



Dear colleagues,

We wanted to share some important reminders with you.

What information should be included in B2P descriptions?

In accordance with the University [ROPPA](#) policy, at a minimum, each requisition must contain information that is fully descriptive of the underlying expense (e.g.: who, what, where, when, and why).

This information may be in the business description, product description, chart of accounts or other fields. The B2P item description feeds to the line description in the general ledger. Having descriptive information aids in review of financial activity that has been recorded on the general ledger. Without proper descriptions, additional research is required to determine the nature of the transactions.

For example, let's say a department purchases ABC software licenses that cover the period of 8/1/2023 through 7/31/2024.

- Having an Item Description that reads "invoice 12345" does not meet the University policy.
- Having an Item Description that reads "software licenses 8/1/23 – 7/31/24" does.

Also, when assets are purchased using B2P, you must include a detailed line description for each asset listed on the invoice.

- The description field will automatically populate into Oracle Assets based on what is entered into B2P and will be used as the asset description.
- Having a clear asset description assists with the physical inventory process.
- If there are multiple capital expenditures recorded on one invoice, each item must be separated out in B2P. Every asset must be recorded as a separate line item. This includes separate lines even if multiples of the same asset have been purchased. For example, if you bought two servers that met the capitalization policy requirements, you would have one line for each server in B2P.

When is an expenditure really an asset?

In accordance with the University's [capitalization policy](#) in order to capitalize an expenditure, it must **meet all three** of the criteria below. If the item does not meet all the three criteria below, the amount must be expensed in the year incurred (e.g.: when goods are received by, or services are provided to the University).

1. The item must be acquired for use in operations, and not for investment or sale, AND
2. The item must have a useful life of one year or more, AND
3. The amount must meet the following materiality thresholds: generally, \$100,000 in project costs for land, buildings, land and building improvements, and fixed equipment (excluding any movable furnishings and equipment [MFE] costs), or \$5,000 per unit for

movable furnishings, equipment (MFE), or \$5,000 for improvements and upgrades to existing capitalized equipment.

See [Appendix B](#) of the university policy for further details on thresholds and object codes.

What to do when an asset no longer has value?

Often new capital assets replace existing capital assets. The University has specific accounting and administrative requirements for the disposition/impairment of existing capital assets. Please reach out to the contacts below for guidance.

Who to contact?

If you have questions regarding capital expenditure coding or need to dispose of/impair a capital asset, please contact:

Tub	Contact	Contact Email:
150	Susan Nolan	Susan_Nolan@harvard.edu
180	Liliana Onita Lenco	Liliana_Onita-Lenco@harvard.edu
580	Ben Clark	ben_clark@harvard.edu

If you have general B2P processing questions, please contact Lorie Dalla Santa (lorie_dalla_santa@harvard.edu).

Best,

Susie

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