Chapter 8600 - Property Accounting

8600 PURPOSE AND OBJECTIVE OF PROPERTY ACCOUNTING
(REVISED AND RENUMBERED FROM 8630, 8651, 8652 3/86)

Property accounting procedures are designed to maintain uniform accountability for State property. These standard procedures are used to provide accurate records for the acquisition, maintenance, control, and disposition of property. The combination of accurate accounting records and strong internal controls must be in place to protect against and detect the unauthorized use of State property.
Departments which purchase property with Federal funds may wish to request the Federal agency's approval of the State property accounting procedures, should State procedures be significantly different from the Federal rules.

8601 GENERAL—PROPERTY
(Revised 06/10)

Generally, property refers to all assets used in governmental operations. Property includes infrastructure, land, buildings, improvements, machinery, furniture, tools, etc., and intangibles.

8602 CAPITALIZED PROPERTY
(Revised 3/96)

State property is capitalized for accounting purposes when certain conditions are met. Capitalization means to record the property in the accounting records as assets. Tangible property must meet the following three requirements in order to meet the capitalization requirements:

1. Have a normal useful life of at least one year;
2. Have a unit acquisition cost of at least $5000 (e.g., four identical assets which cost $3000 each, for a $12,000 total, would not meet the requirement); and
3. Be used to conduct State business.

When the above three requirements are not met, the property will not be recorded as an asset in the General Ledger. See SAM Section 8615 and 8615.1 for accounting instructions for intangibles.
Departments which purchase property with proprietary funds may use different requirements for property capitalization. Contact Department of Finance, Fiscal Systems and Consulting Unit for approval of proposed criteria.
When the term "equipment" is used in SAM, it refers to personal property which is capitalized.

8603 NONCAPITALIZED PROPERTY
(Revised 3/96)

Noncapitalized property are those property which do not meet all three requirements in the preceding SAM Section 8602, Capitalized Property. Acquisitions of noncapitalized property are simply recorded in the property register and accounted for as expenditures. Record keeping, identifying, and tagging of such equipment shall be in accordance with SAM sections 8650 and 8651 respectively.

8609 PROPERTY—DEFINITION
(Revised and Re-numbered 06/10)

The following section contains definitions of the property categories:

1. Infrastructure
2. Land
3. Buildings
4. Improvements Other Than Buildings
5. All other (capitalized and non-capitalized) tangible property, and

6. Intangible property.

8610 INFRASTRUCTURE
(Revised and Re-numbered 06/10)

Infrastructure assets are long-lived capital assets that normally are immovable in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, streets and sidewalks, drainage systems, and lighting systems. Account for Infrastructure that uses the modified approach for reporting cost of use in General Ledger Account Number 2361. Account for Infrastructure that uses the traditional approach for reporting cost of use in General Ledger Account Number 2362.

8611 LAND
(Revised and Renumbered from 8652.1 3/86)

Land is real property and includes natural or artificial structures that are attached to it. Account for Land in General Ledger Account Number 2310.

When land is acquired, the amount capitalized is the purchase price plus all related costs. Related costs include legal and title fees, title search costs, and all cost incurred in getting the land ready for its intended use (e.g., grading, surveying, filling, draining, etc.).

8612 BUILDINGS
(New 3/86)

Buildings are structures which provide workplace, storage space, or are used in some other way for State activities. Account for Buildings in General Ledger Account Number 2321. Capitalized building costs include the purchase price plus all other cost incurred to put the building in condition for its intended use.

8613 IMPROVEMENTS OTHER THAN BUILDINGS
(Revised and Renumbered from 8651.1, 8651.3, 8652.2, 8652.21 3/86)

Additions, improvements, and betterments to assets will be capitalized if all of the conditions in SAM Section 8602 are met. Additions are extensions of existing units. Improvements and betterments ordinarily do not increase the physical size of the asset. Instead, they make the asset better than its previous condition (e.g., longer life, increased capacity, lower operating costs, etc.). Examples of improvements and betterments are roads, bridges, curbs and gutters, tunnels, parking lots, streets and sidewalks, drainage and lighting systems. Account for Improvements Other Than Buildings in General Ledger Account Number 2331. All other additions, improvements, and betterments will be capitalized to the asset benefited.

8614 OTHER CAPITALIZED AND NON-CAPITALIZED TANGIBLE PROPERTY
(Revised 3/96)

These include equipment and all other items accounted for in the property register.

For State accounting purposes, equipment refers to all tangible personal property which meets all of the requirements set forth in SAM Section 8602. Account for Equipment in General Ledger Account Number 2341. The cost of equipment includes the purchase price plus all costs to acquire, install, and prepare equipment for its intended use.

8615 INTANGIBLES
(Revised 3/96)

Intangibles are property which lack physical substance but give valuable rights to the owner. Account for capitalized Intangibles in General Ledger Account Number 2410. Examples of intangible property include patents, copyrights, leases, and electronic data processing (EDP) software. Software are those instructions by which EDP equipment is directed to process information. By contrast, hardware consists of tangible equipment (e.g., computer, printer, terminal, etc.). Capitalization requirements for intangibles are prescribed in SAM Section 8615.1.

Intangible property will be recorded at cost. Intangible property will be capitalized if all of the requirements set forth in SAM Section 8615.1 are met. Cost includes all amounts incurred to acquire and to ready the intangible asset for its intended use. Typical intangible property costs include the purchase price, legal fees, and other costs incurred to obtain title to the asset.

8615.1 INTANGIBLES, CAPITALIZATION OF
(Revised 3/96)

Intangibles must be purchased and meet the following requirements before they are capitalized:

1. Have an expected useful life of at least one year;
2. Have a cost of at least $5,000, and
3. Be used to conduct State business.

If all of the above conditions are not met, the intangible acquisition will be simply recorded as an expenditure without the need to maintain further accountability.

8616 DEPRECIATION
(Revised and Renumbered from 8651.5 3/86)

Depreciation is the expensing of a tangible asset's depreciable cost to the time periods benefited. An asset's depreciable cost is the cost or other basis less the estimated residual value. Residual value is the estimated value of an asset at the end of its useful life. Generally, depreciation is performed only by those proprietary funds which conduct enterprise or internal service fund operations.

8617 AMORTIZATION
(New 3/86)

Amortization is the expensing of an intangible asset's amortizable cost to the time periods benefited. An assets amortizable cost is the cost or other basis less the estimated residual value. Residual value is the estimated value of an asset at the end of its useful life. Generally, amortization is performed only by those proprietary funds which conduct enterprise or internal service fund operations.

8618 REPAIRS AND MAINTENANCE
(Revised and Renumbered from 8 651.4 3/86)

Ordinarily, repairs and maintenance costs are treated as expenditures which are not capitalized as property. These expenditures are incurred to keep assets operating and do not benefit future periods. Contact Department of Finance, Fiscal Systems and Consulting Unit if you have any questions about capitalizing repairs and maintenance costs.

8619 IMPAIRMENT OF CAPITAL ASSET AND RELATED INSURANCE RECOVERIES
(New 09/10)

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The service utility of a capital asset is the expected usable capacity at acquisition. A capital assets may be impaired due to events or changes in circumstances, such as physical damage, obsolescence or changes in technology, enactment or approval of laws or regulations or other changes in environmental factors, a change in manner or duration of use, or a construction stoppage.

A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset.

Impaired capital assets that will no longer be used by a department should be reported at the lower of carrying value or fair value (i.e., additional depreciation expense and accumulated depreciation would be recorded in the year of the impairment to bring the carrying value down to the lower fair value).

Impairment losses on capital assets that will continue to be used by the department should be measured using one of three methods prescribed by the Governmental Accounting Standards Board that best reflects the diminished service utility of the capital asset. The prescribed methods are the restoration cost approach, the service units approach, or the deflated depreciated replacement cost approach.

Departments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A prominent event would be conspicuous or known to the department. It would be an event or circumstance that has prompted discussion by the governing board, management, or the media. Absent any such event or circumstance, departments are not required to perform additional procedures to identify potential impairment of capital assets beyond those already performed as part of their normal operations.

Impairment losses are generally reported as a direct expenditure to the program that uses the impaired capital assets. Insurance recoveries related to impaired assets are reported net of the related loss when the recovery is realized or realizable in the same fiscal year as the loss.

If a prominent event or change in circumstance has occurred and there is a potential impairment of capital assets, please contact the State Controller’s Office, GAAP Reporting Section, for additional instructions to help you identify whether impairment has occurred, measure the impairment loss, and account for the impairment loss and any insurance recoveries.

8620 PROPERTY ACCOUNTING—BASIC ACCOUNTING REQUIREMENTS/DIFFERENCES
(NEW 3/86)

Property accounting requirements differ depending on the category of the owner fund.

State funds are categorized as:

1. Governmental,
2. Proprietary, or
3. Fiduciary.

See the Uniform Codes Manual (UCM) for the classification of each State fund.

8621 BASIC RULES
(Revised 9/90)

The following table shows the basic accounting rules for each of the three fund categories. See SAM Sections 8670–8672 for standard property accounting Journal entries.

Report as part of the owner fund's assets.

	Fund Category		
Accounting Event	Budgetary/Legal Basis: Governmental Cost Finuds, Bond Funds, Federal Funds, and some trust funds GAAP: Governmental Funds	Budgetary/Legal Basis: Working Capital Revolvuing Fund and Public Service Enterprise Fund GAAP: Proprietary Funds	Budgetary/Legal Basis: Some trust funds (not federal) GAAP: Fiduciary Funds
A. Accountability	Record the Property in Capital Assets Account Group (see Section 8622 below).	Record the property in the owner fund's tangible asset accounts	Record the property in the owner fund's tangible asset accounts

B. Acquisition (same rules apply to all fund categories)			
1. Purchase	Record at historical cost		
2. Lease Purchase	Record at less of fair value or discounted present value of lease payments		
3. Transfer	Record at historical cost		
4. Gift	Record at fair market value at date of gift		
5. Trade-ins	See D.2 below		
6. Internally Generated	Record at Historical cost of both internal and external outlays during asset development stage		
C. Use	No entry.	Record depreciation/ amortization	Special rules apply. (Call Department of Finance- Fiscal Systems and Consulting Unit)
D. Disposition			
1. Sale or other disposition	Credit sale proceeds to the owner fund. Remove asset from the Capital Assets Account.	Record depreciation/ amortization to date of disposition. Credit sale proceeds to the fund. Remove asset from accounting records.	Credit sale proceeds to the fund. Remove asset from accounting records.
2. Trade-ins	Remove asset traded in from the General Fixed Assets Account Group. Record asset acquired at the cash consideration parted with (i.e., the cash price which the department would have had to pay had the new asset been purchased for cash).	Record depreciation/ amortization to date of disposition. Remove asset traded in from accounting records. Record asset acquired at the sum of the undepreciated basis of the old asset plus any other consideration parted with (boot).	Remove asset traded in from accounting records. Record asset acquired at the cash consideration parted with (i.e., the cash price which the department would have had to pay had the new asset been purchased for cash).
E. Financial Statement Reporting	Report in the General Fixed Assets Account Group (see SAM Section 7977).	Report as part of the owner fund's assets.	Report as part of the owner fund's assets.

8622 GENERAL FIXED ASSETS ACCOUNT GROUP
(New 3/86)

The General Fixed Assets Account Group is a separate self-balancing group of accounts set up to account for the general fixed assets of governmental funds. Record all property owned by governmental funds in these accounts. Property owned by governmental funds will not be accounted for within each fund's general ledger.

For example, a department which receives an appropriation from one governmental fund and purchases property from this appropriation will record the property in the General Fixed Assets Account Group. Similarly, another department which receives appropriations from several governmental funds and purchases property from more than one of these funds will record all of the property in the General Fixed Assets Account Group. These two situations are illustrated as follows:

Situation A: Department purchases property from one governmental fund . . .

General Fixed Assets Account Group

Dr. 2310 Land	$ 50,000	
Dr. 2321 Building	$200,000	
Cr. 5200.001 Investment in General Fixed Assets— General Fund		$250,000

Situation B: Department purchases property from more than one governmental fund . . .

General Fixed Assets Account Group

Dr. 2321 Building	$140,000	
Dr. 2341 Equipment	$ 40,000	
Cr. 5200.001 Investment in General Fixed Assets— General Fund		$150,000
Cr. 5200.042 Investment in General Fixed Assets— State Highway Account		$ 30,000

8630 ACCOUNTING FOR PROPERTY ACQUISITIONS
(Revised and Renumbered from 8653 3/86)

There are four ways to acquire property:

1. Purchase,
2. Lease/Installment Purchase,
3. Transfer, and
4. Gift.

Accounting for each method is explained in SAM Sections 8631 through 8634.

8631 PURCHASE
(Revised and Renumbered from 8655.1 3/86)

Purchased assets are recorded at cost. Cost is the purchase price plus all incidental costs incurred to put the asset into place and ready for its intended use.

8632 INSTALLMENT PURCHASE/CAPITAL LEASE CONTRACTS
(Revised 9/90)

1. INSTALLMENT PURCHASE CONTRACTS
   Installment purchase contracts are agreements with vendors to acquire property in exchange for a commitment to make specified future payments. The capitalized cost of these fixed assets should exclude any interest, maintenance or other operating costs. To determine the amount to be capitalized see Capital Lease (Lease-Purchase) Contracts below.
2. CAPITAL LEASE (LEASE-PURCHASE) CONTRACTS
   A capital lease (lease-purchase) results when the contractual agreement with the lessor results in a transaction which is in substance an installment purchase. If a lease meets any one of the four following conditions it is considered to be a capital lease:
   1. Ownership of the leased asset is transferred to the lessee at the end of the lease period.
   2. The lease gives the lessee the option of purchasing the leased asset at less than fair value (bargaining purchase option) at some point during or at the end of the lease period.
   3. The period of the lease is 75% or more of the estimated useful life of the leased asset.
   4. The present value of the minimum lease payments is 90% or more of the fair value of the leased asset.
      A fixed asset acquired by a capital lease is accounted for as if an asset was purchased at the inception of the lease. The capitalized amount of the fixed asset should be the lesser of the fair value or the discounted present value of the lease payments excluding any maintenance or other operating costs. The appropriate discount rate to use to compute the present value of the lease payments is the prior fiscal year Pooled Money Investment Account rate.
      For those funds required to compute depreciation expense on their funds' fixed assets, the

depreciation expense should be computed over the estimated useful life of the asset rather than the lease period.

8633 TRANSFER
(Revised and Renumbered from 8655.3, 8656.2, 8656.3 3/86)

Departments (transferees) which acquire property free of charge from other State departments (transferors) will record the asset at the same cost as that recorded on the books of the transferor department.

8634 GIFT
(Revised 4/92)

Record property acquired by gift from other than State departments at the fair market value on the date the gift is received. Retain receipts, letters, stock received reports, or other documents as evidences of gifts.
Government Code Sections 8647, 11005 and 16302 pertain to the State's acceptance of gifts. Gifts are normally either real property or personal property such as equipment and cash. The following procedures apply to acceptance of gifts.

1. Real Property
   A gift of real property must be approved by both the Department of General Services (DGS) and the Department of Finance (DOF) before it can be accepted. See SAM Sections 1376 and 1377.
   A. Departments must prepare and submit to Department of General Services the following material as appropriate for real property:
      1. Part I of DGS Form RES–212 Gift Deed Summary
      2. Contract Transmittal STD. 15
      3. Certificate of Acceptance
      4. Environmental Document
      5. Certificate of Inspection
      6. Summary of title report exceptions
      7. Copy of title report
      8. Map of property or description of gift
   B. Department of General Services will review material submitted by the department. Based on this review DGS will prepare and submit the following to Department of Finance:
      1. Copies of information submitted by the department
      2. Cover memo requesting acceptance of the gift based on the findings of the review.
   C. Department of Finance will accept or reject the gift after reviewing all data submitted by the Department of General Services and the requesting department. Department of General Services will then forward to the requesting department:
      1. Copy of DOF acceptance or rejection of gift
      2. Copy of deed, policy and invoice (for title policy) if gift is accepted
         If the proposed gift is rejected by the Department of General Services, the department will be advised of the reason for the rejection. Department of Finance will not be forwarded information unless Department of General Services recommends acceptance of the gift.
2. Personal Property
   State departments cannot accept gifts of personal property unless they have specific statutory authority to do so. If a department is not permitted by law to accept a gift, the department will notify the Department of Finance so that the Director of Finance can accept the gift for the State pursuant to authority by Government Code Section 11005.1.
   All departments authorized by law to accept gifts are required by Government Code Section 11005 to secure the approval of the Director of Finance before a gift of personal property can be accepted, unless (1) the gift is an unconditional gift of money or (2) statutes specifically provide that such approval is not necessary. The Director of Finance's approval has been given to accept gifts of money if the only condition of the gift is to specify that it is for an existing fund in the Treasury.
   If State departments need approval to accept a gift of personal property, they will notify their Department of Finance budget analyst by letter. The Department of Finance analyst will either approve or disapprove the acceptance of the gift. If the Department of Finance approves a gift of equipment, it will be recorded in the property records.
   When State agencies receive gifts of cash to be deposited in the State Treasury, they will prepare a State Controller's Remittance Advice, Form CA21. The agency will then remit the money to the fund or appropriation specified by the donor.
   If the money is for a specific purpose, but the donor did not specify a fund or appropriation then the money will be deposited in the Special Deposit Fund. See SAM Section 19440.
   If the money is donated but no fund, appropriation or specific purposes for it is stated by the donor, the money will be deposited in the State School Fund (Government Code Section 16302).
   The Director of Finance gives advance approval for the receipt of anticipated grants which will be included in the approved Governor's Budget. Unbudgeted grants must have Department of Finance approval before

acceptance. See SAM Section 0911.22.

8640 ACCOUNTING FOR PROPERTY DISPOSITIONS
(Revised 7/87)

General

Government Code Sections 14673, 14674, and 14675 authorize the Director of General Services to approve the sale, exchange, or transfer between departments of personal property owned by the State if the sale, exchange, or transfer is in the best interest of the State. Before disposing of property, e.g. sale, transfer, trade-in, etc., departments must receive approval from Property Reutilization, Department of General Services.
Departments will prepare Property Survey Reports, STD. 152, when disposal of property occurs. Departments will prepare Transfer of Location of Equipment, STD. 158, when property is transferred to other State departments. Property listed on approved STD. 152 will be disposed of without delay, and items held in the suspense file more than 30 days will be reviewed by an agency official to determine why the disposition has not been completed. See SAM Sections 4171 through 4175 for Disposition of Vehicles and Mobile Equipment.

8641 SALE OF PROPERTY
(Revised and Renumbered from 8656.1 3/86)

Accounting for property sales differs depending on the category of the owner fund. Property sold by governmental funds is removed from the General Fixed Assets Account Group. Sale proceeds are recorded as miscellaneous revenue. One exception to this rule occurs when the sale is one step in a series of transactions which replaces the old asset with another asset. In this case, the sale proceeds are accounted as an abatement. The replacement asset is recorded in the property account at cost with no reduction for the sale proceeds of the old asset.
Property owned by proprietary funds is depreciated up to the date of sale. Gains and losses are recognized to the extent that sales proceeds are more or less than the adjusted basis of the asset.
Property sold by fiduciary funds is accounted the same way as for governmental funds except property accountability is maintained within each fiduciary fund.

8642 TRADE-IN OF PROPERTY
(Revised and Renumbered from 8656.1 3/86)

Departments which plan to trade in property should first receive approval from the Department of General Services, Property Reutilization. See SAM Section 8640, Accounting for Property Disposition–General. Property Reutilization will determine whether the property being traded in should be acquired by another State department.
The property accounts will be reduced by the recorded cost of the property traded in. Replacement property will be recorded at the cost which would be required to be paid had a trade-in not occurred.

8643 LOST, STOLEN, OR DESTROYED PROPERTY
(Revised 12/05)

Whenever property is lost, stolen, or destroyed, departments will prepare a Property Survey Report form, STD. 152. The department will adjust its property accounting records and retain the Property Survey Report as documentation. The report will contain:

1. A description of the events;
2. Precautions to be taken to prevent repeat situations; and
3. A statement that the California Highway Patrol has been notified. (Government Code Section 14613.7)

Losses of state property due to fraud or embezzlement will be reported to Department of Finance, Office of State Audits and Evaluations and the Bureau of State Audits. See SAM Section 20080. Employees will be charged with any loss and damages to state property due to their negligence or unauthorized use.

Agency management must promptly investigate incidents involving loss, damage, or misuse of information assets. Departments shall immediately notify the California Highway Patrol upon discovery of all Information Technology security incidents and computer related crimes. See SAM Section 4845.

Each agency having ownership responsibility for information must complete a Security Incident Report. The Security Incident Report, part of the State Information Management Manual, is available via the Department of Finance website at http://www.dof.ca.gov/HTML/IT/SIMM/SIMM.htm. The report must be submitted to the Department of finance within ten working days of the Agency's becoming aware of an incident involving the theft of such information, including information stolen in conjuction with the theft of a computer or data storage device.

8650 ACCOUNTING AND CONTROL OF PROPERTY
(Revised 3/96)

Departments will record the following information when property is acquired:

1. Date acquired;
2. Property description;
3. Property identification number;
4. Cost or other basis of valuation;
5. Owner fund; and
6. Rate of depreciation (or depreciation schedule), if applicable.

Departments will keep track of state property, whether capitalized or not, in an automated property accounting system (if one is used) or on Property Record Cards form, STD. 153–A.

The property information for each item of property constitutes the property register (i.e., an inventory listing of all departmental property). It shall include both capitalized and non-capitalized property. The capitalized segment shall serve as the subsidiary ledger for the General Fixed Asset Account Group or for the fixed assets of Proprietary and Fiduciary funds. Groups of similar property may be combined on one record, but for convenience in analyzing movements and transfers, a separate record for each property is usually desirable.

8651 IDENTIFICATION AND TAGGING
(Revised 3/96)

All state property will be tagged after acquisition. This includes property which do not meet all of the State's capitalization requirements.

The purpose of tagging assets is to designate the assets as belonging to the State. Tags will be placed so that they are in plain sight and easy to read. To the extent possible, all property will be tagged on the assets' front, left-hand corner. The identification number will not be changed when property is moved within the department.

Types of Tags:

Adhesive Tags

This type of tag includes tags manufactured from thin-gauge metal, plastic, or other materials which are attached by use of an adhesive. These tags are for general purpose use and will be used whenever practical. All tags will be l 1/2" x 3/4" as illustrated below. Tags will be numbered sequentially.

State of California Department of Finance 1685

Metal Tags

Metal tags will contain the same information as adhesive tags. These tags will be used when adhesive type tags are impractical.

8652 PROPERTY INVENTORY

(Revised 10/88)

Departments will make a physical count of all property and reconcile the count with accounting records at least once every three years. Inventory counting does not need to be performed at one time for an entire department's property. Departments may take a rotating inventory according to an inventory calendar.

Departments are responsible for developing and carrying out an inventory plan which will include:

1. Inventory Taking:
    a. Time schedule;
    b. Count procedure (type of listing or count sheet to be used); and
    c. Count assignment (statement of who will take the inventory at the times and locations scheduled).
2. Internal Control:
    a. Inventories will not be exclusively controlled by the custodian of the property records;
    b. Worksheets used to take inventory will be retained for audit and will show the date of inventory and the name of the inventory taker;
    c. Inventory records will be retained in accordance with provisions of SAM Section 1671; and
    d. The person in charge of the stockroom, if one is used, will not be in charge of maintaining the inventory records nor the taking of physical inventories;
3. Reporting and Approval of Inventory Adjustments;
    a. a. Adjustment and reconciliation of the records will take place after the physical count has been completed; and
    b. Review and approval of all inventory adjustments will be made by the department director or the director's designee. This review and approval will be documented on a Property Inventory Listing Adjustment Sheet (Std. Form 157).

8660 FINANCIAL STATEMENT REPORTING REQUIREMENTS
(Revised 3/90)

Fixed assets will be included in year-end financial statements. Proprietary funds will report fixed assets and accumulated depreciation in the funds themselves. Fiduciary funds will record fixed assets (fully reserved) in the funds themselves. Departments which acquire property with resources of governmental funds will prepare a Statement of Changes in General Fixed Assets and a Statement of General Fixed Assets for the General Fixed Asset Account Group.

1. The Statement of Changes in General Fixed Assets will contain the following for each asset type:
    a. A listing of asset beginning balances in General Ledger Account Number order (e.g., land, building, etc.);
    b. A listing of asset additions;
    c. A listing of asset deductions;
    d. A listing of asset ending balances.

    Refer to SAM Section 7977 Illustration 1 for the required report format.

2. The Statement of General Fixed Assets will contain the following:
    a. A listing of assets, in General Ledger Account Number order (e.g., land, building etc.), for each asset type;
    b. A listing of the investment in these general fixed assets by sources of the governmental funds used to acquire each;
    c. A footnote that inventories of property were conducted in accordance with SAM Section 8652;
    d. A footnote that subsidiary fixed assets records are in agreement with the general ledger control accounts.

    Refer to SAM Section 7977 Illustration 2 for required report format.

8670 STANDARD JOURNAL ENTRIES—PROPERTY
(New 3/86)

The tables in SAM Section 8671 and 8672 show the standard journal entries for governmental and proprietary funds. Special rules apply to fiduciary funds (contact Fiscal Systems and Consulting Unit for instructions)

8671 ENTRIES FOR GOVERNMENTAL FUNDS
(Revised 9/90)

Accounting Event	Governmental Fund	General Fixed Assets Account Group (GFA)
A. Acquisition		
1a. Purchase	Dr. 9XXX Expenditure Account Cr. 3020 Claims Filed	Dr. 23XX Asset Account Cr. 5200.XXX Investment in GFA
1b. Purchase with Trade-in	Dr. 9XXX Expenditure Account Cr. 3020 Claims Filed (net expenditure)	Dr. 23XX Asset Account Cr. 5200.XXX Investment in GFA (full cash value of new asset) and Dr. 5200.XXX Investment in GFA Cr. 23XX Asset Account (recorded cost of property traded in)
2. Lease/Installment Purchase	No Entry	Dr. 23XX Asset Account Cr. 5200.XXX Investment in GFA
3. Transfer	No Entry	Dr. 23XX Asset Account Cr. 5200.XXX Investment in GFA
4. Gift	No Entry	Dr. 23XX Asset Account Cr. 5200.XXX Investment in GFA
B. Use	No Entry	No Entry
C. Dispositions		
1. Sale	Dr. 1110 General Cash Cr. 8000 Revenue or Cr. 9000 Appropriation Expenditure (see SAM Section 8641)	Dr. 5200.XXX Investment in GFA Cr. 23XX Asset Account
2. Trade-ins	See 1b. Purchase with Trade-in	See 1b. Purchase with Trade-in
3. Transfer	No Entry	Dr. 5200.XXX Investment in GFA Cr. 23XX Asset Account
4. Lost, Stolen, or Destroyed	No Entry	Dr. 5200.XXX Investment in GFA Cr. 23XX Asset Account

8672 ENTRIES FOR PROPRIETARY FUNDS
(Revised 9/90)

Accounting Event	Proprietary Fund
A. Acquisitions	
1a. Purchase	Dr. 23XX Asset Account Cr. 3020 Claims Filed
1b. Purchase with Trade-in	Dr. 23XX Asset Account (full cash value of new asset) Dr. 23XX Accumulated Depreciation (asset traded-in) Dr. 9XXX Operating Expense Account (if loss on trade-in) Cr. 23XX Asset Account (asset traded-in) Cr. 3020 Claims Filed

	(net cash or boot)
2. Lease/Installment Purchase	Dr. 23XX Asset Account Cr. 4220 Lease-Purchase Contracts
3. Transfer	Contact Fiscal Systems and Consulting Unit
4. Gift	Contact Fiscal Systems and Consulting Unit
B. Use	Dr. 9XXX Operating Expense Account Cr. 23XX Accumulated Depreciation
C. Disposition	
1. Sale	Dr. 1110 Cash Dr. 23XX Accumulated Depreciation Dr. 9XXX Operating Expense Account (if loss on sale) Cr. 23XX Asset Account or Cr. 8XXX Operating Revenue Account (if gain on sale)
2. Trade-in	See 1b. Purchase with Trade-In
3. Transfer	Dr. 23XX Accumulated Depreciation Dr. 9XXX Operating Expense Account Cr. 23XX Asset Account
4. Lost, Stolen, or Destroyed	Dr. 23XX Accumulated Depreciation Dr. 9XXX Operating Expense Account Cr. 23XX Asset Account