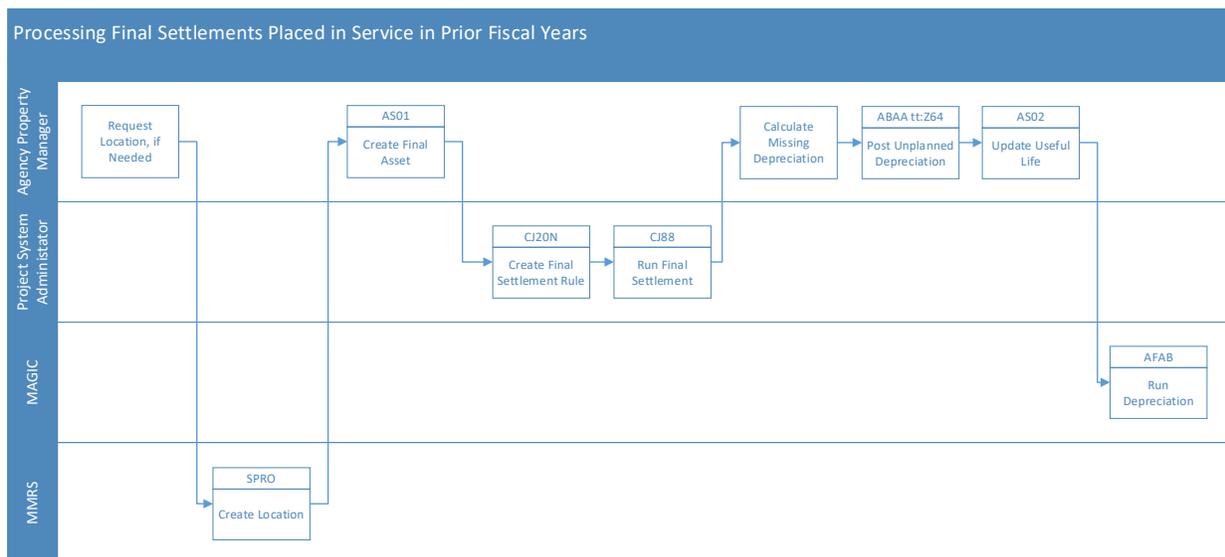


Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



When processing a final settlement for a construction project, MAGIC will not allow the final asset to be set up as a post-cap asset with a capitalization date in a prior year. The final asset must be set up with a capitalization date in the current year. As a result, additional steps must be taken during the final settlement process to ensure missing depreciation is posted (as Unplanned Depreciation) and that remaining depreciation occurs only over the remaining useful life of the asset. The steps of processing a final settlement placed in service during a prior fiscal year are detailed below.



1. The Agency Property Manager will request a new Location, if needed. Send email to mash@dfa.ms.gov to request location.
2. MMRS will create the location as requested and will provide the information back to the Agency Property Manager.
3. The Agency Property Manager will use t-code **AS01** to create the asset.

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



Asset Edit Goto Extras Environment Settings System Help

Master data Depreciation areas

Create Asset: Initial screen

Asset Class: BLDG1000

Company Code: SOMS

Number of similar assets: 1

Reference

Asset: []

Sub-number: []

Company code: []

Post-capitalization

Field	Value
Asset Class	Typically: BLDG1000 – Buildings Others, as appropriate: BLDG2000 - Building Systems EQ010005 - Furniture and Equipment EQ020020 - Computers and Computer Equipment EQ030015 - Portable Buildings IMPR1000 - Land Improvements IMPR3000 - Land Improvements - Ancillary Assets INFRO000 - Infrastructure SOFT0000 - Software - \$1,000,000 and above
Company Code	SOMS
Number of Similar Assets	1 or more, as needed
Reference Asset	If copying details from an existing asset, enter the asset number.
Reference Sub	If copying details from an existing asset, enter the asset sub-number.
Company Code	SOMS
Post Capitalization	<BLANK> This is important, since this asset will have to be brought on the books in the current fiscal year for settlement to work, rather than treated as a Post-Cap.

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



- a. On the General tab, enter the Description, Quantity and Number of Floors if applicable.

Asset Edit Goto Extras Environment Settings System Help

Asset values

Asset: INTERN-00001 0
 Class: BLDG1000 Buildings Company Code: SOMS

General Time-dependent Allocations Origin Deprec. Areas

General data

Description: New Building

Asset main no. text: []

Acct determination: 16100000 CAFR Buildings

Serial number: []

Inventory number: []

Quantity: 2000.00 FT2 Square foot

SoMS Data

Color: []

Number of Floors: 2

Disposal Type: []

Posting information

Capitalized on: [] Deactivation on: []

First acquisition on: []

Acquisition year: [] 000

Inventory

Last inventory on: [] Include asset in inventory list

Inventory note: []

Field	Value
Description 1	Description of Asset
Description 2	Additional description of Asset
Main Asset Text	Leave blank, this will default based on the NIGP code selected
Quantity	Enter Square Footage
Number of Floors	Enter Number of Floors in the building

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



b. On the Time-dependent tab enter the Cost Center and Fund.

Field	Value
Cost Center	Enter the Cost Center and hit <ENTER> to derive the remaining values
Fund	Update the fund if a different fund is needed.

Note: Other fields on the remaining two Master Data tabs (Allocations and Origin) may require values per agency requirements, but are not mandatory.

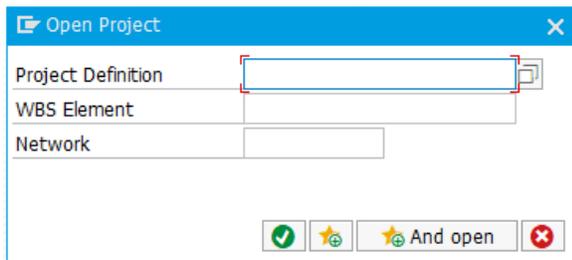
c. Make a note of the Asset Number that is created.

Processing Final Settlements Job Aid

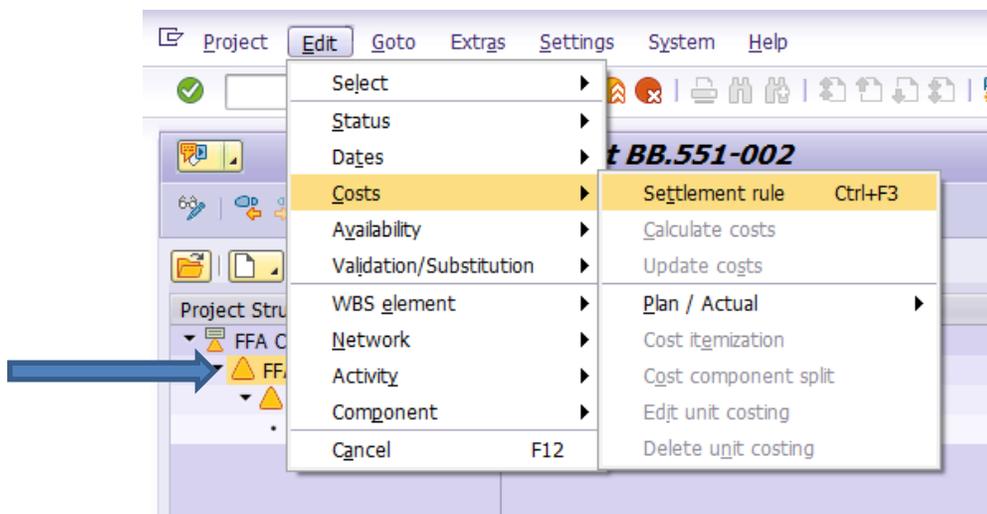
Assets Placed in Service in Prior Fiscal Year



4. For Bureau of Buildings (BOB) projects, the Agency Property Manager will coordinate with Office of Budget and Accounting to process the final settlement. For non-BOB projects, the Agency Property Manager will coordinate with their agency's Project Systems (PS) Administrator to create a Final Settlement Rule.
5. The PS Administrator will create the Settlement Rule using the Project Builder screen (t-code **CJ20N**). They will open the project to be settled using the path Project > Open and search for the project by either Project Definition or WBS Element.



6. The PS Administrator will select the green check to open the project.
7. The PS Administrator will highlight the second row in the Project Structure pane (which is the highest WBS level) and navigate to the Settlement Rule screen by following the path Edit > Costs > Settlement Rule.



Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



- The PS Administrator will enter the required information on the Maintain Settlement Rule: Overview screen. There may be costs associated with a capital project that will not be settled to the asset but to another cost collector. This would occur when these costs do not meet the asset threshold or if the results of the project do not meet the definition of an asset. Additionally, the project may actually be for more than one asset. If either of these situations occurs, multiple line items would be required on this screen to account for the total cost of the project.

Maintain Settlement Rule: Overview

WBS element:

Actual settlement: FFA CENTER IMPROVEMENTS

Cat	Settlement Receiver	Receiver Short Text	%	Equivalence no.	Amount	Sett...	No.	Str...	From
FXA	500000000133-0	FFA CENTER IMPROVEMENTS	100.00	0	0.00	AUC	1		0
FXA	210000003488-0	New Building	100.00			FUL	2		
						FUL			

Field	Value
Category	FXA (Asset)
Settlement Receiver	Enter final asset number(s) created by agency on the second line (as top line should already be populated) and hit <ENTER>. Other necessary information will derive. If you are settling to more than one asset (or partially to an asset and the remainder to a cost center), then you can allocate to each using either a percent or an amount.
%	If allocating to a single final asset then enter 100.00. If allocating to multiple objects by percent, then enter the pro-rata share for this line.
Amount	If allocating to multiple objects by amount, then enter the amount for this line.
Save	Green arrow back and <SAVE>

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



- The PS Administrator will use t-code **CJ88** to run the Final Settlement. On the Actual Settlement: Project/WBS Element/Network screen enter the required information.

The screenshot shows the SAP 'Actual Settlement: Project/WBS Element/Network' screen. The 'Project' field is highlighted with a yellow box and contains the value 'BB.551-002'. Below it are fields for 'WBS Element' and 'Network'. There are checkboxes for 'With hierarchy' and 'With orders'. A 'Parameters' section includes 'Settlement period' (8), 'Fiscal Year' (2020), 'Processing type' (Full Settlement), 'Posting period' (8), and 'Asset Value Date' (02/29/2020). A 'Processing Options' section has 'Test Run' checked, 'Detail List' unchecked, and 'Check trans. data' unchecked. A 'Layouts' button is also visible.

Field	Value
Project	Project number to be settled
Settlement Period	Current period eg: Feb = 8
Fiscal Year	Current fiscal year
Processing Type	Select Full Settlement from dropdown list
Posting Period	Current posting period eg: Feb = 8
Asset Value Date	End date of current month
Test Run	Initially, select this with check mark. <EXECUTE>. Review results for possible errors and resolve any issues. Once errors are resolved, remove Test Run check mark. <EXECUTE>.

- Next, the Property Manager will use this spreadsheet ([INSERT LINK HERE](#)) to calculate the amount of unplanned depreciation and the remaining useful life for the asset. A picture of this spreadsheet follows.

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



Asset Class	BLDG1000 - Buildings		
Useful Life (Years)	40		
Useful Life (Periods)	0		
Total Useful Life in Periods	480		
Acquisition Value	\$100,000.00		
Date Placed In Service	1/1/2019		
Today's Date	3/26/2020		
Number of Months to catch up for Depreciation	14		
Scrap Percentage	20%		
Full Depreciation Amount (less Scrap value)	\$80,000.00		
Straight Line Depreciation per Period	\$166.67		
Unplanned Depreciation	\$2,333.33	Remaining Useful Life	
Remaining Useful Life (Periods)	466	Years	38
Remaining Useful Life (Decimal)	38.83	Periods	10

Use this amount for transaction ABAA.

Use these for transaction AS02

Field	Value
Asset Class	Select the Asset Class from the drop-down list
Acquisition Value	Enter the acquisition value for the asset. This will be the amount of the AUC that settled to this asset.
Date Placed in Service	Enter the date the asset was placed in service
Unplanned Depreciation	Use this amount when entering the unplanned depreciation amount in transaction ABAA
Remaining Useful Life (Years)	Use this amount when entering the remaining useful life years in transaction AS02.
Remaining Useful Life (Periods)	Use this amount when entering the remaining useful life periods in transaction AS02.

Create a PDF of the spreadsheet and attach it to your asset as support for both the unplanned depreciation and for changing the default useful life.

- Using t-code **ABAA**, post the calculated unplanned depreciation to the asset.

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



Unplanned depreciation: Initial Screen

Company Code	SOMS
Asset	210000003488
Subnumber	0

Date specif.

Document Date	03/10/2020
Posting Date	03/10/2020
Posting Period	9

Transact.

Transaction Type	Z64 Unplanned depreciation on prior-year acquisitions
------------------	---

Field	Value
Company Code	SOMS
Asset	Enter the asset number
Document Date	Current date
Posting Date	Current date
Posting Period	Current posting period, e.g. Feb = 8
Transaction Type	Z64 – Unplanned depreciation on prior-year acquisitions
<Enter>	

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



Asset: 210000003480 0 Test Building
 Company Code: SOM5
 Trans. Type: Z64 Increased Unplanned Deprc on PY Acquisitions

Posting data

Amount posted: 2333.33 USD
 Asset Val. Date: 03/20/2020

Additional details

Text:

Reference:

Field	Value
Amount Posted	Enter calculated unplanned depreciation amount
Asset Val. Date	Current date
Text	Optional, agency discretion
Reference	Optional, agency discretion
Save	Click Save icon

Note: The project number should be entered in either the Text or Reference field for future reference.

- Using t-code **AS02**, update the useful life of the asset to the remaining useful life. Under the Deprec. Areas tab on the asset master record, change the value for the asset's useful life for Full Accrual (Area 01) only to reflect the remaining years/periods of service. Please note that current

Processing Final Settlements Job Aid

Assets Placed in Service in Prior Fiscal Year



year monthly depreciation amounts will not change. Adjustments to monthly depreciation amounts will take effect at the beginning of the next fiscal year.

Asset: 210000003480 0 Test Building
 Class: BLDG1000 Buildings Company Code: SOMS

General Time-dependent Allocations Origin **Deprec. Areas**

Valuation						
A..	Depreciation area	DKey	UseLife	Prd	ODep Start	
01	Full Accrual	ZSL2	38	10	03/01/2020	
20	Modified Acc	Z100			103/01/2020	

Field	Value
UseLife	Enter number of years of remaining useful life from the spreadsheet in the row for Depreciation Area 01 (Full Accrual). Do not adjust any values for Depreciation Area 20 (Modified Accrual).
Prd	Enter number of periods of remaining useful life from the spreadsheet in the row for Depreciation Area 01 (Full Accrual) Do not adjust any values for Depreciation Area 20 (Modified Accrual).
Save	Click Save icon

- At month-end, MAGIC will post depreciation, including unplanned depreciation, using t-code **AFAB**. Shortly before month end close, DFA's Office of Financial Reporting will run a test run and will review the results for possible errors and resolve any issues. On the first day of the month, MAGIC will post depreciation for the prior month.