

PLANT ACCOUNTING: INVESTMENT IN PLANT-
CAPITALIZATION AND ELIMINATION IN CURRENT FUNDS

P-415-3

ACCOUNTING MANUAL

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CAPITALIZATION AND ELIMINATION IN CURRENT FUNDS

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I. INTRODUCTION

Investment in Plant is the title of the group of plant accounts in which the value of the capital assets of the University are recorded. This group comprises one of four main subgroups (per Accounting Manual chapter A-115-1, Account Classification) in the Plant Funds Group. The other three subgroups are discussed in separate Plant Accounting Manual chapters: P-415-5, Retirement of Indebtedness; P-415-8, Unexpended Plant Funds; and P-415-66, Renewals and Replacements.

All four main subgroups are interrelated. Allocations of funds for construction and the associated accounting entries related to bringing an asset to its completed, acceptable stage are recorded in Unexpended Plant Funds. Retirement of Indebtedness Funds consist of any funds set aside to repay indebtedness. Renewals and Replacement Funds are used for replacing capital assets.

This Investment in Plant chapter outlines the procedures required for capitalizing the University's assets and eliminating capital expenditures from Current Funds. Refer to chapters P-415-3.1 for the procedures related to depreciation, and P-415-3.2 for the procedures related to disposals, write-offs and gains and losses (under development).

II. CAPITALIZATION

A. DETERMINING THE VALUE OF CAPITAL ASSETS

- 1) Assets Acquired by Purchase or Construction: An asset that is acquired by purchase or construction is valued at cost.
- 2) Assets Acquired by Gift: Assets acquired by gift are recorded at the appraised value (fair market value) at the date of the gift.

II. CAPITALIZATION

A. DETERMINING THE VALUE OF CAPITAL ASSETS (Cont'd.)

- 3) Assets Acquired by Exchange: Assets acquired by exchange are recorded at either the fair value of the property given in the exchange, or at the appraised value of the property received at the date of the exchange.
- 4) Non-Owned Assets: The University capitalizes non-University-owned assets purchased with federal funds or on loan from a federal source. These assets are valued at cost or at the fair value of the property at the date of the exchange.

B. CAPITAL ASSETS-ACCOUNT GROUP CODES AND CAPITALIZATION THRESHOLDS

Plant expenditures are capitalized into the following general ledger asset Account Group Codes (AGC):

- 1) Real Estate-Campus, AGC 120110
Real Estate-Medical Center, AGC 120120

All costs incurred in the acquisition of property should be capitalized. These include, but are not limited to the purchase price of land, title insurance costs, appraisal costs, and legal costs in situations in which the property is acquired through condemnation.

Real estate should be recorded separately from Buildings and Structures (see discussion of Buildings and Structures below). When the costs of the land and the major structures are not separately listed in the purchase price, estimated amounts should be calculated and recorded in the appropriate asset accounts. However, if land and an existing building are purchased for the purpose of erecting a new building, the cost of the purchased building, as well as the cost of razing it, are to be included as part of the cost of the land.

Real estate acquired for the medical center from sources other than hospital reserves should be

included in the campus general ledger Real Estate account (AGC 120110).

Land acquisition costs that are not capitalized include interest expense and loan fees for purchases financed by borrowed monies.

Real estate must be assigned unique capital asset account numbers (CAAN).

- 2) Buildings and Structures—Campus, AGC 120210
Buildings and Structures—Medical Center, AGC 120220

All costs associated with the construction or purchase of new buildings and structures (including permanently anchored trailers or modular buildings) should be capitalized. These costs should be capitalized when construction projects are 90 percent complete or a certificate of occupancy has been issued.

** The plant accountant should apply the 90 percent completion rule for capitalization judiciously. A project that has been issued a certificate of occupancy for a portion of the project space should be considered for capitalization if the space has been placed in service, even if the total project is less than 90 percent complete. In cases where the project is to be completed in phases over a long period of time, such as the renovation of a building to be completed and place in service one floor at a time over a number of years, capitalization of the cost of each phase as the certificates of occupancy are issued for each completed floor is more appropriate than waiting for 90 percent completion of the entire building renovation.

In cases where the certificate of occupancy applies only to a portion of a building, then only costs associated with that portion should be capitalized. Capital moveable equipment should

II. CAPITALIZATION

B. CAPITAL ASSETS-ACCOUNT GROUP CODES AND CAPITALIZATION
THRESHOLDS (Cont'd.)

not be included in the Buildings and Structures AGC, but should be capitalized in AGC 120480 or 120490 and included on the campus equipment inventory.

Many types of costs may be chargeable to a building project. Items which are ordinarily capitalized include, but are not limited to, the following:

- Preliminary costs such as site clearance, test boring and material testing, blueprints, plans, specifications, and advertising for bids.
- Construction costs such as general construction, heating, ventilating electrical and mechanical work, and interest expense.
- Fixed equipment, i.e., equipment permanently attached or attached in such a manner as to be considered permanent.
- Architects' and engineers' fees, and the cost of supervision and inspection by the campus architect's office.

Costs of \$35,000 or more incurred in connection with significant alterations or structural changes in an existing building that result in greater usefulness, increased efficiency, or the increased life of a building should be capitalized.

Leasehold improvements are additions and modifications to leased space to meet tenant use requirements and are included in the Buildings and Structures AGC. Leasehold improvements of \$35,000 or more are to be capitalized.

Costs that are not generally capitalized include:

- Minor repairs, i.e., normal, regularly recurring expenditures to keep property in an efficient

- Operating condition, neither adding to the value of property, nor prolonging its life.
- Roof replacements (roof replacements which are part of a larger building upgrade or enhancement may be capitalized).
- Costs of moving a department into a building.
- General campus planning and studies that are not related to any specific building or structure.
- Costs incurred on a project that is subsequently abandoned.

Buildings and structures must be assigned individual CAANs by building. When multiple buildings are associated with a real estate purchase, each building must have a unique CAAN. Leasehold improvements must be assigned a CAAN for each leased building (not for each leasehold improvement in each leased building).

- 3) Fixed Equipment—Campus, AGC 120230
Fixed Equipment—Medical Center, AGC 120240

Fixed equipment includes furnishings and equipment which are permanently attached or fastened to the building, but are not themselves structural components (e.g., sterilizers, casework, fume hoods, cold rooms, glassware-washers, counters, laboratory benches bolted to the floor, carpeting, etc.). As a general rule, equipment will not be considered permanently fixed to the structure if it can be removed without costly or extensive alterations or repairs to the building and if the space it occupies could be readily used for other purposes.

II. CAPITALIZATION

B. CAPITAL ASSETS-ACCOUNT GROUP CODES AND CAPITALIZATION THRESHOLDS (Cont'd.)

Fixed equipment does not include permanent coverings (such as paneling or tiling), central air conditioning and heating systems, plumbing and plumbing fixtures (such as sinks and bathtubs), electrical wiring and lighting fixtures, escalators, elevators, or sprinkler systems. These items are building components. In addition, capital moveable equipment should not be included in Fixed Equipment, but should be capitalized in AGC 120480 or 120490 and included on the campus equipment inventory.

Fixed equipment costs may be separately identified or may be included in total Buildings & Structure costs in AGC 120210 or 120220. All fixed equipment costs associated with the construction or purchase of new buildings and structures should be capitalized. Fixed equipment costs of \$35,000 or more that are associated with improvements or alterations in existing buildings should be capitalized.

Fixed equipment costs that are identified separately should be assigned the same CAAN as the building in which the equipment is attached.

- 4) General Improvements—Campus, AGC 120310
General Improvements—Medical Center, AGC 120320

General improvements are improvements that cannot be assigned to a building or structure including:

- Utilities Systems-This includes gas, electric, HVAC, steam, oxygen, chilled water, compressed air, microwave, fuel oil, and fire protection systems that cannot be directly assigned to a building or structure. Costs of all utilities constructed within a building are capitalized as part of the building.
- Telephone and Data Communications-This includes the overall system architecture and cabling.

- Equipment items over the capital threshold of \$5,000 (e.g., routers, switches, etc.) will be identified as inventorial equipment and depreciated based on the appropriate useful life provided in the University Useful Life table.
- Landscaping and Athletic Fields
- Irrigation
- Other Miscellaneous-This includes other general improvements such as signage, fences, decks, fountains, etc.

The capitalization threshold for general improvements is \$35,000..

General improvement costs that are not capitalized include general campus planning and studies that are not related to any specific general improvement; costs incurred on a general improvement project that is subsequently abandoned; and expensed items such as replanting.

General improvements must be assigned unique CAAN numbers.

- * 5) Software > \$5 Million-Campus, AGC 120440
- * Software > \$5 Million-Medical Center, AGC 120450

Software purchase/development costs, including both the external costs necessary to make the software operational and the internal development costs of staff dedicated to the software project will be capitalized when total software project costs are expected to be greater than \$5 million.

Only the following software purchase and/or development costs associated with the application development stage of the project will be capitalized:

- Design of chosen path, including software configuration and software interfaces

- Coding
- Installation to hardware
- Testing, including parallel processing phase

All maintenance, enhancements, upgrades, and training costs will be expensed as incurred.

Project costs include the external costs required to make the software operational (excluding hardware), as well as dedicated internal development staffing costs associated with the application development stage (as described above). These internal development costs include:

- The costs of materials and external services that can be directly attributable to the application development stage of the project;
- Payroll and payroll-related costs (e.g., benefits) for employees who are dedicated to a project; and
- Other costs directly attributable to the application development stage of a project (e.g., travel expenses incurred by staff in their duties directly associated with the project).

* For projects where total costs are expected to be greater than \$5 million, campuses are encouraged to discuss project components with UCOP Financial Management to assure appropriate and consistent treatment.

* For projects expected to \$5 million or less, but
* actual costs exceed \$5 million, the University will not make prior year adjustments to capitalize the internal development costs associated with these projects. In addition, the costs will not be reclassified from one account group code to another (e.g., from 120460 to 120440)

Software should not be recorded on the equipment inventory.

At June 30, campuses are required to capitalize projects or parts of projects that have been completed or reclassify Current Fund expenditures to work in progress accounts that map to Construction in Progress AGCs 120610 (campus) or 120620 (medical center).

- * 6) Software ≤ \$5 Million—Campus, AGC 120460
- * Software ≤ \$5 Million—Medical Center, AGC 120470

Purchased software costs will be capitalized if the software purchase price and associated external costs (e.g., external consultant costs) required to make the software operational are \$5,000 or more per copy. Consolidated software development or acquisition will not be capitalized where the price is less than \$5,000 per copy or installation, even though the total cost of the acquisition is greater than \$5,000.

Example 1: A campus purchases 10 copies of a desktop software application at a price of \$1,400 per copy. Although the total cost is \$14,000, the campus would not capitalize the software.

Example 2: A campus purchases a business application system accessible by 10 users at a cost of \$14,000. In this example, the campus would capitalize the software.

Software costs included with the purchase cost of hardware, that are not separately identified on

the vendor's invoice, will be treated as hardware costs and capitalized as equipment (AGC 120480 or 120490) if the per-item hardware cost (including the software) is \$5,000 or more.

In the case of customized software, only the following software purchase and/or external

II. CAPITALIZATION

B. CAPITAL ASSETS-ACCOUNT GROUP CODES AND CAPITALIZATION
THRESHOLDS (Cont'd.)

development costs associated with the application should be capitalized:

- Design of chosen path, including software configuration and software interfaces
- Coding
- Installation to hardware
- Testing, including parallel processing phase

All maintenance, enhancements, upgrades, and training costs will be expensed as incurred. Annual software license fees and maintenance costs will be expensed, whether the fees are paid monthly or annually. This applies to software "leases" where the University does not own the software, but may operate it for as long as the license/maintenance fees are paid. Licenses where no period is mentioned (i.e., perpetual licenses) are capitalized if the cost per license is \$5,000 or more and the useful life of the license exceeds one year.

- * Except as described in Section II.B.5 above, *Software > \$5 Million*, internal development costs will be expensed as incurred. Campuses may create an object code to record purchased software expenses that are less than \$5,000. However, the object code must roll-up to the appropriate corporate object code for that expense.

Software should not be recorded on the equipment inventory.

- 7) Equipment-Medical Center, AGC 120480
Equipment-Campus, AGC 120490

Campuses will capitalize University-owned Equipment, as well as non-University-owned

equipment purchased with federal funds or on loan from a federal source. Equipment is defined as articles of non-expendable tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Equipment on loan from another UC campus should not be capitalized. Note also that non-University-owned equipment from non-federal entities should not be capitalized.

Non-Inventorial Equipment at Medical Centers

As a result of current Medicare cost reimbursement policies, medical centers may capitalize items that are not considered inventorial according to the University's definition of equipment. Included in the category of non-inventorial items are: standard office furnishings such as open plan furniture; carpeting and window coverings; and medical instruments. These items may be purchased individually or in lump sum; however, no individual item that is considered inventorial with a value over the equipment threshold of \$5,000 should be included in this category. These items should be included on the campus equipment inventory system (calcode F9999) in accordance with the guidelines set forth in Accounting Manual chapter P-415-2, Plant Accounting: Costing and Reconciling Inventorial Equipment Acquisitions.

- 8) Library Materials and Library Collections (Except Rare Books) -Campus Only, AGC 120510

Campuses will capitalize the net value (total annual acquisitions, including gifts, and processing expenditures associated with the preparation of library materials less withdrawals and disposals) for library materials in their general collections in accordance with the procedures prescribed in the Accounting Manual chapter L-316-11, Libraries and Collections: Capitalization.

II. CAPITALIZATION

B. CAPITAL ASSETS-ACCOUNT GROUP CODES AND CAPITALIZATION THRESHOLDS (Cont'd.)

Departmental library materials will not be capitalized.

- 9) Library Rare Books and Rare Collections—Campus Only, AGC 120520

Campuses will capitalize the net value (total annual acquisitions, including gifts, and processing expenditures less withdrawals and disposals) for rare or museum-type books and other rare library collections in accordance with the procedures prescribed in the Accounting Manual chapter L-316-11, Libraries and Collections: Capitalization.

- 10) Construction in Progress (CIP)-Campus, AGC 120610
Construction in Progress (CIP)-Medical Center, AGC 120620

Construction in progress accounts are only used at fiscal year end to report the amount of expenditures for projects that are not yet placed in service and ready to be formally capitalized. The capitalization entry for CIP is reversed in the new fiscal year (see the discussion of the reclassification of significant CIP projects in Section II.D.3.e.iii).

- 11) Intangible Assets-Campus, AGC 120710
Intangible Assets-Medical Center, AGC 120720

Intangible assets are assets associated with goodwill, covenants not to compete, trademarks, patent purchases, etc. Campuses will capitalize intangible assets beginning in the year the assets are acquired. The capitalization threshold for intangible assets is \$35,000.

Campuses will assign unique CAANs to each intangible asset, and all intangible assets will

be recorded and tracked in the campuses' CFSAST files.

12) Infrastructure Assets—Campus, AGC 120810

Infrastructure Assets—Medical Center, AGC 120820

Campuses will capitalize infrastructure assets. Infrastructure assets are defined as long-lived capital assets that cannot be assigned to a building/structure, including:

12) Infrastructure Assets—Campus, AGC 120810.

Infrastructure Assets—Medical Center, AGC 120820

- Roads and pathways
- Parking lots (does not include parking structures) and paved sports courts
- Bridges and tunnels
- Drainage systems
- Water and sewer systems
- Lighting systems (campus road and pathway lighting systems)

Covered structures should not be classified as infrastructure assets, but should be classified as Buildings and Structures (AGC 120210 or 120220).

The capitalization threshold for infrastructure assets is \$35,000.

Infrastructure assets must be assigned unique CAAN numbers.

II. CAPITALIZATION

CAPITAL ASSETS-ACCOUNT GROUP CODES AND CAPITALIZATION
THRESHOLDS (Cont'd.)

13) Special Collections, Excluding Library
Collections-Campus, AGC 120910
Special Collections, Excluding Library
Collections-Medical Center, AGC 120920.

Special collections, e.g., individual items of
art, museum pieces, or scientific items with
acquisition value equal to or greater than \$5,000
per unit will be capitalized.

The value of special collections should be
recorded in the local equipment inventory system
either as individual items, groupings of items,
or as collections in total. Special collections
should be classified as classification code
(calcode) H50XX (Works of Art, Special
Collections and Antiques) reported on the EFA100
file.

C. MID-YEAR CONVENTION

In order to accommodate the procedures necessary to
calculate and report depreciation, the University has
adopted a mid-year convention for selected asset
types. Under the mid-year convention, the University
will calculate a full year's depreciation expense on a
calendar year basis (January 1 through December 31)
and record it on a fiscal year basis (July 1 through
June 30). This convention will provide a reasonable
approximation of a full fiscal year's depreciation
expense.

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The mid-year convention applies to select asset types. The following table summarizes the timing for required capitalization by asset type. The mid-year convention does not apply to Software > \$5 Million, Software ≤ \$5 Million, and Library Materials and Collections (Rare and General). These assets will be capitalized at June 30:

Applying the Mid-Year Convention by Asset Type

Asset Type	Required to Capitalize Balances As Of:	
	Current Fund	Plant Fund
Real Estate	Dec 31 and Jun 30	Dec 31
Buildings and Structures (including Leasehold Improvements)	Dec 31 and Jun 30	Dec 31
Fixed Equipment	Dec 31 and Jun 30	Dec 31
General Improvements	Dec 31 and Jun 30	Dec 31
* Software > \$5M	Jun 30	Jun 30
* Software ≤ \$5M	Jun 30	Jun 30

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Equipment	Dec 31 and Jun 30	Dec 31 and Jun 30
Library Materials & Collections-General	Jun 30	Jun 30
Library Rare Books and Rare Book Collections	Jun 30	Jun 30
Intangible Assets	Dec 31 and Jun 30	Dec 31
Infrastructure Assets	Dec 31 and Jun 30	Dec 31
Special Collections	Dec 31 and Jun 30	Dec 31 and Jun 30

D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30

1. Assets to be Capitalized at December 31

Current Fund and Plant Fund expenditures for the assets listed on the following table must be capitalized at December 31:

Assets to be Capitalized at December 31

Asset Type	Capitalize Activity From:	
	Current Funds ¹	Plant Funds
Real Estate ²	Jul 1-Dec 31	Jan 1-Dec 31
Buildings and Structures (including Leasehold Improvements) ²	Jul 1-Dec 31	Jan 1-Dec 31
Fixed Equipment ²	Jul 1-Dec 31	Jan 1-Dec 31

¹ The December 31 capitalization of Current Fund expenditures for capital assets shown in the above table only includes activity from July 1 through December 31. Current Fund expenditures for activity from January 1 through June 30 are capitalized at June 30 (see Section II.D.2, below).

² If a campus elects to capitalize Plant Fund expenditures in this asset type twice each year, the December 31 capitalization only includes activity from July 1 through December 31, and the June 30 capitalization only includes activity from January 1 through June 30.

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General Improvements ²	Jul 1-Dec 31	Jan 1-Dec 31
Equipment ³	Jul 1-Dec 31	Jul 1-Dec 31
Intangible Assets ²	Jul 1-Dec 31	Jan 1-Dec 31
Infrastructure Assets ²	Jul 1-Dec 31	Jan 1-Dec 31
Special Collections ³	Jul 1-Dec 31	Jul 1-Dec 31

2. Assets to be Capitalized at June 30

Current Fund and Plant Fund expenditures for the assets listed on the following table must be capitalized at June 30:

Assets to be Capitalized at June 30

Asset Type	Capitalize Activity From:	
	Current Funds ⁴	Plant Funds
Real Estate	Jan 1-Jun 30	Capitalize to CIP, if applicable ⁵
Buildings and Structures (including Leasehold Improvements)	Jan 1-Jun 30	Capitalize to CIP, if applicable ⁵
Fixed Equipment	Jan 1-Jun 30	Capitalize to CIP, if applicable ⁵
General Improvements	Jan 1-Jun 30	Capitalize to CIP, if applicable ⁵
* Software > \$5M	Jul 1-Jun 30	Jul 1-Jun 30
* Software ≤ \$5M	Jul 1-Jun 30	Jul 1-Jun 30

³ Equipment (including Special Collections) must be capitalized twice each year: at December 31 and at June 30. The December 31 capitalization includes activity from July 1 through December 31. The June 30 capitalization includes activity from January 1 through June 30.

⁴ The June 30 capitalization of Current Fund expenditures for capital assets only includes activity from January 1 through June 30. Current Fund expenditures for activity from July 1 through December 31 are capitalized at December 31 (see Section II.D.1, above). This does not apply to asset types Software > \$5 million, Software ≤ \$5 million, Library Materials, and Library Rare Collections, which are only capitalized on June 30, and therefore, should include all activities from July 1 through June 30.

⁵ If a campus elects to capitalize Plant Fund expenditures in this asset type twice each year, the December 31 capitalization only includes activity from July 1 through December 31, and the June 30 capitalization only includes activity from January 1 through June 30. If a campus elects to capitalize Plant Fund expenditures in this asset type once each year, then the June 30 expenditures are capitalized as Construction in Progress.

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Equipment ⁶	Jan 1-Jun 30	Jan 1-Jun 30
Library Materials and Collections-General ⁷	Jul 1-Jun 30	Jul 1-Jun 30
Library Rare Books and Rare Book Collections ⁷	Jul 1-Jun 30	Jul 1-Jun 30
Intangible Assets	Jan 1-Jun 30	Capitalize to CIP, if applicable ⁵
Infrastructure Assets	Jan 1-Jun 30	Capitalize to CIP, if applicable ⁵
Special Collections ⁶	Jan 1-Jun 30	Jan 1-Jun 30

⁶ Equipment (including Special Collections) must be capitalized twice each year: at December 31 and at June 30. The December 31 capitalization includes activity from July 1 through December 31. The June 30 capitalization includes activity from January 1 through June 30.

⁷ Library Materials and Collections are generally capitalized only at June 30. However, if the June 30 capitalization is based on estimates, then the capitalization must be updated at December 31 of the following fiscal year to reflect actual expenditures. The December 31 update will be included in the following June 30 balance.

II. CAPITALIZATION

D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30

(Cont'd.)

3. Summary of Capitalization Journal Entries

During the capitalization process at December 31 and/or June 30, each campus will determine the following:

- Expenditures as of December 31 and/or June 30 to be capitalized as Real Estate, Buildings & Structures (including Leasehold Improvements), Fixed Equipment (if not included in Buildings & Structures), General Improvements, Software > \$5 Million, Software ≤ \$5 Million, Equipment, Library Materials (General and Rare Collections), Intangible Assets, Infrastructure Assets, and Special Collections.
- Expenditures to be written-off as non-capital expense.
- Expenditures to be carried forward as Construction in Progress. The Construction in Progress entry is made only at June 30.

a. Capitalization through Unexpended Plant Funds

A preliminary analysis of expenditures from Unexpended Plant funds should be made in order to appropriately allocate them to the assets to which they pertain, and any necessary changes or corrections to the plant asset number should be made at this time. General construction contracts may involve more than one structure or external utility, for example. In such cases, the different assets involved are identified, and architects' and engineers' fees are prorated to the assets as determined by the construction contract. These expenditures are then summarized by the various capital asset account numbers (CAANs). Information on the allocation of costs among different structures and among the various types of assets can be obtained from the campus

architects' and engineers' office by the plant accountant.

The purpose of the analysis is to ensure that all unexpended plant expenditures are appropriately accounted for (expenditures are required to be capitalized as CIP only at June 30). The goal at the end of the fiscal year is to reflect a zero financial balance in the unexpended plant expenditure ledger. Campuses must close out these expenditures against the proper plant reserves. A budget journal entry is prepared to reverse out the appropriations for the amount of expenditures capitalized or written-off.

To close out the unexpended plant expenditures capitalized or written-off, the budget journal entry and financial journal entry should be prepared as follows:

Unexpended Plant

Budget Entry

Dr. Plant Expenditure
X-9XXXXX-0XXXX-9

Cr. Unexpended Plant Fund Balance
X-10XXXX-0XXXX

Financial Entry

Dr. Unexpended Plant Fund Balance
X-10XXXX-0XXXX-2001 (Non-Capitalized)

Dr. Unexpended Plant Fund Balance
X-10XXXX-0XXXX-3610 (Capitalized)

Cr. Plant Expenditures
X-9XXXXX-0XXXX-X-XXXX

II. CAPITALIZATION

D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30 (Cont'd.)

b. Capitalization through Current Funds

For some asset groups (i.e., Buildings & Structures/Fixed Equipment, General Improvements, Infrastructure Assets, Special Collections, and Intangible Assets), campuses may be able to identify annual expenditures in Current Funds by summarizing expenses by object code.

However, other types of Current Fund expenditures may be included in the capitalization of Software, Fabricated Equipment, Library Materials and Collections (e.g., salaries and wages, fringe benefits, materials and supplies, travel, etc.). It will be incumbent on the campuses to determine any additional Current Fund expenditures that are to be included in the capitalization. (See Section IV. below, *Eliminating Capital Expenditures from Current Funds* for more information).

Campuses will record the following entry at year end to eliminate capital expenditures in Current Funds:

Current Funds

Financial Entry

Dr. Current Fund Unexpended Balance (AGC
169XXX; campuses must use transaction
code 0560)
X-119XXX-XXXXX-0560

Cr. Dummy Current Fund Expenditure Account
(by UAS function)/Fund/Object Code
X-XXXXXX-XXXXX-X-XXXX (AGC 300XXX)

c. Capitalization through Renewals and
Replacement Funds

Campuses must close out Renewals and
Replacements expenditure accounts to
Renewals and Replacements Fund Balance
before the June final ledger closes.

Campuses should record the following
entries:

For Capitalized Expenditures—Financial

Dr. Renewals and Replacements Fund Balance
(AGC 139100; campuses must use
transaction code 2300)

Cr. Expenditure/Fund/Sub/Object Code⁸

For Non-Capitalized Expenditures

Dr. Renewals and Replacements Fund Balance
(AGC 139100; campuses must use
transaction code 2301)

Cr. Expenditure/Fund/Sub/Object Code⁸

Refer to Section V, *Renewals and
Replacements* for more information.

d. Capitalization in Investment in Plant Funds

The following capitalization entries apply
to Unexpended Plant, Current and Renewals
and Replacements funds with capitalized
expenditures (see Section II.D.3.a, b, and c
above):

⁸ Campuses may use the following objects as outlined in Section V: 9982, 1982, 8892 or 8092; or may elect to record the entries to the actual object codes used when the expenditures were recorded.

II. CAPITALIZATION

D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30

3. Summary of Capitalization Journal Entries (Cont'd.)

Investment in Plant

Financial Entry

Dr. Asset Account⁹

Cr. Investment in Plant (AGC 129000)
X-10199X-0199X-3XXX¹⁰

e. Construction in Progress (CIP) Entries

(i) CIP-Current Funds

Campuses will record the following reversing entry at June 30 to record CIP expenditures from Current Funds:

Current Funds

Financial Entry (reversing)

Dr. Current Funds Unexpended Balance
(AGC 169XXX)
X-119XXX-XXXXX-0560

Cr. Current Funds Expenditures
X-XXXXXX-XXXXX-X-XXXX

Investment in Plant

Financial Entry (reversing)

Dr. CIP (AGC 120610, campus, or
120620, medical center)
X-101889-0199X

Cr. Investment in Plant Fund Balance
(AGC 129000)

⁹ Asset accounts must map to the account group codes (AGC) provided in Appendix A.

¹⁰ Campuses should select from the list of transaction codes provided in Appendix B.

X-10199X-0199X-3079 (CIP-campus)
or 3179 (CIP-medical center)

(ii) CIP-Unexpended Plant

Campuses will record the following reversing entries at June 30 to record CIP expenditures from Unexpended Plant funds:

Unexpended Plant

Financial Entries (reversing)

Dr. Unexpended Plant Fund Balance-
Construction in Progress
X-101499-01499¹¹ or 01495-3610

Cr. CIP Expenditures
X-9XXXXX-01499 or 01495-X-XXXX

Investment in Plant

Financial Entries (reversing)

Dr. CIP (AGC 120610, campus, or
120620, medical center)
X-101889-0199X

Cr. Investment in Plant Fund Balance
(AGC 129000)
X-10199X-0199X-3679 (CIP-campus)
or 3779 (CIP-medical center)

¹¹ Campuses may elect to use actual fund source and project accounts (instead of dummy account and fund). Fund 01499 used for reserve CIP should be coded unrestricted (restriction code = U) and Fund 01495 should be coded restricted (restriction code = R).

II. CAPITALIZATION

D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30

3. Summary of Capitalization Journal Entries (Cont'd.)

(iii) Reclassification of Significant CIP
Projects

If campuses do not elect to formally capitalize CAAN-based assets as of June 30, campuses will make reversing journal entries to recognize significant capital items from CIP that have been obtained or have come on-line since the previous December that have not been formally capitalized. Reconciliation schedules must be developed and maintained by the campuses to support the reclassification. Campuses will record the following on a reversing journal entry:

Investment in Plant

Financial Entry (reversing)

Dr. Asset Account¹²

Cr. CIP-Campus (AGC 120610), or
Medical Center (AGC 120620)
X-101889-0199X

Dr. Investment in Plant Fund Balance-
CIP (AGC 129000; campuses must use
transaction code 3679 for campus
CIP and 3779 for medical center
CIP)

Cr. Investment in Plant Fund Balance-
By Asset Type¹³ (AGC 129000)

¹² Asset accounts must map to the account group codes (AGC) provided in Appendix A.

¹³ Campuses must use the 3XXX transaction codes provided in the tables in Appendix B.

f. Other Entries—Year-End Accruals

Campuses will record reversing entries at June 30 to accrue progress billings, retentions and other payables related to capital assets. These entries should be completed before proceeding with the capitalization entries described above. The accrual entries are:

Current Funds

Financial Entry (reversing)

Dr. Expenditure X-XXXXXX-XXXXX-X-XXXX

Cr. Accounts Payable-Capital Assets
(AGC 164150)

Unexpended Plant

Financial Entry (reversing)

Dr. Plant Expenditures
X-9XXXXX-XXXXX-X-XXXX

Cr. Accounts Payable-Capital Assets
(AGC 104150)

Renewals and Replacements

Financial Entry (reversing)

Dr. Expenditure X-XXXXXX-XXXXX-X-XXXX

Cr. Accounts Payable-Capital Assets
(AGC 134150)

II. CAPITALIZATION

D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30
(Cont'd.)

4. Data File Submissions to UCOP and Reconciliation
Requirements

a. December 31 Capitalization

Depreciation will be calculated and reported in the University financial statements based on information provided by campuses to UCOP. The reconciliation requirements described in this section are necessary to ensure the integrity and quality of data.

The reconciliation requirements described in this section are required in addition to the normal procedures required during the annual closing process for fixed assets at fiscal year-end.

The specifications for campus file submissions may be found at the following web addresses:

CFSAST Files-

http://www.ucop.edu/irc/campus_specs/cfs/

EFA Files-

http://www.ucop.edu/irc/campus_specs/efa/

(i) Campus General Ledger

The December 31 balances must be reflected in the campus General Ledger as of December 31 or January 31, depending on campus capitalization schedules.

(ii) Asset Data Files and Reconciliation Schedules

Campuses must submit the Corporate Financial System Asset file (CFSAST), the Equipment Inventory file (EFA100), and the Equipment-Facilities Conversion

file (EFA200) to UCOP by the eighth working day of February. In addition, campuses must reconcile the total value of capitalized assets reported in the asset data files to the "as of December 31" values reported in the General Ledger (these values may be reported in the January ledger). Reconciliation schedules will be available each year via FTP on the Corporate Accounting server (see Exhibits A and B for sample reconciliation schedules). The completed reconciliation schedules must be approved by the campus Controller and must be submitted to UCOP in conjunction with the asset data files.

Reconciling items may require adjustments to the data files or the General Ledger. Appropriate adjustments must be made prior to submission of files to UCOP.

Campuses will be required to identify the funding sources for capital assets.

For CAAN-identified assets, funding source information will be identified through the fund number associated with the expenditures and will be preserved in the plant asset file (CFSAST). The required fund source categories are Federally Sponsored, Non-Federally sponsored, and All Other. Fund numbers must map to a valid fund group code (refer to Appendix C.)

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D. CAPITALIZATION PROCEDURES-DECEMBER 31 AND JUNE 30

4. Data File Submissions to UCOP and Reconciliation
Requirements

a. December 31 Capitalization (Cont'd)

(iii) Additional Requirements for Campuses
with Medical Centers

Campuses with medical centers must use
the following asset account group
codes:

Medical Center Asset Account Group Codes

Description	Account Group Code
Real Estate	120120
Buildings & Structures	120220
Fixed Equipment	120240
General Improvements	120320
Equipment	120480
Intangible Assets	120720
Infrastructure Assets	120820
Special Collections	120920

Note: Software is not required to be included in the
December 31 capitalization. A complete list of
medical center account group codes is included
in Appendix A.

Campuses must ensure that the balances
in these account group codes are
reconciled to the medical centers'
General Ledgers as of December 31 and
that the differences are reviewed and
resolved by the campus Controller and
the medical center Chief Financial
Officer. In addition, the accounts
should be included in the
reconciliation of the CFSAST and the
EFA100 to the campus General Ledger.

b. June 30 Capitalization

Asset data files and reconciliation schedules are not required to be submitted to UCOP for the June 30 capitalization.

III. ASSET TRANSFER

To transfer assets between asset types (i.e., intracampus transfers, for example from Buildings & Structures to General Improvements at the same campus) or between campuses (i.e., intercampus transfers, for example a transfer of Equipment between the Berkeley and San Diego campuses), the following entries should be made:

Investment in Plant

Financial Entry

Transferring Campus¹⁴

Dr. Investment in Plant Fund Balance--By Asset Type¹⁵
(AGC 129000)

Cr. Asset Account¹⁶

Receiving Campus¹⁴

Dr. Asset Account¹⁶

Cr. Investment in Plant Fund Balance--By Asset Type¹⁵
(AGC 129000)

¹⁴ For intracampus transfers, transferring campus and receiving campus will be the same.

¹⁵ Campuses must use the appropriate transfer transaction codes provided in the tables in Appendix D.

¹⁶ Campuses must use the appropriate asset account group codes provided in the table in Appendix A.

IV. ELIMINATING CAPITAL EXPENDITURES FROM CURRENT FUNDS

Although campuses record most construction and renovation activity in the Plant Funds, some capital asset expenditures (e.g., deferred maintenance capital expenditures, Equipment, Library Materials and Collections, Software) are recorded in Current Fund accounts. Depreciation reporting will require Current Fund capital asset expenditures to be transferred from Current Funds to Plant Funds to ensure their appropriate accounting treatment and reporting in the financial statements (see also Accounting Manual chapter P-415-1, Capitalization of Expenditures Made from Current Funds). Without eliminating capital assets expenditures in Current Funds, the University, in effect, would be expensing assets twice: once at acquisition in the Current Fund and again as depreciation expense in the Plant Fund.

Capital expenditures in Current Funds, including asset-related costs (e.g., salaries and wages, fringe benefits, materials and supplies, etc.), are not eliminated from Current Funds until June 30, regardless of whether a December 31 capitalization occurred.

Campuses are not required to eliminate capital expenditures in Current Funds by department and by fund. However, campuses should eliminate capital expenditures in Current Funds in summary form by function by fund group. Campuses will use the Investment in Plant capitalization amounts to determine the total Current Fund expenditures to be eliminated. For various reasons, the amount eliminated may not tie exactly to the object codes which have been established for equipment and other capitalizable expenses. For example, Library Materials and Library Collections are capitalized net of disposals, and the elimination from Current Funds will reflect only the net, not the cost of new acquisitions. Any difference will be reported in the Operating Expenses section of the statement of revenues, expenses and changes in net assets.

See Exhibit C for a sample worksheet to determine the amounts of annual capital expenditures to be eliminated from Current Funds.

A. GENERAL APPROACH

1. Account Numbers

Campuses will establish one dummy account for each function to record the reversal of capital expenditures recorded in Current Funds.

2. Uniform Accounting Structure Codes

UCOP has assigned the following Uniform Accounting Structure (UAS) codes to be used to offset capital expenditures in Current Funds:

UAS Codes

Description	UAS Code
Instruction	400235
Research	440235
Public Service	620235
Academic Support	430235
Medical Centers	420235
Student Services	680235
Institutional Support	720235
Operations & Maintenance of Plant	640235
Auxiliaries	760235

3. Fund Numbers

Campuses may use the following "dummy" funds that were suggested by UCOP for use in accruing compensated absence expenses. Campuses may assign different fund numbers locally.

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IV. ELIMINATING CAPITAL EXPENDITURES FROM CURRENT FUNDS

A. GENERAL APPROACH

3. Fund Numbers (Cont'd.)

"Dummy" Fund Numbers	
Fund Type	Dummy Fund No.
General Fund	19990
Tuition & Fees	20399
Federal Government—Appropriations	21099
Federal Government—Grants	24999
Federal Government—Contracts	28999
State Contracts	20799
Special State Appropriations	18998
Local Government	20999
Private Gifts—Restricted	49999
Private Grants—Restricted	58998
Private Contracts—Restricted	59999
Private Gifts—Unrestricted	39999
Endowment Fund—Restricted	09597
Endowment Fund—Unrestricted	09598
Sales & Service—Educational Activities	65999
Sales & Service—Auxiliary Enterprises	74998
Sales & Service—Teaching Hospitals	63999
Other Sources	69997
Reserves	75999

4. Object Codes for Year-End Credit Entries

There are specific object codes to be used with the credit entries to reverse capital expenditures from Current Funds. Campuses may record the credit to the Capitalized Expenditures object code only, unless there are known, significantly material amounts that were capitalized from Salaries and Wages, Fringe Benefits, or Other.

Object Codes for Year-End Credit Entries in Current Funds

Description	Object Code
Capitalized Expenditures (Year-End Credit Entry)	9981
Salaries & Wages (Year-End Credit Entry)	1980
Fringe Benefits (Year-End Credit Entry)	8890
Other (Year-End Credit Entry)	8090

B. JOURNAL ENTRY AT JUNE 30

Campuses will record the entry at June 30 to eliminate capital expenditures in Current Funds by UAS function, by fund source, by object code, i.e., 9981, 1980, 8890, 8090 (see Section II.D.3.b., *Capitalization through Current Funds*). The entry should be made in summary for all asset types as shown in the sample schedule in Exhibit C.

The individual expenditure for capitalized assets remains in the department's account and the above entry reverses the expenditure at the higher level, thus Current Fund expenditures for capitalized assets will net to zero. This offset will be shown in the Campus Financial Schedule B at the functional level, and in Schedule C at the end of the schedule, as a total for the campus.

The department's account will close to fund balance, permanently reducing the fund's balance. The debit and credit entries to eliminate capital expenditures will close out to the same dummy fund for a net effect of zero in each dummy fund.

V. RENEWALS AND REPLACEMENTS FUNDS

Campuses may close out their expenditure accounts using dummy accounts and funds, by function, by fund source at year-end. See Section II.D.3.c., *Capitalization through Renewals and Replacement Funds*, for the journal entry.

V. RENEWALS AND REPLACEMENTS FUNDS (Cont.'d)

There are specific object codes for use with Renewals and Replacements funds when closing out expenditures. Campuses may record the credit to the capitalized expenditures object code only or choose to record the credit to each object code based on actual expenditures. Campuses have the option to use the following object codes:

Object Codes for Year-End Credit Entries in Renewals and Replacements Funds

Description	Object Code
Elimination-Capitalized Expenditures (Year-End Credit Entry)	9982
Elimination-Salaries & Wages (Year-End Credit Entry)	1982
Elimination-Fringe Benefits (Year-End Credit Entry)	8892
Elimination-Other (Year-End Credit Entry)	8092

VI. REFERENCES

Letters and Memoranda

AICPA Statement of Position (March 4, 1998)

GASB Statement No. 34, Issue Resolution Memoranda (including related addenda): 1, 2, 5, 6, 7, 8, 10, 11, 15, 16, 17, 18, 21, 22, 125, 150

** Vice President A. C. Broome, Letter to Chancellors on Changes to the University's Definition of Equipment); April 7, 2004

** Vice President A. C. Broome, Letter to Vice Chancellors--Administration, Budget and Planning Directors and Vice Chancellors--Research on Implementation Plan - Changing the University's Definition of Equipment, April 7, 2004

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Accounting Manual Chapter:

- A-115-2 Accounting Codes: General Ledger
- A-115-3 Accounting Codes: Transaction Codes for
Fund Balances Accounts
- L-316-11 Libraries and Collections: Capitalization
- P-415-1 Capitalization of Expenditures Made from
Current Funds
- P-415-2 Plant Accounting: Costing and Reconciling
Inventorial Equipment Acquisitions
- P-415-3.1 Plant Accounting: Investment in Plant-
Depreciation
- P-415-3.2 Plant Accounting: Investment in Plant-
Disposals, Write-Offs and Gains & Losses
(under development)

Historical note: Original Accounting Manual chapter published 9/1/73. The current version of this chapter, along with new and/or revised chapters P-415-3.1 and P-415-3.2 expand the discussion of the policies and procedures related to Investment in Plant Funds. Revised 10/15/88, 3/1/90, 8/17/90, 3/31/94, 3/31/98, 9/30/99, 6/30/04, 12/31/04, 9/30/09 and 6/30/10; analyst--Jorge Ohy.

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APPENDIX A ASSET ACCOUNT GROUP CODES

Campus asset accounts must map to the account group codes (AGC) provided in the following table:

Asset Account Group Codes—Investment in Plant		
Asset Type	Campus	Medical Center
Real Estate	120110	120120
Buildings & Structures (Including Leasehold Improvements)	120210	120220
Fixed Equipment	120230	120240
General Improvements	120310	120320
* Software > \$5M	120440	120450
* Software ≤ \$5M	120460	120470
Equipment	120490	120480
Library Materials and Library Collections	120510	n/a
Libraryare Books and Rare Book Collections	120520	n/a
Construction in Progress	120610	120620
Intangible Assets	120710	120720
Infrastructure Assets	120810	120820
Special Collections	120910	120920

APPENDIX B CAPITALIZATION TRANSACTION CODES

The following tables list the transaction codes for the capitalization credit entry to Investment in Plant Fund Balance.

**Capitalization Transaction Codes—Transfer from
 Unexpended Plant to Investment in Plant**

	Asset Type	Campus	Medical Center
	Real Estate	3670	3770
	Buildings & Structures (Including Leasehold Improvements)	3671	3771
	Fixed Equipment	3672	3772
	General Improvements	3673	3773
*	Software > \$5M	3674	3774
*	Software ≤ \$5M	3675	3775
	Equipment	3676	3776
	Library Materials and Library Collections	3677	n/a
	Library Rare Books and Rare Book Collections	3678	n/a
	Construction in Progress	3679	3779
	Intangible Assets	3680	3780
	Infrastructure Assets	3681	3781
	Special Collections	3682	3782

Note: The total of the above transaction codes should net to zero with the transaction code 3610—Investment in Plant.

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APPENDIX B CAPITALIZATION TRANSACTION CODES (Cont'd.)

Capitalization Transaction Codes—Transfer from Current Funds to Investment in Plant

Asset Type	Campus	Medical Center
Real Estate	3070	3170
Buildings & Structures (Including Leasehold Improvements)	3071	3171
Fixed Equipment	3072	3172
General Improvements	3073	3173
* Software > \$5M	3074	3174
* Software ≤ \$5M	3075	3175
Equipment	3076	3176
Library Materials and Library Collections	3077	n/a
Library Rare Books and Rare Book Collections	3078	n/a
Construction in Progress	3079	3179
Intangible Assets	3080	3180
Infrastructure Assets	3081	3181
Special Collections	3082	3182

Note: The total of the above transaction codes should net to zero with the transaction code 0560—Current Funds.

**Capitalization Transaction Codes—Transfer from Renewals
and Replacements to Investment in Plant**

	Asset Type	Campus	Medical Center
	Real Estate	n/a	n/a
	Buildings & Structures (Including Leasehold Improvements)	3710	3720
	Fixed Equipment	3711	3721
	General Improvements	3712	3722
*	Software > \$5M	n/a	n/a
*	Software ≤ \$5M	n/a	n/a
	Equipment	3713	3723
	Library Materials and Library Collections	n/a	n/a
	Library Rare Books and Rare Book Collections	n/a	n/a
	Construction in Progress	3714	3724
	Intangible Assets	3715	3725
	Infrastructure Assets	3716	3726
	Special Collections	n/a	n/a

Note: The total of the above transaction codes should net to zero with the transaction code 2300—Renewal and Replacements.

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APPENDIX B CAPITALIZATION TRANSACTION CODES (Cont'd.)

Capitalization Transaction Codes—Other Additions

Asset Type	Campus	Medical Center
Real Estate	1480	1580
Buildings & Structures (Including Leasehold Improvements)	1481	1581
Fixed Equipment	1482	1582
General Improvements	1483	1583
* Software > \$5M	1484	1584
* Software ≤ \$5M	1485	1585
Equipment	1486	1586
Library Materials and Library Collections	1487	n/a
Library Rare Books and Rare Book Collections	1488	n/a
Construction in Progress	n/a	n/a
Intangible Assets	1489	1589
Infrastructure Assets	1490	1590
Special Collections	1491	1591

Capitalization Transaction Codes—Gifts

Asset Type	Campus	Medical Center
Real Estate	1150	1250
Buildings & Structures (Including Leasehold Improvements)	1151	1251
Fixed Equipment	1152	1252
General Improvements	1153	1253
* Software > \$5M	1154	1254
* Software ≤ \$5M	1155	1255
Equipment	1156	1256
Library Materials and Library Collections	1157	n/a
Library Rare Books and Rare Book Collections	1158	n/a
Construction in Progress	n/a	n/a
Intangible Assets	1159	1259
Infrastructure Assets	1160	1260
Special Collections	1161	1261

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APPENDIX C: FUND GROUP CODES

The following tables list valid fund group codes by category, i.e., Federally Sponsored, Non-Federally Sponsored and All Other.

Federally Sponsored Fund Group Codes

Description	Fund Group Code
Plant Funds--Federal	100200
Current Funds--Federal Appropriations	406100
Current Funds--Federal Grants	406210
Current Funds--Federal Contracts	406310

Non-Federally Sponsored Fund Group Codes

Description	Fund Group Code
Plant Funds--Private Grants & Contracts	100700
Current Funds--State Agencies	404210
Current Funds--Local Governments	405210
Current Funds--Private Grants	408300
Current Funds--Private Contracts	408410
Current Funds--Private Clinical Trials	408420

All Other Fund Group Codes

Description	Fund Group Code
Plant Funds--Restricted Gifts	100100
Plant Funds--State Appropriations	100300
Plant Funds--University Funds	100400
Plant Funds--Multi-Campus Borrowings	100510
Plant Funds--Campus Borrowings	100590
Plant Funds--Unrestricted Gifts	100600
All Other Current Fund and Renewal and Replacement Fund Groups Not Listed Above	40XXXX and 41XXXX

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APPENDIX D ASSET TRANSFER TRANSACTION CODES

The following tables list the transaction codes for transferring assets.

**Asset Transfer Transaction Codes—Intracampus Transfers
Between Asset Types or Intercampus Campuses Transfers
(Except for Intercampus Equipment Transfers)**

Asset Type	Campus	Medical Center
Real Estate	4300	4400
Buildings & Structures (Including Leasehold Improvements)	4301	4401
Fixed Equipment	4302	4402
General Improvements	4303	4403
* Software > \$5M	4304	4404
* Software ≤ \$5M	4305	4405
Equipment	4306	4406
Library Materials and Library Collections	4307	n/a
Library Rare Books and Rare Book Collections	4308	n/a
Construction in Progress	n/a	n/a
Intangible Assets	4309	4409
Infrastructure Assets	4310	4410
Special Collections	4311	4411

Note: The total of the above transaction codes should net to zero on a consolidated basis.

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Intercampus Equipment Transfers (Between Campuses)

Asset Type	Campus	Medical Center
Transfer-Equipment To/From Berkeley Campus	5301	n/a
Transfer-Equipment To/From San Francisco Campus	5302	n/a
Transfer-Equipment To/From Davis Campus	5303	n/a
Transfer-Equipment To/From Los Angeles Campus	5304	n/a
Transfer-Equipment To/From Riverside Campus	5305	n/a
Transfer-Equipment To/From San Diego Campus	5306	n/a
Transfer-Equipment To/From Santa Cruz Campus	5307	n/a
Transfer-Equipment To/From Santa Barbara Campus	5308	n/a
Transfer-Equipment To/From Irvine Campus	5309	n/a
Transfer-Equipment To/From San Francisco Medical Center	n/a	5402
Transfer-Equipment To/From Davis Medical Center	n/a	5403
Transfer-Equipment To/From Los Angeles Medical Center	n/a	5404
Transfer-Equipment To/From San Diego Medical Center	n/a	5406
Transfer-Equipment To/From Irvine Medical Center	n/a	5409

Note: The total of the above transaction codes should net to zero on a consolidated basis for intercampus equipment transfers.

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EXHIBIT A SAMPLE CFSAST/GENERAL LEDGER RECONCILIATION WORKSHEET

Reconciliation of 12/31/XX CFSAST to the (insert date) General Ledger per CFS—SAMPLE

Note: This is a sample exhibit. For the current year worksheet, refer to the Excel file provided each year on the FTP server. Enter amounts in shaded areas only. Do not change the amounts or formula in the non-shaded cells.

Campus

Prepared by: (preparer's name and phone number)

[date]

	A 12/31/XX		B New Additions		C Disposals		D Transfers		E (A+B+C+D) Current Year		F 12/31/XX Ending Balance Per CFSAST		G (F-E) Ending Balance Campus		H (insert date) Ending Balance Campus		I (H-F) Ending Balance Medical Center		J (insert date) Ending Balance Medical Center		K (J-H) Difference?	
	Per CFSAST	Type 13 Records	Per CFSAST	Type 13 Records	Per CFSAST	Type 13 Records	Per CFSAST	Type 13 Records	Ending Balance	Calculated	Balance Per CFSAST	Type 12 Records	Difference?	GL	Difference?	GL	Difference?	GL	Difference?	GL	Difference?	
Campus																						
AGC120110—Real Estate—Campus	\$																					NA
AGC120210—Buildings & Structures—Campus																						NA
AGC120230—Fixed Equipment—Campus																						NA
AGC120310—General Improvements—Campus																						NA
AGC120710—Intangible Assets—Campus																						NA
AGC120810—Infrastructure Assets—Campus																						NA
Sub-Total Campus	\$																					NA
Medical Center																						
AGC120120—Real Estate—Medical Center	\$																					
AGC120220—Buildings & Structures—Medical Center																						
AGC120240—Fixed Equipment—Medical Center																						
AGC120320—General Improvements—Medical Center																						
AGC120720—Intangible Assets—Medical Center																						
AGC120820—Infrastructure Assets—Medical Center																						
Sub-Total Medical Center	\$																					
Total	\$																					

Notes:
 1. If transfers do not net to zero, differences must be explained below.
 2. Differences in Columns G, I and K must be explained below or attach a separate sheet for explanation.
 3. Report disposals as negative numbers

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EXHIBIT B SAMPLE EFA100/GENERAL LEDGER RECONCILIATION WORKSHEET

Reconciliation of 12/31/XX EFA100 to the (insert date) General Ledger per CFS—SAMPLE

Note: This is a sample exhibit. For the current year worksheet, refer to the Excel file provided each year on the FTP server.

Enter amounts in shaded areas only. Do not change the formulas in the non-shaded cells.

Campus:

Prepared by: [preparer's name and phone number]

[date]

I. Per Equipment Inventory (EFA 100) File

A. UC Equipment

\$ -

B. Non-UC Equipment Federal Funded

-

C. Non-UC Equipment Non-Federal Funded

-

Total Equipment per Equipment Inventory (EFA100) File

-

II. Per General Ledger per CFS

A. AGC120480—Equipment—Medical Center

-

List account and account title¹

1.

-

2.

-

3.

-

B. AGC120490—Equipment—Campus

-

List account and account title¹

1.

-

2.

-

3.

-

General Ledger Subtotal - Equipment - Medical Center and Campus

-

C. Less Equipment in the Ledger, But Not on the Inventory

-

Paid not Priced Items

-

Other (list account and account title)

1.

-

2.

-

3.

-

D. Add Items on the Inventory, Not Included in Equipment Account Group Codes

-

AGC120910—Special Collections—Excluding Libraries—Campus

-

AGC120920—Special Collections—Excluding Libraries—Medical Center

-

Priced Not Paid Items

-

Non-UC Equipment Non-Federal Funded ²

-

Other (list account and account title)

1.

-

2.

-

3.

-

Adjusted Total Equipment Per CFS

-

III. Equipment Inventory File (EFA100) More (Less) Than General Ledger Per CFS³

-

IV. Per Medical Center General Ledger

-

V. Difference between Medical Center General Ledger and Campus General Ledger⁴

\$ -

Notes:

1 Must tie to general ledger.

2 Must tie to Non-UC Equipment Non-Federal Funded per Equipment Inventory (EFA 100) File.

3 Differences between Equipment Inventory File and General Ledger must be explained on a separate page.

4 Differences between AGC120480—Equipment—Medical Center and equipment recorded on the Medical Center General Ledger must be explained on a separate page.

PLANT ACCOUNTING: INVESTMENT IN PLANT-CAPITALIZATION AND ELIMINATION IN CURRENT FUNDS

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ACCOUNTING MANUAL

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EXHIBIT C:

Worksheet to Determine Total Amount of Capitalized Expenditures to be Eliminated from Current Funds—SAMPLE

Fund Source	Buildings & Structures		General Improvements		Software Greater than \$10 million		Software Less than \$10 million		Equipment (c)		Library Materials and Collections (General)	Library Materials and Collections (Rare)	Construction in Progress	Intangible Assets	Infrastructure Assets	Special Collections	Total Capital Expenditures to be Eliminated																																																																											
	\$	()	\$	()	\$	()	\$	()	\$	()								\$	()	\$	()	\$	()																																																																					
Capitalized from Plant Funds (including Renewals and Replacements)	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()																																																																											
Capital Leases (b)	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()																																																																											
Capitalizations from Gifts	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()	()																																																																											
Total Amount of Current Funds to be Eliminated (a)	\$	()	\$	()	\$	()	\$	()	\$	()	\$	()	\$	()	\$	()	\$																																																																											
<p>(a) An amount in Plant Funds may or may not equal the Current Funds expenditures in object codes 99A.</p> <p>(b) The amount is to include non-capital leases identifying the annual addition to the lease liability may be the most straightforward means to capture new capital leases.</p> <p>(c) Includes capitalized structural equipment expenditure.</p>																																																																																												
<p>Fund Source</p> <table border="1"> <thead> <tr> <th colspan="18">UAS</th> </tr> <tr> <th>Instruction Equipment (b) (OC 9981)</th> <th>Research Equipment (b) (OC 9981)</th> <th>Public Service Equipment (b) (OC 9981)</th> <th>Academic Support Equipment (a) (OC 9981)</th> <th>Medical Centers Equipment (b) (OC 9981)</th> <th>Student Services Equipment (b) (OC 9981)</th> <th>Institutional Support Equipment (b) (OC 9981)</th> <th>Operations & Maintenance Equipment (b) (OC 9981)</th> <th>Auxiliary Equipment (b) (OC 9981)</th> <th>Total Equipment (b) (OC 9981)</th> <th colspan="8"></th> <th>Total Equipment (b) (OC 9981)</th> </tr> </thead> <tbody> <tr> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td>\$</td> <td colspan="8"></td> <td>\$</td> </tr> <tr> <td>Tuition & Fees (20399)</td> <td>Federal Government—Appropriations (21099)</td> <td>Federal Government—Grants (24999)</td> <td>Federal Government—Contracts (28999)</td> <td>State Contracts (20799)</td> <td>Local Government (20999)</td> <td>Private Gifts—Restricted (49999)</td> <td>Private Grants—Restricted (58999)</td> <td>Private Contracts—Restricted (59999)</td> <td>Private—Unrestricted (39999)</td> <td>Employment—Restricted (09599)</td> <td>Employment—Unrestricted (09598)</td> <td>Sales & Services—Educational (65999)</td> <td>Sales & Services—Auxiliary (74999)</td> <td>Other Sources (69997)</td> <td>Reserves (75999)</td> <td colspan="2"></td> <td>\$</td> </tr> </tbody> </table>																		UAS																		Instruction Equipment (b) (OC 9981)	Research Equipment (b) (OC 9981)	Public Service Equipment (b) (OC 9981)	Academic Support Equipment (a) (OC 9981)	Medical Centers Equipment (b) (OC 9981)	Student Services Equipment (b) (OC 9981)	Institutional Support Equipment (b) (OC 9981)	Operations & Maintenance Equipment (b) (OC 9981)	Auxiliary Equipment (b) (OC 9981)	Total Equipment (b) (OC 9981)									Total Equipment (b) (OC 9981)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$									\$	Tuition & Fees (20399)	Federal Government—Appropriations (21099)	Federal Government—Grants (24999)	Federal Government—Contracts (28999)	State Contracts (20799)	Local Government (20999)	Private Gifts—Restricted (49999)	Private Grants—Restricted (58999)	Private Contracts—Restricted (59999)	Private—Unrestricted (39999)	Employment—Restricted (09599)	Employment—Unrestricted (09598)	Sales & Services—Educational (65999)	Sales & Services—Auxiliary (74999)	Other Sources (69997)	Reserves (75999)			\$
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Note 1: The total amount of Current Funds to be eliminated must be allocated by UAS, by fund source, by year-end credit entry object code. The allocation to UAS and fund source may be based on an analysis of Current Fund expenditures.

Note 2: Allocation may be made entirely to the equipment object code (9981) unless significant and material costs in other object codes (relatives and wages, fringe benefits, and other) are known.