

3. ACCOUNTING

3.3 Capital Assets

3.3.3 Individual Capital Assets Records

3.3.3.10 An adequate capital asset accounting system should enable the government to meet statutory requirements, to produce adequate records and reports, and to safeguard assets properly.

3.3.3.20 The basis of a capital asset accounting system is the individual capital asset record. It is necessary to apply careful thought to designing the capital asset record so that the government can accumulate the information it will want later on. Generally it is too costly to reconstruct this data at a later date. The sample format has been designed to collect most of the important data about capital assets; however, not all of this information is mandatory. The following minimum information is required for all capital assets. Additional requirements for infrastructure and internal service fund capital assets are identified in other parts of this Manual.

1. Category of asset and the general ledger fund and asset account (Boxes 1, 3 and 5)
2. Individual or department assigned custody of assets (Box 2)
3. Acquisition information, including reference to source documents and acquisition dates. (Boxes 6a - 6c)
4. Source of payment (fund, grants, etc.)
5. Historical cost (Boxes 6d - 6f)
6. Name and description of asset sufficient to specifically define and identify the asset, including identifying numbers and legal descriptions where applicable (Box 4, 5 and 7)
7. Disposition information. (Box 14)

3.3.3.30 Other information that is desirable, but not mandatory, includes the following:

1. Brief directions on where/how to locate the asset.
2. Special insurance, maintenance, and repair instructions.
3. Class code or location code if used.
4. Physical inspection dates and condition of asset when it was inspected.

3.3.3.40 The areas left blank on the sample format (items 8, 12 and 13) are used in different ways depending on the type of asset recorded.

This format can be used for two different purposes:

1. In a small system the individual records can serve as the subsidiary ledger to support capital asset general ledger accounts as well as providing the other data needed for proper management of capital assets. These records are designed for use as a subsidiary ledger. Account number and name, cost and depreciation information are all in the same place on each form for ease in sorting and totaling. If the records are used as a subsidiary ledger, they must be numerically controlled.

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2. For automated systems, these records can be used as input documents or as a guide for the data fields to design into a computerized capital asset subsidiary ledger.

1. ASSET TYPE:			2. Custody/Assignment:		
ID No.:			3. Fund:		
4. ASSET ACCOUNT NAME:			5. ASSET ACCOUNT NUMBER:		
6. CUMULATIVE COST HISTORY					
a. Acquisition/ Disposal Date	b. Doc. Date	c. Doc. No.	d. Source of Payment	e. Acct. No.	f. Cost
7. GENERAL DESCRIPTION			10. CUMULATIVE DEPRECIATION/DEPLETION		
			(Estimate Asset Life = ____ years)		
			a. Date	b. Doc. No.	c. Current Year
8.					
9. SPECIAL INSURANCE, MAINTENANCE, REPAIR, ETC., INSTRUCTIONS					

11. PHYSICAL VERIFICATION

a. Date	b. Comments	c. Conditions	a. Date	b. Comments	c. Conditions

12

13.

14. ASSET DISPOSAL INFORMATION

- a. Sold/Traded to:
- b. Disposition Date:
- c. Receipt No.:
- d. Disposition Authorization:
(1) Date (2) Source
- e. Proceeds of Sale/Insurance Claim
- f. Less: Net Book Value (_____)
- g. Gross Gain (Loss)
- h. Less: Amount Due to Grants (_____)
- i. Net Gain (Loss) _____
- j. Grantor Notification Date:
- k. Grantor Disposal Instructions: