Assets that need to be returned to the vendor should be handled in one of two ways:

1. If an agency is returning an asset and receiving a like-kind replacement, the agency should keep the existing asset record In Service. If there are any discrepancies between the returned asset and the new one, the agency should correct those on the existing record. For instance, if the description changes slightly or the cost is adjusted, update the existing record. This is because it's simply a replacement—a new voucher wouldn't be created and paid again. If desired, add a comment to the asset record that says when and why the original was replaced.

2. If an agency is returning an asset and NOT receiving a replacement, the agency should retire that asset using a disposal code of Returned to Inventory. Even though PeopleSoft defines this code to be used when an asset is returned to a common inventory pool, no agency will be using this code for that purpose. It correctly accounts for removing the asset from the Fixed Asset Account as well as removing Accumulated Depreciation. No proceeds or removal costs should be entered. Agencies should think of the Returned to Inventory disposal code as Returned to Vendor.
If desired, enter a description for the retirement on the Other Options tab.

Returned to vendor. Asset not needed. No replacement will be sent.