

SAM – PROPERTY ACCOUNTING

SALE OF PROPERTY

8641

(Revised 09/2010)

Accounting for property sales differs depending on the category of the owner fund. Property sold by governmental funds is removed from the Capital Assets Group of Accounts. 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 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.