

QUICK REFERENCE GUIDE

Updated November 1, 2019

Purchase an Asset

It is important for buyers to determine whether the item qualifies as an asset that needs to be tracked on a purchase order line in SWIFT. Contact your agency’s Asset Coordinator for guidance.

When you create a purchase order for an asset, it is important to enter the correct Description, Category Code, Account Code and Asset Profile ID on each line of the purchase order that records an asset.

Types of Assets

An important consideration when purchasing an asset is to determine the type of asset. You will need to consider such things as the cost of the asset, whether the asset has acquisition costs that will be depreciated over the useful life of the asset, and if it is a capital asset that must be reported in the Comprehensive Annual Financial Report (CAFR). The below table describes the three overall types of assets, along with some general guidelines.

Type of Asset	Costs	Cost	Depreciable	CAFR
CAFR Capital Asset	Depreciated over Useful Life (Life of more than 2 years)	<ul style="list-style-type: none"> Over \$30,000.00 for most assets Over \$300,000.00 for Buildings All Land - For specific values, see the Chapter 1 - Financial Management Reporting. 	Most depreciate	Yes
Non-CAFR Capital Asset (NCP)	Depreciated over Useful Life	Less than \$30,000.00 but greater than agency threshold for Sensitive Items	Most depreciate	No
Sensitive (SEN)	Expensed with no depreciation	Less than agency policy threshold (typically \$5,000.00). Includes items that your agency wants to track such as firearms, computers, printer, cell phones, cameras, and TV’s	Do not depreciate	No

Resources for Asset Management

1. **State of Minnesota resources for guidance on the types of assets.**
 - Department of Administration’s “State of Minnesota Property Management Policy and User Guide”: www.mn.gov/admin/images/Surplus_PropertyManagementGuide_Complete.pdf
 - Minnesota Management and Budget’s Statewide Operating Policies 0106-01 through 0106-09: <http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0106-01-capital-asset-reporting-policy.pdf>. These policies provide guidance on the requirements for the State of Minnesota’s CAFR activity in accordance with Generally Accepted Accounting Principles (GAAP).

2. Queries in SWIFT's Query Viewer

- To determine the correct information to enter in the Purchase Order module, you can use queries in SWIFT's Query Viewer. You can download them into an Excel spreadsheet.

SWIFT queries that display available codes and defaults for assets

Query Name	Description/Use
M_PO_GBL_CATEGORY_DEFAULTS	List of all PO Category Codes, along with associated Profile ID's (if any), default Account Codes, and Descriptions.
M_CG_GBL_CATEGORIES_ASSETS (Categories with Asset Profile)	List of PO Category Codes which are associated with Asset Management Profile ID's.
M_AM_GBL_ASSET_PROFILE	Lists current Asset Profile ID's, along with corresponding Asset Category and Asset Type.

This guide provides the steps to create a purchase order that will generate an asset record in the Asset Management Module. It does not cover the details of creating purchase order.

Steps to complete:

- Step 1: Access the Purchase Order page in SWIFT
- Step 2: Add asset information on the line of the Purchase Order page
- Step 3: Verify or enter the asset information on the Distribution page for the line

Steps to purchase an asset in SWIFT

Step 1: Access the Purchase Order page in SWIFT

- Navigate to the **Purchase Order** page.

Navigation Options	Navigation Path
Navigation Collection	Procurement, Purchasing, Purchase Order, Purchase Order page defaults.
WorkCenter	Procurement, Purchasing, Buyer WorkCenter. Left menu Links, Add/Update POs, Purchase Order page.

- On the **Purchase Order** page, select the **Add a New Value** tab, enter your *Business Unit* and press the **Add** button. SWIFT displays the **Purchase Order** page.

Step 2: Add asset information on the line of the Purchase Order page for the asset

Enter information on each line of the purchase order to record an asset.

- On the **Details** tab of the line, enter the correct *Description* and *Category Code* on each line of the purchase order that records an asset.

Line	Item	Description	PO Qty	*UOM	Category	Price	Merchandise Amount	Status	Schedules icon
1		Ricoh Printer model	1.0000	EA	45100000	9,000.00000	9,000.00 x	Open	

Fields on the purchase order line that impact the record in the Asset Management module

Field Name	How the Field Relates to Asset Purchasing
Description	The first 30 characters of the <i>Description</i> field on the line becomes the asset <i>Description</i> in the Asset Management module. You can edit the <i>Description</i> in the Asset Management module as needed. If your agency uses the Inventory module, you will likely enter information in the <i>Item</i> field, instead of the <i>Description</i> field.
Category	The Category code groups similar goods or services for reporting purposes and spending analysis. It is represented by the United Nations Standard Products and Services Code (UNSPSC) in SWIFT. Enter the Category code for the asset purchase. <ul style="list-style-type: none"> Some <i>Category</i> codes relate to a default <i>Profile ID</i> that SWIFT will enter on the Asset Information tab on the Distribution page of the line. Review the <i>Profile ID</i>. You can edit or remove it as needed. Agencies that use the Inventory module use <i>Item</i>, instead of the <i>Description</i> field. Items also relate to default <i>Category Codes</i> which can be linked to default <i>Profile IDs</i> on the Asset Information tab on the Distribution page of the line.

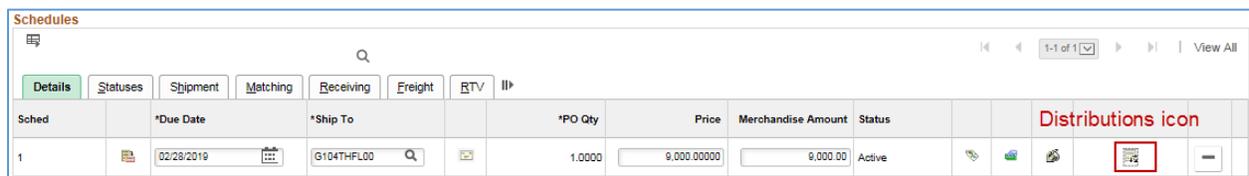
- Press the **Receiving** tab. Make sure that the purchase order is marked as “Required” in the *Receiving Required* field.



- Return to the **Details** tab. Press the **Schedule** icon to access the **Schedules** page for the line.

Step 3: Verify or enter the asset information on the Distribution page for the line

- SWIFT displays the **Schedules** page for the line. Press the **Distributions** icon.



- SWIFT displays the **Distributions for Schedules** page. Verify or enter these fields.

Fields on the Distribution page impact the record in the Asset Management module

Field Name	How the Field Relates to Asset Purchasing
Account	The Account ChartField classifies the nature of a transaction such as "cash" and "supplies." The values in this field determine whether it is an asset, liability, equity, revenue or expenditure. All transactions in SWIFT have an Account code.
Profile ID	In the Purchase Order and Asset Management modules, each asset has a unique Profile ID. The Profile ID tells SWIFT that this purchase is an asset that should be processed into the Asset Management Module. If a Profile ID defaults in or you enter it in for the purchase order line, SWIFT will create an asset record. Profile IDs determine values in the Asset Management module, such as the Asset Type, Asset Category, Useful Life, Depreciation Method / Status, and Salvage Value.

- Determine how to evaluate each line of the purchase order for an asset.
 - Consult with your asset manager.
 - Review the information from the Department of Administration and Minnesota Management and Budget guides referred to in the introduction of this guide.
 - Run SWIFT queries referred to in the introduction of this guide.
 - In most cases, SWIFT will default these fields in correctly, but should be verified by the buyer.

In this example, we use the *Category Code* "45100000" for printing and publishing equipment. The purchase price is \$9,000.00.

- This price is below the CAFR Capital Asset threshold of \$30,000.00. Therefore, we will accept the default *Account Code* "471606". Also, we will accept the default *Profile ID* "NCP_EQP05" for non-capital equipment with a useful life of five years.
- If we were purchasing printing and publishing equipment that costs \$30,000.00 or more, we would change the *Account Code* to "470606" for capital equipment.
- Also, we would change the *Profile ID* to "EQUIP05" for capital equipment with a useful life of five years.

Category Code	Available Account Codes	Profile ID
45100000 - Printing and publishing equip	Default: 471606 - Equipment-Non Capital	Default: NCP_EQP05 - Non-Capital Equipment - 5 Yrs
45100000	470606 - Equipment-Capital	Change default to "EQUIP05"
45100000	413001 - Supplies, Materials, And Parts	Remove default because supplies are not an asset.
45100000	414004 - Equipment Rental	Remove default because rentals are not an asset.

- On the **Chartfields** tab on the **Distribution** page for the line, check the *Account* used on the purchase order line to make sure it fits your asset purchase. Change it as needed.

The screenshot shows the 'Distribution' page with the 'Chartfields' tab selected. The 'Asset Information' sub-tab is also visible. The main table has the following data for line 1:

Dist	Status	Percent	Merchandise Amount	Currency	*GL Unit	Fund	Fin DeptID	Appropriation ID (CF3)	*Account	Sub Acct	SW Cost	Agency Cost 1 (CF1)	Agency Cost 2 (CF2)	PC
1	Open	100.0000	9,000.00	USD	MN001	1000	G1031100	G100001	471808					

- Select the **Asset Information** tab. Verify and update the asset information on it as needed.

Asset Information fields on the Asset Information tab

Field Name	Field Description
AM Unit	<p>This is the <i>Business Unit</i> responsible for the asset. SWIFT will populate the <i>AM Unit</i> if you selected a <i>Category Code</i> related to a default <i>Profile ID</i>.</p> <ul style="list-style-type: none"> If you need to add a <i>Profile ID</i>, enter the <i>AM Unit</i> first. If the line should not generate an asset, remove the <i>AM Unit</i> and the <i>Profile ID</i> information.
Asset Profile ID	<p>The <i>Asset Profile ID</i> identifies the purchase as an asset that SWIFT will generate in the Asset Management module. <i>Profile IDs</i> also determine values in the Asset Management module, such as the asset's <i>Asset Type</i>, <i>Asset Category</i>, <i>Useful Life</i> and <i>Depreciation Method</i>.</p> <ul style="list-style-type: none"> SWIFT may default a <i>Profile ID</i> based on the <i>Category Code</i> you selected. If the defaulted <i>Profile ID</i> is incorrect, change it. For example, if you are purchasing equipment that has a useful life of five years, you may need to change the <i>Profile ID</i> from "NCP_EQP10: Non-capital Equipment – 10 Yrs" to "NCP_EQP05: Non-capital Equipment – 5 Yrs". If you need to add a <i>Profile ID</i>, enter that <i>AM Unit</i> first. If the line should not generate an asset, remove the <i>AM Unit</i> and the <i>Profile ID</i> information.
Tag Number	<p><i>Tag Numbers</i> provide a tracking system for the asset. As an option, you can enter a <i>Tag Number</i> Check with your Asset Coordinator for your agency's policy. <i>Tag Numbers</i> must be unique within a <i>Business Unit</i>. You can update the <i>Tag Number</i> in the Asset Management module as well. This may not be available at the time the PO is created.</p>

- Process the purchase order.
 - Submit the purchase order for approval and budget check and dispatch it.
 - After your agency receives the purchase order line in the Receiving module, SWIFT will record the asset record in the Asset Management module.

You have successfully reviewed how to purchase an asset.