Enter information contained in the description of the asset you want to work with. The percent sign (%) can be used to replace one or many characters.

- Click on the **Search** button.
- If more than one asset displays in the **Search Results** section, click on the asset you want to retire. The *Retire/Reinstate Asset* page displays. The only field available for editing at this time is the *Retire As* field.

The screenshot displays the 'Retire/Reinstate Asset' interface. At the top, there are navigation tabs: 'Retire Assets', 'Other Options', 'By Chartfield', and 'Bill Information'. The 'Retire Assets' tab is active. Below the tabs, the asset information is shown: Unit: G1001, Asset ID: 00000001122, AUDIO/MSUAL/VIDEO EQUIP, Tag: In Service. The 'Trans Date' is 11/10/2015 and 'Acctg Date' is also 11/10/2015. The 'Rate Type' is set to 'CRRNT'. The 'Book' section shows 'Book Name: MINN Minnesota State Book' and 'Base Currency: USD'. The 'Retire As' field is a dropdown menu currently set to 'Retirement by Sale', which is highlighted with a red box. Below this, there are 'Go' and 'Reinstate' buttons. The 'Retirement' section contains various fields: 'Date/Time: 11/10/15 12:49:49PM', 'Ret Status: Unretired', '*Disposal Code: Retirement by Sale', 'Quantity: 1.0000', 'Removal Cost: 0.00', 'Proceeds: 0.00', 'Convention: Actual Month', 'Trans Code:', 'Retire Option: Calculate Gain/Loss', 'RC Curr: USD', 'Pr Curr: USD', 'Retirement Amt: 0.00 USD', 'Base Removal Cost: 0.00', 'Base Proceeds: 0.00', 'Accum Depr: 0.00', 'Gain/Loss: 0.00', and 'Overrided Accum:'. At the bottom, there are 'Submit', 'Return to Search', and 'Notify' buttons.

- On the **Retire Assets** tab, click on the *Retire As* drop-down listing and select the appropriate Disposal Code. A list of codes, along with the availability of Removal Costs and Proceeds is provided below.

Note: Agencies should determine how they want to use these codes in accordance with State and Agency Policies. This will ensure consistent usage of codes.

Disposal Code	Code	Usage	Removal Costs	Proceeds
Abandonment	A	Asset has no resale value and no removal cost or Proceeds	Yes	No
Auto-Retire Fully Depr Assets	V	Asset fully Depreciated	Yes	Yes
Cannibalized for Other Assets	C	Asset needs to be partially retired, Retire Amount no longer in use	Yes	Yes
Casualty Loss	Y	Asset unintentionally destroyed	Yes	Yes
Disappeared Assets	D	Asset cannot be located, status unclear	No	No
Disposal Due to Theft	F	Asset has been Stolen	No	No
Donated to External Group	N	Asset has been Donated	Yes	Yes
Expensed	E	Asset should never have been setup in Asset Management	Yes	Yes
Like Kind Exchange	L	Like - Kind Exchange under Federal Tax Code	Yes	No
Missing Asset	M	Asset is Missing	Yes	Yes
Retirement by Sale	S	Retirement by Sale – can enter Customer info if customer is setup	Yes	Yes
Returned to Vendor	2	Asset returned to Vendor	Yes	Yes
Returned to Inventory	I	Asset returned to Inventory	Yes	Yes
Scrapped Assets	R	Asset no longer useful	Yes	Yes
Traded In for another Asset	T	Trading one Asset for another	Yes	Yes

Note: The Gain/Loss calculation is similar for all of these codes except “Traded in for another Asset”. It is calculated as follows:

$$\begin{aligned} &(\text{Cost} - \text{Accumulated Depreciation}) = \text{Net Book Value (NBV)} \\ &\text{Gain/Loss} = \text{NBV} + \text{Proceeds} - \text{Removal Costs} \end{aligned}$$

The “Traded in for another Asset” code treats the Proceeds Amount value as a Debit to the Asset account instead of a Debit to the Gain/Loss account.

- Click the **GO** button to continue. The fields related to this code are now available for editing.

Favorites | Main Menu > Asset Management > Asset Transactions > Asset Disposal > Retire/Reinstate Asset

Retire Assets | Other Options | By Chartfield | Bill Information

Unit: G1001 Asset ID: 000000001122 AUDIOMISUALVIDEO EQUIP Tag: In Service
 Trans Date: 11/10/2015 Acctg Date: 11/10/2015 Rate Type: CRRNT In Physical Use

Book Name: MINN Minnesota State Book Base Currency: USD As Of: 11/10/2015
 Retire As: Scrapped Assets
 Copy Changes to Other Books Quantity: 1.0000 Cost: 2,281.53

Retirement Date/Time: 11/10/15 12:49:49PM Ret Status: Unretired
 *Disposal Code: Retirement by Sale Retirement Amt: 0.00 USD
 Quantity: RC Curr: USD Base Removal Cost: 0.00
 Removal Cost: 0.00 Pr Curr: USD Base Proceeds: 0.00
 Proceeds: 0.00 Convention: Actual Month Accum Depr: 0.00
 Trans Code: Gain/Loss: 0.00
 Retire Option: Calculate Gain/Loss Override Accum Overridden Accum:

Retire Assets | Other Options | By Chartfield | Bill Information

7. Complete the **Retire Assets** tab header information described below.

Field	Field Description
*Trans Date	The <i>Transaction Date</i> is the date the asset is retired and will be used in the final depreciation calculations. Accept the default current date or enter a different date.
*Acctg Date	The <i>Accounting Date</i> is the date for the General Ledger asset retirement entry. (The date must be in an open Accounting Period.) Accept the default current date or enter a different date.
Rate Type	Accept the default "CRRNT". State of Minnesota does not use.
In Physical Use	Accept the default from the Asset record.

Favorites | Main Menu > Asset Management > Asset Transactions > Asset Disposal > Retire/Reinstate Asset

Retire Assets | Other Options | By Chartfield | Bill Information

Unit: G1001 Asset ID: 00000001122 AUDIOMISUAL/VIDEO EQUIP Tag: In Service

Trans Date: 11/10/2015 Acctg Date: 11/10/2015 Rate Type: CRRNT In Physical Use

Book

Book Name: MINN Minnesota State Book Base Currency: USD As Of: 11/10/2015

Retire As: Scrapped Assets Go Reinstate Quantity: 1.0000

Copy Changes to Other Books Cost: 2,281.53

Retirement

Date/Time: 11/10/15 12:49:49PM Ret Status: New

*Disposal Code: Scrapped Assets Retirement Amt: -2,281.53 USD

Quantity: -1.0000 Base Removal Cost: 0.00

Removal Cost: 0.00 RC Curr: USD Base Proceeds: 0.00

Proceeds: 0.00 Pr Curr: USD Accum Depr: 0.00

Convention: Actual Month Gain/Loss: 0.00

Trans Code: Retire Option: Calculate Gain/Loss Override Accum

Submit

Return to Search Notify

Retire Assets | Other Options | By Chartfield | Bill Information

8. Complete the **Retirement** section as follows:

Field	Field Description
Quantity	The quantity of the asset being retired is normally “-1”.
Retirement Amt	The cost of the asset (as a negative) defaults into the <i>Retirement Amount</i> field.
Removal Cost	Enter the <i>Removal Cost</i> associated with the Asset’s retirement.
Proceeds	Enter the <i>Proceeds</i> amount associated with the Asset.
Convention	Accept the default “Actual Month”.
Trans Code	State of Minnesota does not use.
Retire Option	Accept the default “Calculate Gain/Loss”.
RC Curr	Accept the default “USD”.
Pr Curr	Accept the default “USD”.

Favorites | Main Menu > Asset Management > Asset Transactions > Asset Disposal > Retire/Reinstate Asset

Retire Assets | Other Options | By Chartfield | Bill Information

Unit: G1001 Asset ID: 00000001122 AUDIO/VISUAL/VIDEO EQUIP Tag: In Service
 Trans Date: 11/10/2015 Acctg Date: 11/10/2015 Rate Type: CRRNT In Physical Use

Book Name: MINN Minnesota State Book Base Currency: USD As Of: 11/10/2015
 Retire As: Scrapped Assets Quantity: 1.0000
 Cost: 2,281.53

Copy Changes to Other Books

Retirement

Date/Time: 11/10/15 12:49:49PM Ret Status: New
 *Disposal Code: Scrapped Assets Retirement Amt: -2,281.53 USD
 Quantity: -1.0000
 Removal Cost: 0.00 RC Curr: USD Base Removal Cost: 0.00
 Proceeds: 0.00 Pr Curr: USD Base Proceeds: 0.00
 Convention: Actual Month Accum Depr: 0.00
 Trans Code: Gain/Loss: 0.00
 Retire Option: Calculate Gain/Loss Override Accum

Submit

Return to Search Notify

Retire Assets | Other Options | By Chartfield | Bill Information

- Click on the **Submit** button to save the transaction. The retirement transaction will not be complete until MMB staff have approved the transaction. The asset will have a *Status* of “Pending Disposal” until the retirement is approved. After the retirement is approved, the *Status* will change to “Disposed”.

Special Notes on Disposition Codes

Retirements by Sale

If the “Retirement by Sale” Disposal Code is selected, the **Customer/Ship from Information** section displays at the bottom of the *Retire/Assets* page. Optionally, enter information, if desired.

Customer/Ship from Information

Customer ID: Loc:
[Customer General Info](#)
 Sold To Customer: Sold Loc:
 Create Bill

Like Kind Exchange

If the “Like Kind Exchange” Disposition Code is selected, the *Like Kind Exchange* link is available in the **Retirement** section which can be used to record taxable cash that was part of the exchange, the fair market value of the new asset, and the Net Liability, Fair Market Value of Non-Like In Kind, if any. This disposition code is not commonly used. Prior to using this disposal code, contact Agency Assistance at AgencyAssistance.MMB@state.mn.us to discuss.

The **One to Many Exchange** section can be used to enter additional assets if you are receiving more than one asset in the Like Kind Exchange. Enter the quantity of the total assets in the *One to Many ID* field and add a row for each of the assets in the Trade-in List.

Option 2: Retire a Non-Financial Asset (Asset with no Cost History)

To retire assets that do not have cost history in SWIFT, you will use the *Non-Financial Asset Retire* page.

1. **Navigation Links:** Asset Management, Asset Transactions, Asset Disposal, Retire/Reinstate Non-Fin Asset.
2. At the *Non-Financial Asset Retirement* page, enter search criteria to locate the asset you want to retire. Commonly used options are described below:

Field	Field Description
Business Unit	Accept the default <i>Business Unit</i> or click on the Lookup and select a different <i>Business Unit</i> .
Asset Identification	Enter an <i>Asset ID</i> to limit your search. The percent sign (%) can be used to replace one or more characters.
Tag Number	Optionally, enter a <i>Tag Number</i> if your agency uses asset tags.
Description	Enter information contained in the description of the asset you want to work with. The percent sign (%) can be used to replace one or many characters.

Note: State of Minnesota does not use *Composite Assets* or *FERC Code*.

The screenshot shows the 'Non-Financial Asset Retire' search interface. At the top, there is a breadcrumb trail: 'Favorites | Main Menu > Asset Management > Asset Transactions > Asset Disposal > Retire/Reinstate Non-Fin Asset'. Below this, the title 'Non-Financial Asset Retire' is displayed. A prompt says 'Enter any information you have and click Search. Leave fields blank for a list of all values.' There is a 'Find an Existing Value' button. The 'Search Criteria' section is expanded and contains the following fields:

- Business Unit:** A dropdown menu set to '=' and a text input field containing 'G1001' with a search icon.
- Asset Identification:** A dropdown menu set to 'contains' and a text input field containing '1141' with a search icon.
- Parent ID:** A dropdown menu set to 'begins with' and an empty text input field with a search icon.
- Tag Number:** A dropdown menu set to 'begins with' and an empty text input field with a search icon.
- Description:** A dropdown menu set to 'begins with' and an empty text input field with a search icon.
- Composite Asset:** A checkbox that is currently unchecked.
- Composite Asset ID:** A dropdown menu set to 'begins with' and an empty text input field with a search icon.
- FERC Code:** A dropdown menu set to 'begins with' and an empty text input field with a search icon.

 At the bottom of the form, there is a 'Case Sensitive' checkbox (unchecked) and a row of buttons: 'Search', 'Clear', 'Basic Search', and 'Save Search Criteria'.

3. Click on the **Search** button.
4. If more than one asset displays in the **Search Results** section, click on the asset you want to retire. The *Non-Financial Retire* page displays.
5. **Complete** the *Non-Financial Retire* page as follows:

Field	Field Description
*Trans Date	The <i>Transaction Date</i> is the date the asset is retired. Accept the default current date or enter a different date.
*Ret Type	Click on the <i>Ret Type</i> drop-down listing and select the appropriate Disposal Code, such as Abandonment, Retirement by Sale, or Scrapped Assets. A complete listing is available in Option 1 of this topic.

Favorites | Main Menu > Asset Management > Asset Transactions > Asset Disposal > Retire/Reinstate Non-Fin Asset

Non-Financial Retire

Unit: G1001 Asset ID: 000000001141 Epson Replacement Lamp Tag: Received

Trans Date: 08/06/2015 Trans Code:

Retirement

Retire Reinstate Acq Code: Purchased Date/Time: 08/06/2015 11:21:39AM

*Ret Type: Retirement by Sale

Lease Information

Lease ID: Inception Date: 08/06/2015

Vendor ID:

Vendor Contact:

Save Return to Search Notify

- Click on the **Retire** button.
- Click on the **Save** button to process the status change.