

This document reflects the result of analyses, discussions and review by UCOP staff and PricewaterhouseCoopers (PwC) to date. The document is subject to change pending additional discussions with PwC; however, it represents the best information available to date.

University of California GASB 35 Depreciation Reporting

Issues Resolution No. 9

GASB 35 Depreciation Reporting Implementation Timeline

Define Issues

The University must develop a timeline for implementing the policies and procedures required to report depreciation in the University's FY 2001–02 financial statements.

Background

During 1999, the Government Accounting Standards Board (GASB) introduced GASB Statements 34 and 35. Among other matters, these Statements will require the University to account for depreciation in its financial statements for the fiscal year beginning July 1, 2001, with comparative information for the prior year. Financial statements must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are subject to audit under Generally Accepted Accounting Standards (GAAS).

Depreciation Reporting Implementation Timeline

Attachment 1 provides a 30 month timeline, outlining the OP and campus tasks necessary to begin reporting depreciation in the University's FY 2001–02 financial statements. There are additional GASB Statements 34 and 35 requirements that must also be implemented in FY 2001–02 that are not reflected in this timeline (e.g., cash flow statements)

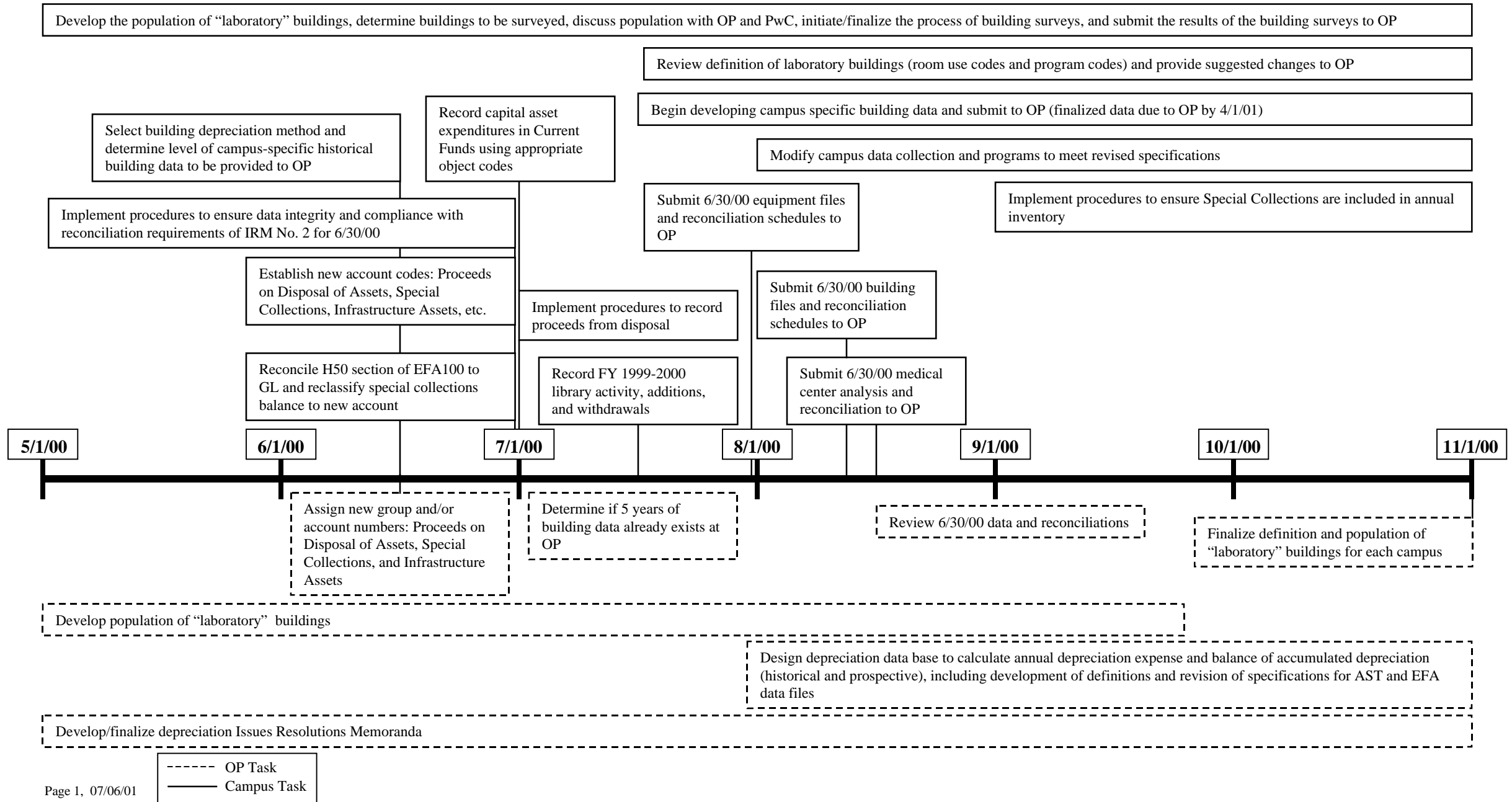
The timeline summarizes the tasks at hand and provides a means of monitoring OP and campus progress against implementation requirements. It also illustrates how much must be accomplished by both OP and the campuses. The majority of the tasks must be completed in the next 12 months (i.e., by June 30, 2001) for the University to meet the depreciation reporting requirements by June 30, 2002.

Attachment 1 will be updated and redistributed as necessary.

Attachments 2 and 3 outline the depreciation closing schedule for FY 2000-2001 and FY 2001-2002, respectively.

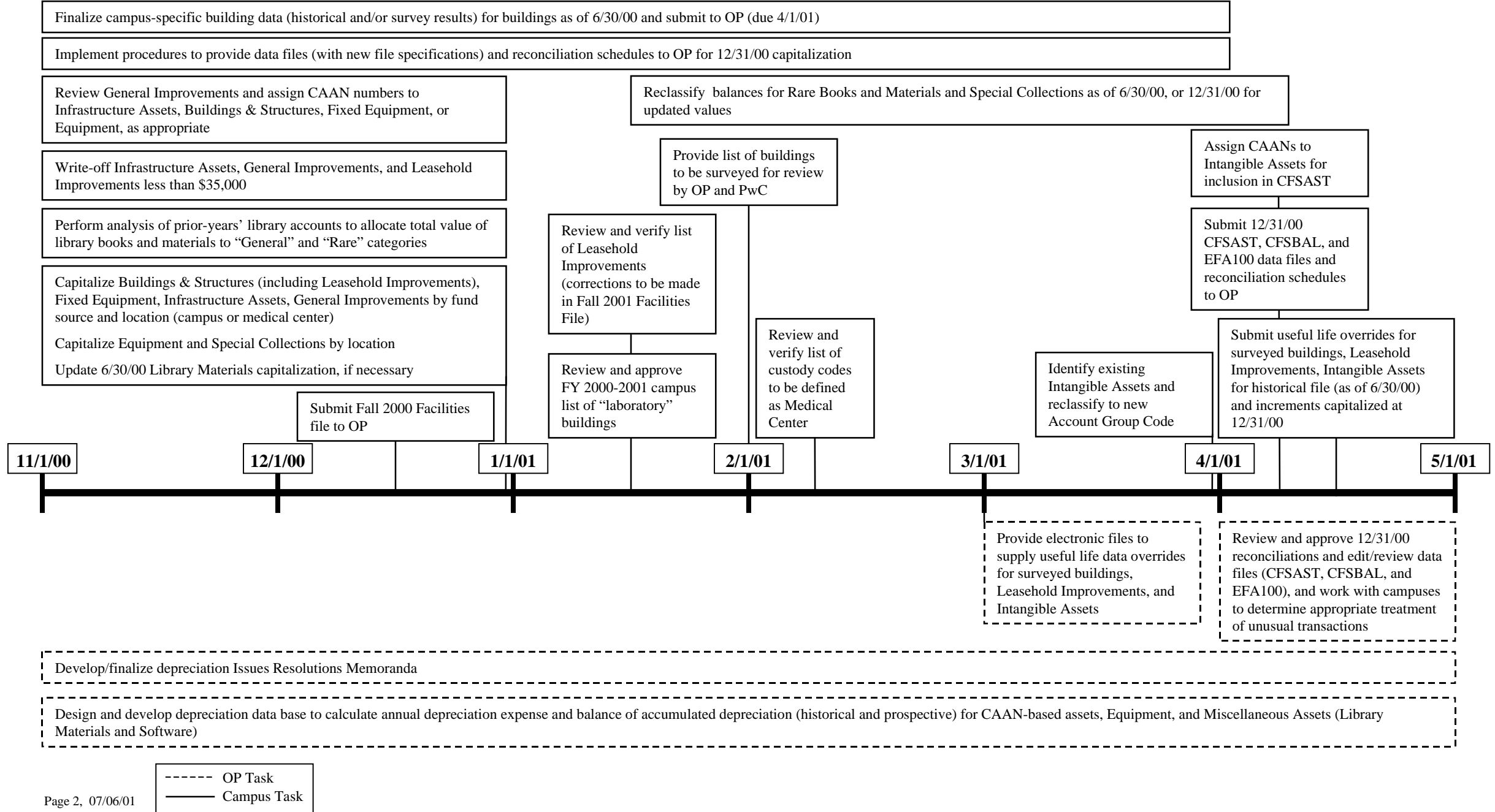
IRM No. 9—Attachment 1

GASB 35 Depreciation Reporting Implementation Timeline—JULY 2001 UPDATE



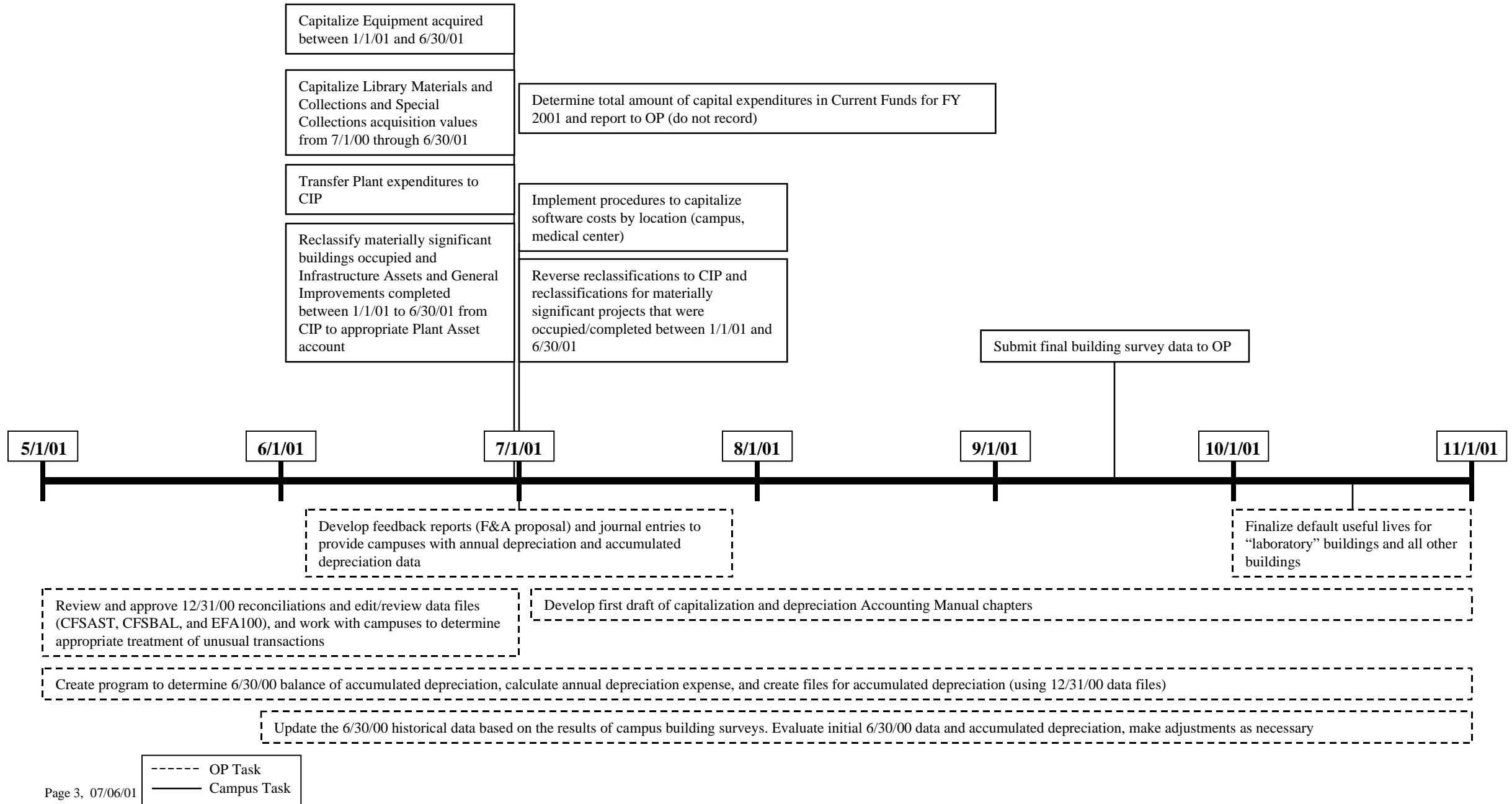
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GASB 35 Depreciation Reporting Implementation Timeline—JULY 2001 UPDATE



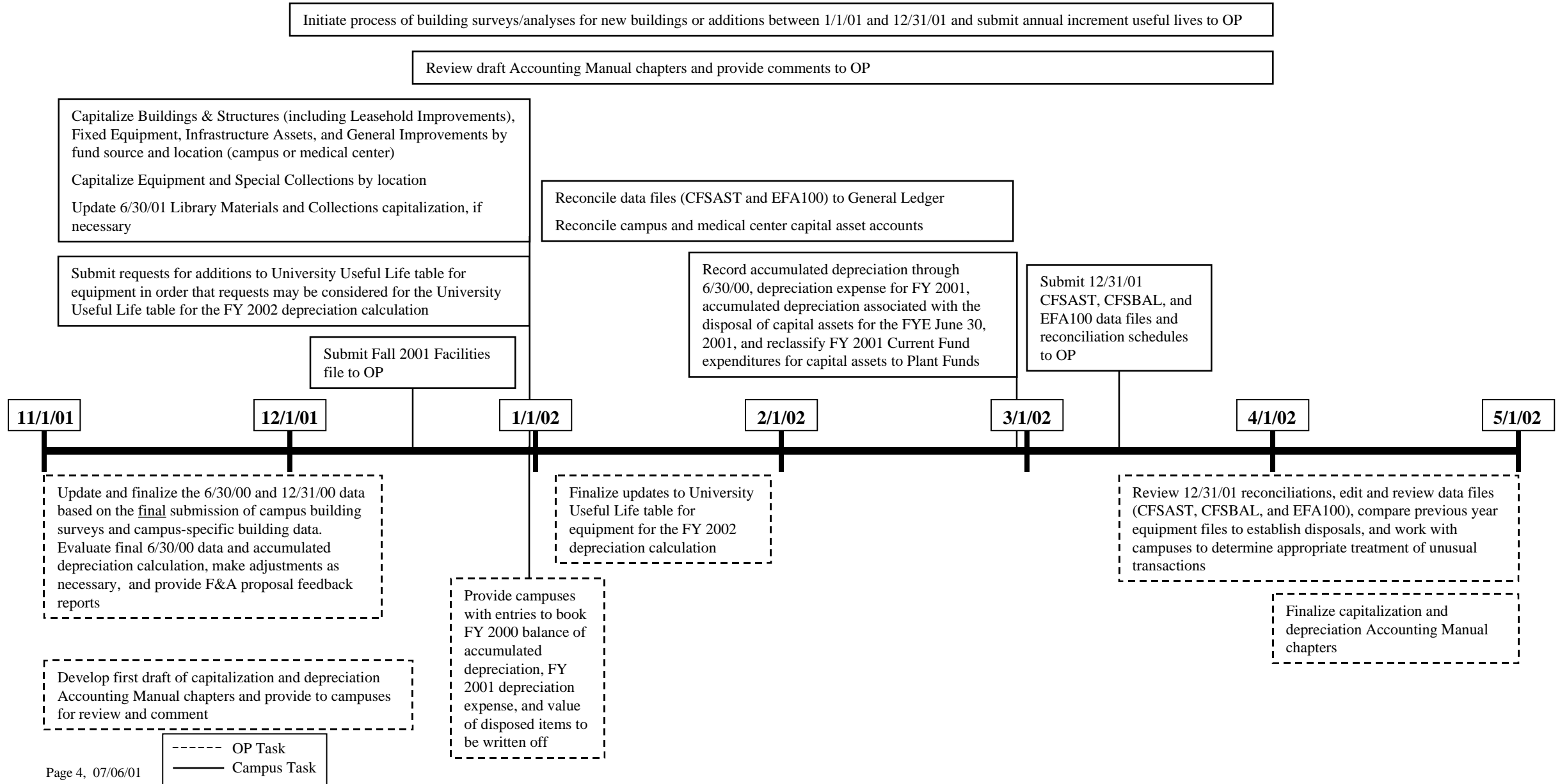
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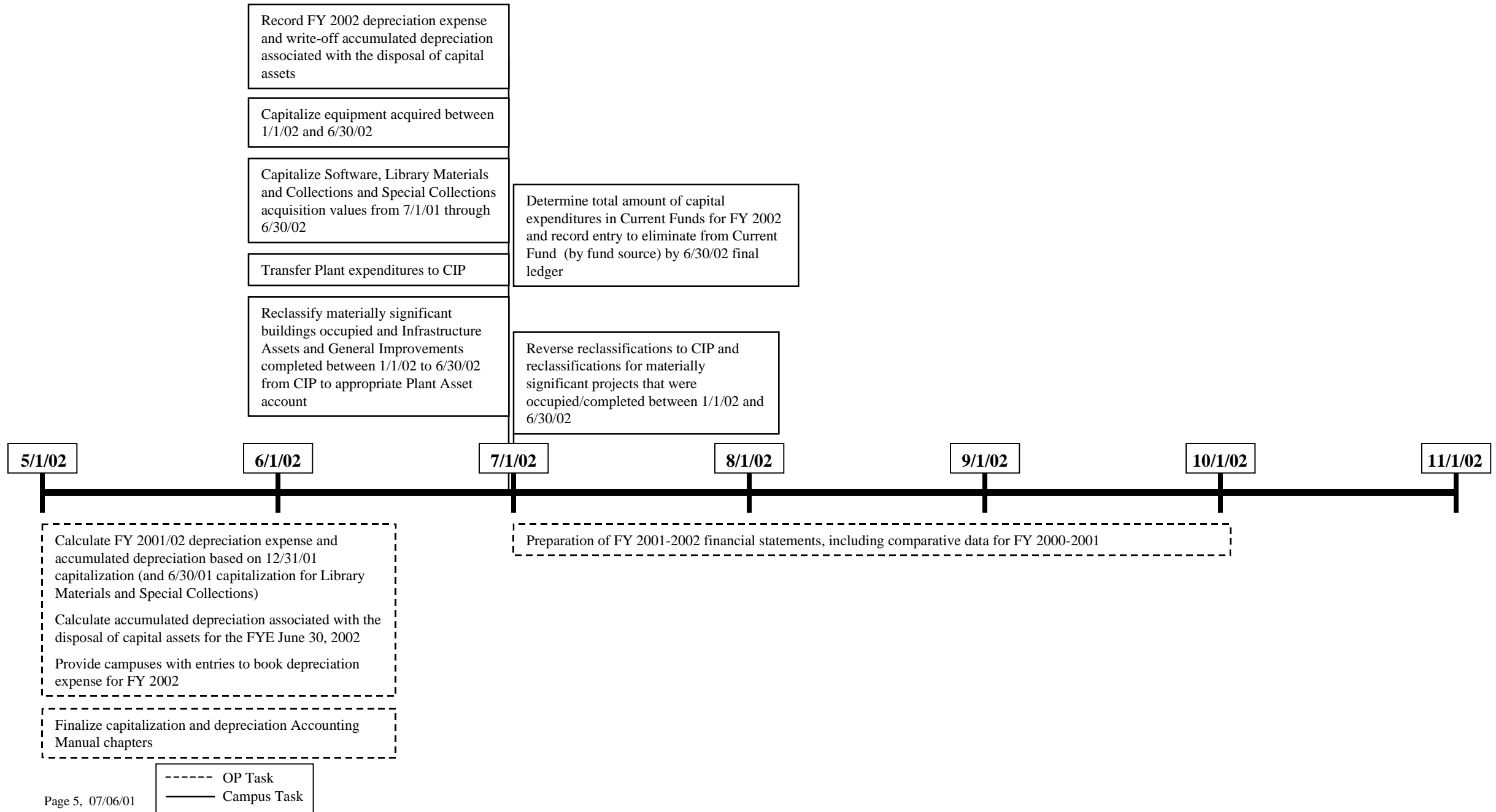
IRM No. 9—Attachment 1

GASB 35 Depreciation Reporting Implementation Timeline—JULY 2001 UPDATE



IRM No. 9—Attachment 1

GASB 35 Depreciation Reporting Implementation Timeline—JULY 2001 UPDATE



IRM No. 9

Attachment 2 —University of California, Depreciation Closing Schedule, 2000-2001

NO.	DESCRIPTION	DUE DATE	RESPONSIBILITY
01	Capitalize Equipment acquired between 1/1/01 and 6/30/01 by location.	8/3/01	AO
02	Capitalize Library Materials & Collections (General and Rare) acquisition values for the period 7/1/00 through 6/30/01. (The capitalization may be based on estimates, but must be updated with actual values at 12/31/01.)	8/3/01	AO
03	Capitalize Special Collections acquisition values for the period 7/1/00 through 6/30/01.	8/3/01	AO
04	Record Construction in Progress as of 6/30/01 on a reversing journal.	8/3/01	AO
05	Reclassify on a reversing journal materially significant buildings occupied and Infrastructure Assets and General Improvements completed between 1/1/01 and 6/30/01 from CIP to the appropriate Plant Asset accounts.	8/3/01	AO
06	Report to OP the amount of capital expenditures in Current Funds for FY 2001 to be reclassified to Plant Funds (worksheet from Exhibit 1 of IRM 15 available at http://www.ucop.edu/dirbf/depirms/exhibits.html). <u>Do not record.</u>	11/30/01	AO

AO Accounting Officers

IRM No. 9

Attachment 3 —University of California, Depreciation Closing Schedule, 2001-2002

No.	Final Closing Schedule No.	Description	Due Date	Responsibility
01		Implement procedures to capitalize software costs by location (campus, medical center) using the following account group codes and object codes: -AGC 120440 Software > \$10 million-Campus -AGC 120450 Software > \$10 million-Med Ctr -AGC 120460 Software < \$10 million-Campus -AGC 120470 Software < \$10 million-Med Ctr -OC 9230 Software Projects to be Capitalized Greater than \$10 million -OC 9235 Software Projects to be Capitalized Less than \$10 million	7/1/01	AO
02		Review and revise the definitions to be used to determine current fiscal year population of "laboratory" buildings at the campus (program codes, room use codes, facility department codes).	11/31/01	AO
03		Submit Fall 2001 Facilities file to OP (required, in part, to identify current fiscal year population of "laboratory" buildings for depreciation purposes).	12/14/01	Campus Facilities Data Managers
04		Update 6/30/01 Library Materials and Collections capitalization, if 6/30/01 capitalization was based on estimates.	12/31/01	AO
05		Submit to OP requests for additions to University Useful Life table for equipment in order that requests may be considered for the University Useful Life table to be used for the FY 2002 depreciation calculation.	12/31/01	AO
06		Finalize updates to the University Useful Life table for Equipment for the FY 2002 depreciation	1/31/02	OP
07		Capitalize, by fund source and location, acquisition values for all CAAN-based assets (Buildings & Structures, Fixed Equipment, Infrastructure Assets, General Improvements, and Intangible Assets) occupied/completed between 1/1/01 and 12/31/01, or between 7/1/01 and 12/31/01 if the campus capitalized CAAN-based assets at 6/30/01.	2/28/02	AO
08		Capitalize Equipment and Special Collections acquired between 7/1/01 and 12/31/01 by location.	2/28/02	AO
09		Produce current fiscal year population of "laboratory" buildings designation file for depreciation processing.	2/28/02	OP
10	01	Reconcile data files (CFSAST and EFA100) to campus general ledger.	3/12/02	AO

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Attachment 3 —University of California, Depreciation Closing Schedule, 2001-2002

No.	Final Closing Schedule No.	Description	Due Date	Responsibility
11	02	A. Submit Equipment Inventory File (dataset name FTPUSRn.PUT.EFA100.Y2001) and Equipment-Facilities Conversion File (FTPUSRn.PUT.EFA200.Y2001), where n is the numeric campus ID, BK=1, SF=2, DV=3, etc. to IRC as of December 31. B. "Put" reconciliation between equipment file (EFA100) and general ledger (CFSBAL) on the CA file server so OP can "get" them through FTP.	3/12/02	AO
12	03	A. Transmit CFS AST (Plant Asset File) file to IRC as of December 31. B. "Put" reconciliation between plant asset file (CFSAST) and general ledger (CFSBAL) on the CA file server so OP can "get" them through FTP.	3/12/02	AO
13	04	Provide current fiscal year useful life override data (Buildings & Structures, Leasehold Improvements, and Intangible Assets) to override default useful life values for CAAN-based assets. Advise if no overrides. (IRM 1E, 18, 21)	3/12/02	AO
14	05	Review 12/31/01 reconciliations, edit and review data files (CFSAST, CFSBAL, EFA100).	4/2/02	OP
15	06	Compare FY 2001 to FY 2002 equipment files to establish disposals, additions, and changes.	4/2/02	OP
16	13	Provide campuses with information for recording non-university owned equipment at 6/30/00, 6/30/01, and 6/30/02. (IRM 17B)	5/15/02	OP
17	14	Provide campuses with information for recording Depreciation and Accumulated Depreciation for FY 2000, 2001. (IRM 22)	5/15/02	OP
18	15	Calculate FY 2002 depreciation expense and provide campuses with entries to record. (IRM 22)	5/15/02	OP
19	16	Calculate FY 2002 accumulated depreciation associated with the disposal or transfer of capital assets and provide campuses with entries to record. (IRM 22)	5/15/02	OP
20	17	Send table of Unit Values of Libraries and Collections to plant accountants.	5/16/02	AO
21	21	Record the entries provided by UCOP for the June 30, 2000 balances for Capitalization of Non-University Owned Equipment. (IRM 17B)	5/31/02	AO
22	22	Record the entries provided by UCOP for the June 30, 2000 balances for Accumulated Depreciation. (IRM 22)	5/31/02	AO
23	23	Record the entries provided by UCOP for the June 30, 2001 balances for Capitalization of Non-University Owned Equipment. (IRM 17B)	5/31/02	AO
24	24	Record the entries provided by UCOP for the June 30, 2001 balances for Depreciation Expense. (IRM 22)	5/31/02	AO

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Attachment 3 —University of California, Depreciation Closing Schedule, 2001-2002

No.	Final Closing Schedule No.	Description	Due Date	Responsibility
25	25	Record the entries provided by UCOP for the June 30, 2001 balances for the Write-off of Accumulated Depreciation on Disposals and Transfers. (IRM 22)	5/31/02	AO
26	26	Record the entries provided by UCOP for the June 30, 2002 balances for Capitalization of Non-University Owned Equipment. (IRM 17B)	5/31/02	AO
27	27	Record FY 2002 depreciation expense and write-off accumulated depreciation associated with the disposal or transfer of capital assets. (IRM 22)	5/31/02	AO
28	66	Close expenditures for renewals and replacements to renewals and replacements fund balances using appropriate transaction codes (IRM 15A)	8/2/02	AO
29	68	Capitalize Equipment (University-owned and Non-University-owned) and Special Collections acquired between 1/1/02 and 6/30/02. (IRM 5, 17B)	8/2/02	AO
30	69	Capitalize Software acquired between 7/1/01 and 6/30/02. (IRM 11)	8/2/02	
31	70	Capitalize Library Materials and Collections (General and Rare) acquisition values for the period 7/1/01 through 6/30/02. The capitalization may be based on estimates, but must be updated with actual values at 12/31/02. (IRM 5, 6)	8/2/02	AO
32	71	Record Construction in Progress as of 6/30/02 on a reversing journal. (IRM 5)	8/2/02	AO
33	72	Reclassify on a reversing journal materially significant buildings occupied and Infrastructure Assets and General Improvements completed between 1/1/02 and 6/30/02 from CIP to appropriate Plant Asset accounts. (IRM 5A)	8/2/02	AO
34	73	Record the amount of capital expenditures in Current Funds for FY 2002 to be reclassified to a non-mandatory transfer (eliminate capital expenditures from current funds). Worksheet from Exhibit 1 of IRM 15 available at http://www.ucop.edu/dirbf/dep-irms/exhibits.html . (IRM 15)	8/2/02	AO
35	74	Record net additions and related depreciation expense for University-owned equipment at DOE laboratories. (IRM 17B)	8/2/02	OP

AO Accounting Offices
OP Office of the President