

SAM – PROPERTY ACCOUNTING

BASIC RULES
(Revised 9/1990)

8621

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.

	Fund Category		
Accounting Event	Budgetary/ Legal Basis: Governmental Cost Funds, Bond Funds, Federal Funds, and some trust funds. GAAP: Governmental Funds	Budgetary/Legal Basis: Working Capital Revolving 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 Group of Accounts (see Section 8622 below).	Record the property in the owner fund's capital asset accounts	Record the property in the owner fund's capital 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		

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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		
Fund Category			
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 Group of Accounts.	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.

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<p>2. Trade-ins</p>	<p>Remove asset traded in from the Capital Assets Group of Accounts 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).</p>	<p>Record depreciation/ amortization to date of disposition. Remove asset traded in from accounting records. Record asset acquired at the sum of the un-depreciated basis of the old asset plus any other consideration parted with (boot).</p>	<p>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).</p>
<p>E. Financial Statement Reporting</p>	<p>Report in the Capital Assets Group of Accounts (see SAM Section 7977).</p>	<p>Report as part of the owner fund's assets.</p>	<p>Report as part of the owner fund's assets.</p>