



ADOA – General Accounting Office
QUICK REFERENCE GUIDE:
DISPOSE OF A FIXED ASSET





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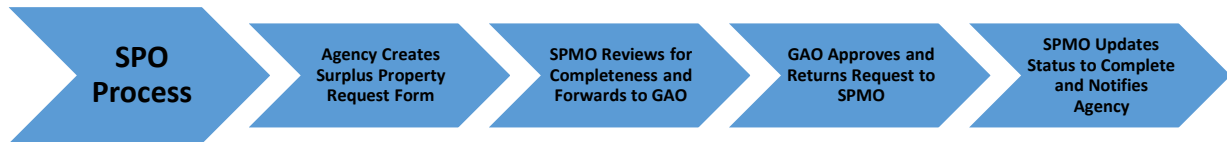
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DISPOSE OF A FIXED ASSET

Overview

The Fixed Asset Disposal (FD) transaction is used to dispose of all fixed assets, including stewardship resources (e.g., memo assets), and the disposition method and disposition code indicate how the asset is disposed. This quick reference guide (QRG) provides specific additional guidance for the creation of the FD transaction. Lost, stolen, and destroyed fixed assets require the additional review and approval of the General Accounting Office (GAO) before the approval by the Surplus Property Management Office (SPMO). Although the Arizona Department of Transportation (ADOT) also has authority to dispose of some vehicles, all lost, stolen, or missing assets including vehicles must go through SPMO for approval. Vehicles that are totaled and processed through Risk Management must also go through SPMO. The ADOT vehicle disposal process is still a work in progress and will be included in this transaction when the information is available. The following is the SPMO disposal process.



First, the agency initiates the fixed asset disposal process using the SPMO’s online Quickbase system. Submit the surplus request at <https://azsurplus.quickbase.com/db/bp5225i9k?a=nwr>.

Next, attach required supporting documentation to the request. For detailed instructions about how to create a request, go to <https://doa.az.gov/sites/default/files/Surplus-Property-Removal-Request-Form-Instructions.pdf>.

Once submitted, a request number is automatically assigned by the Quickbase system in the format of FY-XXXX and assigned the Pending Admin Approval status. The SPMO reviews and verifies the request for required documentation and, if needed, forwards a copy of the request and supporting documentation to GAO by email for approval. GAO reviews the request and supporting documentation and if approved, returns the signed Surplus Request form and supporting documentation to the SPMO. SPMO will attach the GAO’s approval and change the request to Complete status in their online system. The system notifies the requesting agency of the status change. Refer to SAAM Topic 25 for additional information.

The GAO-approved PDF document will appear with a Complete status in SPMO’s Quickbase system as displayed the following image.





Create a Fixed Asset Disposal (FD) Transaction

Follow the steps below to create a Fixed Asset Disposal (FD) transaction. The FD transaction should not be submitted until after approval is received from SPMO and attached to the FD transaction.

Note: Requests with a disposal status of “On-site destruction” are approved at the SPMO level and are not required to be reviewed by the GAO prior to being entered in to AZ360 under the “WO” disposition method and “Destroyed” disposition code.

Log in to the AZ360 **Home Page**. Create an FD transaction.

1. Click the **Expand** caret next to the **Global Search** field.
2. Select the **Page Code** option.
3. In the **Global Search** field, enter *FD*.
4. In the drop-down menu that generates, select **FD Fixed Asset Disposition**. The FD Financial Transaction page will generate.
5. Click the **Create** button.
6. In the **Transaction Dept** field, enter the user’s department 3-digit code.
7. Click **Auto Number** checkbox to generate a unique ID or enter a unique transaction number.
8. Click **Continue**. A new transaction generates.
9. A new FD transaction will generate and opens to the Header tab. Note that the transaction is in **Draft**, the **Version** number is **1**, the **Function** is **New** and the **Status** is **Held**.

Complete the **Header** tab.

1. At minimum, on the **General information** section, enter the appropriate information in the following fields:
 - a. In the **Transaction Description** field, enter a reason for the FD transaction.
 - b. In the **Fixed Asset Number** field, enter the user’s department fixed asset number.
 - c. In the **Asset Status** field, select the appropriate value.
 - d. In the **Event Type** field, enter *FA04* (Dispose of a Fixed Asset). This is the default value.



2. In the **Disposition** section:
 - a. In the **Disposition Date** field, enter the date the asset was disposed.
 - b. From the **Disposition Method** pick list, select the reason for the assets disposal.

Disposition methods are found in AZ360 on the Fixed Asset Disposition Method (FADM) table. Typical uses for common disposition methods are listed below:

Disposition Method	Used when:
ACCD	A vehicle accident or other loss claim is processed through Risk Management.
SOLD	The asset is going to State Surplus Property Management Office (SPMO) or auction.
TRAD	An asset is being returned to a vendor or traded in.
TRAN	Recording an asset transfer to another state agency (does not include SPMO).

Disposition Method	Disposition Method Short Name	Use of Disposition Codes
ACCD	Vehicle Accident	Optional
FRFL	Fire or Flood	Optional
LOST	Lost	Optional
SOLD	Sold	Optional
THEF	Theft/Vandalism	Optional
TRAD	Traded	Optional
TRAN	Transferred	Optional
WO	Written Off/Worn	Required

- c. In the **Disposition Code** field, select the appropriate option from the drop-down menu.
 - d. In the **Disposition Authority** field, enter the disposition authorization.
3. On the **Header** tab's **3-dot** menu, click the **Auto Apply** button from Related Actions.
4. In the **Responsibility Center** section:
 - a. Verify the asset COA inferred.
 - b. Verify the **Location** field is inferred from the registry tables.
5. Click the **Component** tab.



Complete the **Component** tab of the transaction.

1. Click the **Expand** caret on the Component line.
2. In the **Disposition** section:
 - a. Review the disposition details that inferred from the Header tab.
 - b. Leave the **Depreciation Amount** field blank.

Note: If there are any component lines that should not be disposed, use the Component line row 3-dot menu and select Delete to remove them. For this scenario, there is only one component line and it is being disposed.

3. Click the **Accounting** tab.

Complete the **Accounting** tab of the transaction.

1. In the **COA** section:
 - a. Review the COA elements that inferred from the Fixed Asset Registry tables.

Validate and submit the transaction for approval.

1. Click **Validate** to check for errors. If any errors exist, fix the errors and click **Validate** again. If the validation is successful, the following message is displayed: **Transaction validated successfully**.
2. Click **Submit** to submit the transaction for approval. If submission is successful, the following message is displayed: **Transaction submitted successfully - Pending Approval**.

After the transaction is approved and is in a Final phase, verify the updated value of the fixed asset.

Verify the **Header** tab.

1. In the **General Information** section:
 - a. Verify that the **Transaction Total** field is updated with the original purchase price of the asset.
 - b. Verify that the **Transaction Depreciation** field is updated with the total amount of depreciation, which reflects the period from the last mass depreciation batch job to the date of sale.
 - c. Verify that the **Final Accumulated Depreciation** field is updated to \$0.00 since the asset was disposed or sold.



- d. Verify that the **Final Asset Value** field is updated to \$0.00 since the asset was disposed or sold.
 - e. Verify that the **Final Net Book Value** field is updated to \$0.00 since the asset was disposed or sold.
2. Click on the **Component** tab.

Verify the **Component** tab.

1. In the **General Information** section:
 - a. Verify the **Accumulated Depreciation** field reflects the total amount of accumulated depreciation for the asset.
 - b. Verify that the **Gain/Loss** field reflects the historic asset cost less the accumulated depreciation.
2. In the **Disposition** section:
 - a. Verify that the **Gain/Loss Account Type** field is **Expense**.

*Note: The **Gain/Loss Account Type** field is set up as a revenue or expense for each type of disposition method in the FADM table.*

- b. Verify the **Depreciation Amount** field reflects the amount of depreciation from when the last mass depreciation batch job was run since the date of sale for this component.
3. Click the **Accounting** tab.

Verify the **Accounting** tab.

4. In the **General Information** tab:
 - a. Verify that the **Line Amount** field reflects the original purchase price for the component.
 - b. Verify the **Selling Price** field is updated to \$0.00 since the asset was sold.

Note: The selling price on an FD transaction will be listed as \$0.00. The SPMO will conduct the required business operations and will determine if the agency is eligible to receive proceeds. If proceeds are due, the department can then submit an FP transaction to enter the updated selling price. If proceeds are applied to the fixed asset, they will affect the overall Gain/Loss field value.



Navigate to the FAHIST table and verify that the asset information is appropriately updated, and then return to the home page.

1. Click the **Expand** caret next to the **Global Search** field.
2. Select the **Page Code** option.
3. In the **Global Search** field, enter *FAHIST*.
4. In the drop-down menu that generates, select **FAHIST Fixed Asset History**. The Fixed Asset History table will generate.
5. In the **Fixed Asset Number** field, enter the fixed asset number for the user's departmental fixed asset.
6. Click **Apply**.
7. The transactions processed with the fixed asset number appear. Click the record in the grid that corresponds to the FD transaction completed in the steps above.
8. Click the row **3-dot** menu and select **View**.
9. In the **Disposition Information** section:
 - a. Verify that the **Disposition Date** and **Disposition Method** fields updated correctly.
10. Click **Home** icon to return to the home page.