

Quick Guide

Fiscal Year Capital Expenses and Fixed Assets

A. Introduction and Purpose

These procedures and explanations are provided as a quick guide for Capital Expenses, changes in fixed assets and accounting during the fiscal year. The guide is abbreviated instructions and account definitions for recording payments for construction, repairs and acquisition of capital items (useful life of three years or more and a cost greater than \$1000) during the fiscal year and necessary journal entries at the end of the fiscal year.

B. Related Documents

For complete ADW policy, procedures and definitions refer to the [Parish Accounting Manual IX. Fixed Assets](#) and [II. Chart of Accounts and Definitions](#)

C. Capital Expense Accounts

During the Fiscal Year all Capital Expenses, (including construction, improvements, purchases, and replacements with a useful life of three years or more and a cost greater than \$1000) should be charged to the appropriate Capital Expense Account listed below in Cost Center 80.

770 Land and Improvements - Amounts expended during the year that would normally be charged to account # 00.170.00. Amounts may be temporarily charged here for budgeting purposes and to help with the analysis of the cash flow of the parish during the fiscal year.

771 Bldgs. and Improvements - Amounts expended during the year that would normally be charged to account # 00.173.00.

772 Construction in Progress - Amounts expended during the year that would normally be charged to account # 00.175.00.

773 Furnishings and Equipment - Amounts expended during the year that would normally be charged to account # 00.180.00.

774 Autos, Trucks and Buses - Amounts expended during the year that would normally be charged to account # 00.185.00.

- By June 30 of the Fiscal Year, all Amounts charged to the Capital Expense accounts listed above in Section C, must be moved to the balance sheet Asset accounts listed in Section D.
- Follow the instructions in Section E for the Journal Entry.
- If a Capital Expense was posted to another expense account, it should be moved using these procedures, by June 30 to the Asset account.

D. Asset Accounts

170 Land and Improvements - The purchase price or acquisition cost of property and subsequent improvements to the property. The recorded cost should include the total purchase price of the property, including legal fees, transfer taxes and other costs of the purchase.

171 Undeveloped Land - Land other than the parish site itself. Should be recorded at cost or fair market value if the land was donated.

173 Bldg. and Improvements - Construction cost of the buildings on the parish site as well as major improvements to these buildings.

175 Construction in Progress - Construction costs of a building on the parish site that is not complete. When the structure is completed, the amounts will be transferred to 173.

180 Furnishings and Equip. - The replacement of existing equipment should be recorded in this account. The original cost of the asset replaced is removed from this account.

185 Autos, Trucks, Buses - Cost of vehicles purchased by the parish. In the case of donated vehicles, the fair market value at the date of the donation should be used.

- Follow the instructions in Section E for the Journal Entry.

E. End of Fiscal Year June 30 Journal Entry

Sample A -Journal Entry

Journal Entry Information					
Entry Number:		390		Date: 6/30/2019	
Comment:		New Ceramic Tile 2019		<input type="checkbox"/> Insert Reversing Journal Entry Into	

#	Account	Debit	Credit	Comment
1	173.000P00: Blds & Improvements A-1-00-173-00	10000.00	0.00	Remodel Bthrm Tile 2019
2	771.000P80: Bldgs & Improvements E-1-80-771-0	0.00	10000.00	Remodel Bthrm Tile 2019
3				
Total:		10,000.00	10,000.00	

Sample B -Capital Expense Account Balance

Account Balance

June 1, 2019 - June 30, 2019

Date	Type	Num	Vendor/Customer	Debits	Credits	Balance	CLR	Comment
771.000P80	Bldgs & Improvements			E-1-80-771-000				
						0.00		
06/03/19	Paid Bill		A&L A & L FLOORS, INC. 1234	5,000.00	0.00	5,000.00		New Ceramic tile Bathroom
06/12/19	Paid Bill		AL 1234 A & L FLOORS, INC.	5,000.00	0.00	10,000.00		New Ceramic tile Bathroom
06/30/19	JE		390	0.00	10,000.00	0.00	No	New Ceramic Tile 2019 / Remodel Bthrm Tile 2019
	Net Change:		0.00	10,000.00	10,000.00	0.00		

Sample C –Statement of Financial Position

Statement of Financial Position

June 30, 2019

	Year to Date Balance	Year to Date Change
Assets		
Balance Sheet		
173.000P00 Bldgs & Improvements	3,412,780.12	10,000.00
173.001P00 Bldgs & Improvements	7,812.17	0.00
Balance Sheet Totals:	3,420,592.29	10,000.00
Total Assets:	3,420,592.29	10,000.00

Approvals

July 21, 2021	Executive Director of Parish & School Financial Operations
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