



# Correcting and Adjusting Assets



*The Correcting and Adjusting Assets tip sheet is intended for employees with the necessary finance security roles (i.e. asset accountants).*

## College Specific Considerations

CCC	Asset adjustments done on an <b>Annual</b> Basis
CNM	Asset adjustments done on a <b>Monthly</b> Basis
LCC	TBD
NNMC	Asset adjustments done on an <b>Annual</b> Basis
SFCC	Asset adjustments done on a <b>Monthly</b> Basis
SJC	Asset adjustments done on a <b>Monthly</b> Basis

## Journal Entries

Journal entries are used to debit outstanding accounts to reconcile the **GASB** Adjustment book. Adjustments associated with supplier invoice lines are typically processed automatically by the system. If the acquisition cost is adjusted manually rather than through the supplier invoice line **or with a supplier invoice line that doesn't use a fixed assets spend category**, a journal entry will be required.

Journal entries are created for:

- Any manually entered asset
- Any adjustments to asset value not linked to a supplier invoice line
- Asset allocation setup (does not capture CIP but does capture registered assets with the correct spend category) **\*Manual journal entry to allocate Construction in Process**

**Debit:** 7050 (Supplies & Expenses), 7700 (Fixed Assets), etc.

**Credit:** 5500 (Counter Account)

## Asset Reconciliation and Allocation

Asset Allocation automatically debits the source account and credits account 5500. To review asset additions and identify any necessary adjustments, run the **Asset Cost Activity** report. This report can assist in determining whether manual journal entries are required.

For accuracy and reconciliation, compare the **Find Allocations** report with the **Find Assets** report. Refer to the sections below for detailed instructions on running these and other related reports.

**Note:** Asset allocation is a pre-set journal entry that captures assets registered from supplier invoices, including those with the correct spend category, equipment, or capital asset categories. It does not capture CIP.

## Manual Journal Entries

The entry is to debit your ledger accounts for which the asset fits into or has been registered under and credit 5500. For manual entries, create a journal entry to debit the appropriate ledger and credit the 5500 account.

**Exceptions:** If you make an adjustment to assets that are tied to a supplier invoice line the system should automatically adjust for you. However, in the case that changes are made such as separating one invoice line into two the adjustment will need to be made through a manual entry.

## Asset Cost Activity Report

1. From the Workday search bar, type **Asset Cost Activity**.
2. In the **Company** field, enter the name of your college (e.g., **SFCC**).
3. In the **Asset Book** field, select the book you want to view.
4. In the **Year** field, select the year you want to review.
5. In the **To Period** field, enter the appropriate time period (e.g., month or quarter).
6. (Optional) If you want to view only assets from a specific spend category, use the **Spend Category** field to filter the report.
7. Select **OK** to generate the report.

## Running the Find Assets Report

1. From the Workday search bar, type **Find Assets**.
2. Select the report titled **Find Assets – CR1116 – CHESS**. The report menu opens.
3. In the **Asset Status** field, select both:
  - In Service
  - Registered
4. In the **Starting Date Acquired** field, enter the **1st of the month** you are reconciling.
5. In the **Ending Date Acquired** field, enter the **last day of the same month**.

## Running the Trial Balance Report

1. From the Workday search bar, type **Trial Balance**.
2. In the **Company** field, enter the name of your college (e.g., **SFCC**).
3. In the **Book** field, enter **GASB Adjustment Book**.
4. In the **Year** field, enter the year you want to review.
5. In the **Period** field, enter the appropriate time period (e.g., month or quarter).
6. Select **OK** to generate the report.

## Find Allocations Report

1. From the Workday search bar, type **Find Allocation**.
2. Select the report titled **Find Allocations**. The report menu opens.
3. In the **Companies** field, select your college's name.
4. In the **Periods** field, choose the period you want to review.
5. In the **Years** field, select the relevant year.
6. In the **Allocation Definition** field, locate and select the appropriate allocation (e.g., **SFCC Monthly Asset Allocation**).
7. Click **OK** to generate the report.

## Adjusting and Correcting Cost of an Asset

Ensure the **Asset Cost Adjustment Event** business process and security policy are configured in the **Business Asset Accounting** functional area.

You can adjust an asset acquisition or post-acquisition cost by modifying:

- Total acquisition cost
- Quantity of assets
- Current residual value

**Based on the adjustment date**, Workday:

- Generates accounting in your asset book
- Creates depreciation adjustment transactions for each ledger period
- Records differences between booked and projected catch-up depreciation

**Note:** You can't adjust assets when other events are in progress. Approving or denying adjustments from project-capitalized assets affects all related assets.

1. From the related actions menu of a registered capital asset, select:
  - Business Asset > Adjust Acquisition Cost, or
  - Business Asset > Adjust Post Acquisition Cost
2. Complete fields in the **Asset Details** grid:
  - Transaction Effective Date
    - For acquisition adjustments: Uses the acquisition date
    - For post-acquisition: Enter any date within the asset's life
  - Supplier Invoice Line
    - Select this if the cost adjustment reflects a change on a supplier invoice line
    - Enter adjustments up to:
      - The quantity split amount (if applicable)
      - The full supplier invoice line amount (if no quantity split)
      - Workday moves the spend to the asset if location or worktags differ; removing the link cancels the operational journal.
3. **(Optional)** Clear asset books in the **Asset Books** grid where the adjustment should not be recorded.
  - **Concepts:** Accounting Impact of Asset Lifecycle Events
  - **Tasks:** Perform Lifecycle Events for Capital Assets
  - **Reference:**
    - 2022R2 What's New: Capital Project Asset Quantities
    - Steps: Correct or Adjust Useful Life