



BOB RILEY
Governor

JAMES ALLEN MAIN
Director of Finance

STATE OF ALABAMA
DEPARTMENT OF FINANCE
OFFICE OF THE STATE COMPTROLLER

RSA UNION
100 North Union Street, Suite 220
Montgomery, Alabama 36130-2602
Telephone (334) 242-7050
FAX (334) 242-2440

ROBERT L. CHILDREE
State Comptroller

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MEMORANDUM

To: Chief Fiscal Officers
Governmental Funds

From: Robert L. Childree
State Comptroller

Subject: Governmental Funds Real Property

Two new tables have been added to the Central Accounting System (CAS). The tables are the Governmental Capital Assets Summary (GCAS) and the Governmental Capital Assets Detail (GCAD) tables. The purpose of the tables is to accumulate the information needed for reporting governmental real property for the State's *Comprehensive Annual Financial Report* (CAFR). Departments are no longer required to recap real property information by spreadsheet or manual means. Personal property subject to audit by the State Auditor will still be reported on the CAFR based on records in Protégé. Proprietary funds will continue to account for capital assets directly in their funds.

The GCAS and GCAD tables have been loaded with information provided by departments in various forms last year for the 2003 CAFR. These tables have also been loaded with information gathered from payment vouchers during the 2004 and 2005 fiscal years. Monthly reports from the tables will be available beginning at the end of October. Further descriptions of the tables, their usage, and procedures to adjust them are contained in the attached documentation.

For more information on the subject of capital assets, please call Melanie May at 334-242-4954 or email at mmay@comptroller.state.al.us.

cc: Ron Jones, Chief Examiner of Public Accounts

RLC/mgh/mrm



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REAL PROPERTY

Real Property and “Q Numbers”

Unlike most personal property for most agencies, real property is not reported to the State Auditor. Real property consists of land, buildings, construction in progress, improvements other than buildings, and similar items not tracked by the State Auditor. For several years now, purchases of both real and personal property coded to major object codes 1200, 1300 and 1400 have been required to have a “Q number” in the first 12 characters of the description field of the payment voucher. The format of the “Q number” is as follows:

State Auditor inventoried property:

QAxx-1234567, where xx is the Auditor’s two digit agency code

Non-State Auditor inventoried property

Qxxx-BLDG001, where xxx is the Central Accounting System three digit agency code.

Information on transactions coded “QA” is provided to the State Auditor to assist them in the monitoring of State purchases of personal property. Information on transactions coded “Qxxx-” in governmental type funds will be used to populate the new GCAD and GCAS tables in the Central Accounting System (CAS). Consequently, most departments no longer have to make extra efforts to ensure that real property is reported in the State’s *Comprehensive Annual Financial Report (CAFR)*. As long as payment vouchers for the purchase of real property are coded correctly then real property will be reported correctly. A quick review of a monthly report from the GCAS table will be all that is necessary.

GCAD Table

Every transaction (payment vouchers (PV), journal vouchers (JV), and cash receipts (CR)) involving real property in a governmental type fund is saved in the GCAD table, a sample of which follows:

ACTION: R SCREEN: GCAD USERID: FRMS	10/19/04 01:31:51 PM	
G O V E R N M E N T A L C A P I T A L A S S E T S D E T A I L		
AGENCY= 014	PROPERTY NUMBER= 4MP0007	SUFFIX NUMBER= 00002
ACCEPTANCE DATE: 10 30 03	BUDGET FISCAL YEAR: 02	APRD: 01 04
TRANSACTION ID: PV 014 40140000151	DOCUMENT LINE NUMBER: 01	
REF TRANS ID:	REF TRANS LINE NUMBER:	
VENDOR NUMBER: 631041933 01 VENDOR NAME: JIM BROWN INC		
FUND: 1306	APPR UNIT: 050	ACTIVITY: 1016 OBJ/SUB-OBJ: 1200 02
DESCRIPTION:	AMOUNT:	183,087.50

The SUFFIX NUMBER field is a sequential counter incremented each time a transaction line is coded to a property number and added to the table. The rest of the fields are copied from the transaction. None of the fields can be changed as this table reflects an exact history of transactions involving the property number. Errors in coding must be corrected with a new correcting transaction (JV or zero dollar PV or CR modification, as normal procedures require).

GCAS Table

Transactions involving real property also update the GCAS table during the nightly cycle. The GCAS table tracks the net amount coded to an item of real property, along with fields necessary for CAFR reporting and several text fields for departmental use. A sample of GCAS appears below, followed by a description of the fields:

ACTION: R		SCREEN: GCAS	USERID: FRMS	10/19/04	03:21:55 PM
G O V E R N M E N T A L C A P I T A L A S S E T S S U M M A R Y					
AGENCY= 014		PROPERTY NUMBER= 4MP0007			
BS ACCT: 1603		ACTIVITY: 0161		ACQUISITION DATE: 10 30 2003	
DESCRIPTION:			LOCATION: 206 RSA UNION, MONTGOMERY		
NOTES: WALLACE ANNEX			DISPOSAL DATE:		
AMOUNT: 333,087.50		LAST SUFFIX NUMBER: 00002			

BS ACCT: inferred from the sub-object on the last transaction line processed. For example, sub-object 1200 01 Land infers the BS Acct of 1601 for Land. The correlation between BS Acct and sub-object should generally be obvious, but in case you need to confirm the relationship, it can be found in the “KIND” field of the SOB2 table. The relationship for current 1200 sub objects also appears in the table below:

Object	Sub-Object	SubObject Name	OKND/BS Acct
1200	01	LAND	1601
1200	02	BUILDING PURCHASES	1603
1200	03	ROADS,HIGHWAYS&BRIDGE(NONALDOT	1620
1200	04	AIRFIELDS	1620
1200	06	CONSTRUCTION IN PROGRESS	1602
1200	09	IMPROVMNTS OTHER/BLDGS	1620
1200	10	HISTORICAL SITE ACQ & PRESERV	1615
1200	17	SEMI-PERMANENT STRUCTURES	1617
1200	26	LEASEHOLD IMPROVEMENTS	1618
1200	63	BUILDINGS ACQUIRED BY CAP LEAS	1663
1200	89	OTHER FIX ASSET ACQ BY CAP LEA	1689

ACTIVITY: comes from the last transaction line processed, so errors in coding will be replaced by a correcting transaction.

ACQUISITION DATE: the acceptance date of the first document processed for a particular property number. For CAFR purposes, any date within the correct fiscal year is accurate enough. If departments wish to change to a more precise date, this field can be changed directly on the GCAS screen.

DESCRIPTION: from the last 18 characters of the last line’s description field (after the “Q number”). Note that putting anything in the trailing 18 characters is optional but it is a means by which departments can automate loading descriptive information to GCAS. The DESCRIPTION field cannot be edited on line on the GCAS screen. Please see LOCATION and NOTES for user editable fields that can capture supplemental information.

LOCATION: 30 characters for departmental use entered directly on GCAS.

NOTES: 30 characters for departmental use entered directly to GCAS.

DISPOSAL DATE: date the asset was disposed of, entered directly to GCAS by the department.

AMOUNT: reflects the net balance of all GCAD records for this AGENCY and PROPERTY NUMBER.

Security

Security parameters will have to be changed to activate your department's access to change the GCAS table to update ACQUISITION DATE, DISPOSAL DATE, LOCATION, and NOTES. Generally, if your department has only one userid for CAS, your access has already been activated. For departments with multiple userids, you will have to inform the Comptroller's Office of which userid to activate or perhaps request that a new one be established for capital assets only. Requests for security changes only should be directed to Michael Hudson at 334-242-2193 or mhudson@comptroller.state.al.us.

Monthly Reports

There will be two monthly reports. The first will be a summary report which lists the information found on GCAS, with sub-totals by BS ACCT, so you can quickly see the total for Land, Buildings, etc. The second will list all records added to GCAD during the month.

Initial Load of GCAS/GCAD Data

For FY 2003, departments reported real property through a variety of means, including spreadsheets and emails. The data from these various sources has been loaded to the GCAS table. If a 4 digit county name was present, it was loaded into LOCATION. If an Asset Description existed, it was loaded into the NOTES field. When present, Person Responsible was loaded to the DESCRIPTION field. A single entry for each property number was also loaded to GCAD. These beginning balance entries have no transaction number, a DESCRIPTION of "2003 Balance", an ACCEPTANCE DATE of "09 15 04", BUDGET FISCAL YEAR "03", and APRD "13 03". All transactions processed during 2004 and 2005 have also been loaded to both tables.

A few departments have property numbers in the GCAS table that begin with the letter "Z". When loading data from 2003, we encountered some duplicate property numbers. In order to insure that we began with the same total capital assets as we reported in 2003, we changed the first character of the duplicate record to a "Z". Departments should review the "Z" records in order to determine if they are indeed duplicates or if they were separate items of property. Duplicates can be zeroed out by submitting a JV with a debit to account type 24, with no "Q-number" in the description field and a credit to account type 24 with a "Q-number" for the amount shown in GCAS. Do not simply put a disposal date on GCAS as that will cause us to report that you sold something you never had.

Departmental Responsibilities

Departments should review the tables and monthly reports to confirm that all real property has been recorded, the balance sheet account is correct, the acquisition date is reasonable, and where appropriate, enter the DISPOSAL DATE for any items no longer owned. Incorrect BS ACCTs caused by errors in coding sub-objects should be corrected with a correcting transaction (JV or zero dollar PV, as normal procedures require) to move the expenditure to the correct sub-object.

Some departments have records in GCAS with a blank BS ACCT. This occurred because payments were coded during FY 2004 to an object with no obvious correlation to a balance sheet account, such as 1200 99 "Other", 1200 77 "Board of Adjustment awards", or for self-constructed assets. In order to get the correct BS ACCT for items of real property, submit a JV debiting account type 24, the appropriate sub object (see table on previous page), the "Q number" in the description, and zero in the amount field. The credit should be exactly the same coding but without the "Q number". Do not put an amount other than zero in the amount field or you will increase asset value in GCAS.

Several departments have coded real property “Q numbers” on PVs to object 1400 26, modular furniture, creating GCAS records with a blank BS ACCT. Note that the State is expensing modular furniture so no “Q number” is required on 1400 26 PVs. Please prepare a JV to zero out these items. The JV will credit whatever accounting distribution was used on the original payments, including the “Q number”, and debit the same accounting distribution without the “Q number”.

In limited situations, property may be missing from GCAS. This could occur because it was not included in the 2003 list the department submitted, either through error or because the property’s existence was not known. It could also be missing because it was donated during 2004. Whatever the reason, the missing property can be added with a JV. The JV should debit account type 24, but otherwise the coding will be the same as coding a PV to acquire property, using whatever fund-agency-appropriation-activity-sub object is appropriate and putting a “Q number” in the description field. The offsetting credit should be the same coding but without a “Q number”. For donated property, the “Q number” should also be followed with the word “DONATED” in the description field. The ACQUISITION DATE in the GCAS table will be the acceptance date of the JV, so you will have to go to the GCAS table after the JV is accepted and change the date.

Items recorded to 1200 06, Construction in Progress, are assigned BS ACCT 1602, which is correct until the project is completed. At the completion of the project, the asset should be moved out of 1602 into the appropriate BS ACCT, such as 1603 Buildings. The simplest way to do this is to code the last payment to 1200 02 Buildings. Alternatively, a JV can be submitted that debits account type 24 to 1200 02 with the “Q number” for zero amount, and credits 1200 02 without the “Q number”. Do not put an amount other than zero in the amount field of the JV or you will increase the asset’s value in GCAS.

Some departments are using special property numbers for construction projects, with the intention to renumber the property upon completion. Changing any property number for any reason will require a JV that debits the appropriate sub-object and the new “Q number” and credits the same sub-object with the old “Q number”. Tracing the history of payments for the new property number through GCAD will be more difficult , but will still be possible.

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