## Overview

Accounts used in these examples:

<table>
<thead>
<tr>
<th>Acct. No.</th>
<th>Name</th>
<th>Account Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1104</td>
<td>Cash in Bank</td>
<td>Asset</td>
</tr>
<tr>
<td>1704</td>
<td>Equipment</td>
<td>Asset</td>
</tr>
<tr>
<td>1709</td>
<td>Accum Depr - Equipment</td>
<td>Asset</td>
</tr>
<tr>
<td>1811</td>
<td>Fixed Asset Clearing</td>
<td>Clearing Account</td>
</tr>
<tr>
<td>2104</td>
<td>Lease Obligation</td>
<td>Liability</td>
</tr>
<tr>
<td>2124</td>
<td>Lease Payable - Due W/In 1 Yr</td>
<td>Liability</td>
</tr>
<tr>
<td>4101</td>
<td>Net Position - Unrestricted</td>
<td>Equity</td>
</tr>
<tr>
<td>549001</td>
<td>Capital Contributions</td>
<td>Transfer</td>
</tr>
<tr>
<td>583300</td>
<td>Inception of Lease</td>
<td>Other Financing Source</td>
</tr>
<tr>
<td>61170</td>
<td>Capitalizable Salary - NB</td>
<td>Expense</td>
</tr>
<tr>
<td>62805</td>
<td>NB Depreciation Expense</td>
<td>Expense</td>
</tr>
<tr>
<td>62805P</td>
<td>NB Depreciation Expense PY</td>
<td>Expense</td>
</tr>
<tr>
<td>62808</td>
<td>NB Loss on Sale Expense</td>
<td>Expense</td>
</tr>
<tr>
<td>628A3</td>
<td>NB Fixed Asset Capital Contr</td>
<td>Transfer</td>
</tr>
<tr>
<td>63105</td>
<td>Construction</td>
<td>Expense</td>
</tr>
<tr>
<td>63198</td>
<td>NB Full Accr Equip Offset</td>
<td>Expense</td>
</tr>
<tr>
<td>69301</td>
<td>Principal - Leases</td>
<td>Expense</td>
</tr>
<tr>
<td>63901A</td>
<td>Principal-Lease Non Budgeted</td>
<td>Expense</td>
</tr>
</tbody>
</table>
1. Capital asset transfers where asset has a net book value (NBV)

Asset background: asset was placed in service 7/1/2015. It has a cost of $21,000, a useful life of 60 months, and a $0 salvage value. The asset was transferred from agency A, fund 02000 to agency B, fund 06000 on 7/1/2018 with $0 monetary consideration.

**Note:** The transfer functionality within AM is ONLY for org transfers. All other transfers require the asset to be retired (by the relinquishing agency) and added (by the receiving agency).

AM generated entries:

**Agency A’s retirement (RET) entry (Entitywide Ledger):**
- Dr. 1709 Accum Depr - Equipment 8,400.00
- Dr. 62808 NB Loss on Sale Expense 12,600.00
- Cr. 1704 Equipment 21,000.00

**Agency B’s addition (ADD) and prior period depreciation (PDP) entries (Actuals Ledger):**
- Dr. 1704 Equipment 21,000.00
- Cr. 63198 NB Full Accr Equip Offset 21,000.00
- Dr. 62805 NB Depreciation Expense *(FY17)* 8,400.00
- Cr. 1709 Accum Depr - Equipment 8,400.00

Manual transfer entry:

Agency A

**Ledger:**

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>

Agency B

**Ledger:**

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Dr.</th>
<th>Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Capital leases where only the asset is added to AM:

Lease background: inception was 1/1/2018; the lease belongs to fund 01100. The underlying asset and total principal lease payments are $12,000; the life of the lease is 48 months.

Entries made to account for the lease inception

Purpose:

Ledger: ________________

Dr. ____________________  _________

Cr. ____________________  _________

Ledger: ________________

Dr. ____________________  _________

Cr. ____________________  _________

AM generated entry when asset is added to AM (Entitywide Ledger):

Dr. 1704 Equipment 12,000.00
Cr. 63198 NB Full Accr Equip Offset 12,000.00

Manual GL cleanup entry for the 63xxx balance:

Ledger: ________________

Dr. ____________________  _________

Cr. ____________________  _________

Monthly payments paid through the AP module (Actuals Ledger):

Dr. 69301A Principal - Leases 250.00
Dr. 69302 Interest - Leases 25.00
Cr. 1104 Cash In Bank 275.00

Fiscal year-end entries:

Reduce the liability for principal payments made:

Ledger: ________________

Dr. ____________________  _________

Cr. ____________________  _________

Reclassify the principal portion due in the next fiscal year:

Ledger: ________________

Dr. ____________________  _________

Cr. ____________________  _________
3. CWIP additions

Project background: started, but not completed, in FY18. In the current year $25,000 was spent out of 01100: $20,000 in purchases and $5,000 in employee time.

AM generated entry for CWIP addition (Entitywide Ledger):
Dr. 1706 Construction Work in Progress 25,000.00
Cr. 1811 Fixed Asset Clearing 25,000.00

Manual GL cleanup entry:

Ledger: ______________________

Dr. ______________________________________________________________________
Cr. ______________________________________________________________________

Spending entries

Outside purchases (made through the AP module):

Ledger: ______________________

Dr. ______________________________________________________________________
Cr. ______________________________________________________________________

Employee time reclassification entry:

Ledger: ______________________

Dr. ______________________________________________________________________
Cr. ______________________________________________________________________
4. CWIP retirements

Project background: started in FY17 and completed in FY18. In the prior year, $25,000 was spent out of 01100: $20,000 in purchases and $5,000 in employee time. In the current year, $10,000 was spent out of 01100.

Purchases made through the AP module (Actuals Ledger):

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>63105 Construction</td>
<td>1104 Cash In Bank</td>
<td>10,000.00</td>
</tr>
</tbody>
</table>

AM-generated entry to retire the CWIP added in the prior year (Entitywide Ledger):

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1811 Fixed Asset Clearing</td>
<td>1706 Construction Work in Progress</td>
<td>25,000.00</td>
</tr>
</tbody>
</table>

AM-generated entry to record the completed asset on AM (Entitywide Ledger):

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1704 Equipment</td>
<td>63198 NB Full Accr Equip Offset</td>
<td>35,000.00</td>
</tr>
</tbody>
</table>

Manual entry

Purpose: ____________________________

Ledger: ____________________________

<table>
<thead>
<tr>
<th>Dr.</th>
<th>Cr.</th>
</tr>
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<tbody>
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**Note:** The transfer functionality within AM is ONLY for org transfers. All other transfers require the asset to be retired (by the relinquishing agency) and added (by the receiving agency).

AM generated entries:

**Agency A's retirement (RET) entry (Entitywide Ledger):**
- Dr. 1709 Accum Depr - Equipment 8,400.00
- Dr. 62808 NB Loss on Sale Expense 12,600.00
- Cr. 1704 Equipment 21,000.00

**Agency B's addition (ADD) and prior period depreciation (PDP) entries (Actuals Ledger):**
- Dr. 1704 Equipment 21,000.00
- Cr. 63198 NB Full Accr Equip Offset 21,000.00
- Dr. 62805 NB Depreciation Expense (FY17) 8,400.00
- Cr. 1709 Accum Depr - Equipment 8,400.00

Manual transfer entry:

**Agency A**
Ledger: Entitywide
- Dr. 628A3 NB Fixed Asset Capital Contr 12,600.00
- Cr. 62808 NB Loss on Sale Expense 12,600.00

**Agency B**
Ledger: Actuals
- Dr. 63198 NB Full Accr Equip Offset 21,000.00
- Cr. 62805 NB Depreciation Expense 8,400.00
- Cr. 549001 Capital Contributions 12,600.00

Asset background: asset was placed in service 7/1/2015. It has a cost of $21,000, a useful life of 60 months, and a $0 salvage value. The asset was transferred from agency A, fund 02000 to agency B, fund 06000 on 7/1/2018 with $0 monetary consideration.
2. Capital leases where only the asset is added to AM:

Lease background: inception was 1/1/2018; the lease belongs to fund 01100. The underlying asset and total principal lease payments are $12,000; the life of the lease is 48 months.

Entries made to account for the lease inception
Record inception of lease (required for governmental funds only):
Ledger: Actuals
Dr. 63198 NB Full Accr Equip Offset 12,000.00
Cr. 583300 Inception of Lease 12,000.00
Ledger: Entitywide
Dr. 583300 Inception of Lease 12,000.00
Cr. 63198 NB Full Accr Equip Offset 12,000.00

AM generated entry when asset is added to AM (Entitywide Ledger):
Dr. 1704 Equipment 12,000.00
Cr. 63198 NB Full Accr Equip Offset 12,000.00

Manual GL cleanup entry for the 63xxx balance:
Ledger: Entitywide
Dr. 63198 NB Full Accr Equip Offset 12,000.00
Cr. 2104 Lease Obligation 12,000.00

Monthly payments paid through the AP module (Actuals Ledger):
Dr. 69301 Principal - Leases 250.00
Dr. 69302 Interest - Leases 25.00
Cr. 1104 Cash In Bank 275.00

Fiscal year-end entries:
Reduce the liability for principal payments made:
Ledger: Entitywide
Dr. 2104 Lease Obligation 1,500.00
Cr. 69301A Principal-Lease Non Budgeted 1,500.00

Reclassify the principal portion due in the next fiscal year:
Ledger: Entitywide
Dr. 2104 Lease Obligation 3,000.00
Cr. 2124 Lease Payable - Due W/In 1 Yr 3,000.00

Lease background: inception was 1/1/2018; the lease belongs to fund 01100. The underlying asset and total principal lease payments are $12,000; the life of the lease is 48 months.
3. CWIP additions

Project background: started, but not completed, in FY18. In the current year $25,000 was spent out of 01100: $20,000 in purchases and $5,000 in employee time.

AM generated entry for CWIP addition (Entitywide Ledger):
Dr. 1706 Construction Work in Progress 25,000.00  
Cr. 1811 Fixed Asset Clearing 25,000.00

Manual GL cleanup entry (Entitywide Ledger):
Dr. 1811 Fixed Asset Clearing 25,000.00  
Cr. 63198 NB Full Accr Equip Offset 25,000.00

Spending entries

Outside purchases (made through the AP module):
Ledger: Actuals
Dr. 63105 Construction 20,000.00
Cr. 1104 Cash In Bank 20,000.00

Employee time reclassification entry:
Ledger: Actuals
Dr. 63198 NB Full Accr Equip Offset 5,000.00 
Cr. 61170 Capitalizable Salary - NB 5,000.00

4. CWIP retirements

Project background: started in FY17 and completed in FY18. In the prior year, $25,000 was spent out of 01100: $20,000 in purchases and $5,000 in employee time. In the current year, $10,000 was spent out of 01100.

Purchases made through the AP module (Actuals Ledger):
Dr. 63105 Construction 10,000.00 
Cr. 1104 Cash In Bank 10,000.00

AM-generated entry to retire the CWIP added in the prior year (Entitywide Ledger):
Dr. 1811 Fixed Asset Clearing 25,000.00
Cr. 1706 Construction Work in Progress 25,000.00

AM-generated entry to record the completed asset on AM (Entitywide Ledger):
Dr. 1704 Equipment 35,000.00
Cr. 63198 NB Full Accr Equip Offset 35,000.00

Manual cleanup entry
To offset the 63198 balance and to remove the clearing account balance:
Ledger: Entitywide
Dr. 63198 NB Full Accr Equip Offset 25,000.00
Cr. 1811 Fixed Asset Clearing 25,000.00