

ACCOUNTING FOR TRANSFER OF ASSETS

In the government-wide statements of activities, capital assets moved or transferred between government activities and business-type activities are reported as TRANSFERS. Because government fund type accounts focus on current financial resources, no entry is made at the fund level, but is recorded at the Government-Wide Financial Statement level. Capital assets transferred between funds or between financial reporting entity components should be transferred at their current carrying value, both the original cost and accumulated depreciation amounts will transfer (net book value). Capital assets transferred FROM the general government (governmental activities) to a proprietary fund (Enterprise -business type activities) is reported as a CAPITAL CONTRIBUTION in the Proprietary Fund's operating statement.

EXAMPLE 1: TRANSFER CAPITAL ASSET FROM A GOVERNMENTAL FUND TO A PROPRIETARY FUND			
1-a	Entry in the GWFS	DEBIT	CREDIT
	Transfer Out	XXX	
	Accumulated Depreciation	XXX	
	Capital Asset		XXX
	To remove Capital Asset transferred from Governmental Fund		
1-b	Entry in the Proprietary Fund	DEBIT	CREDIT
	Capital Asset	XXX	
	Accumulated Depreciation		XXX
	Capital Contribution		XXX
	To add transferred Capital Asset from the governmental fund to the Proprietary Fund		
EXAMPLE 2: TRANSFER OF CAPITAL ASSET FROM A PROPRIETARY FUND TO A GOVERNMENTAL FUND			
2-a	Entry in the GWFS	DEBIT	CREDIT
	Capital Asset	XXX	
	Accumulated Depreciation		XXX
	Transfer In		XXX
	To add capital to the Governmental fund transferred from Proprietary Fund		
2-b	Entry in the Proprietary Fund	DEBIT	CREDIT
	Accumulated Depreciation	XXX	
	Transfer Out	XXX	
	Capital Assets		XXX
	To remove capital asset transferred from a proprietary fund to a GWFS		