

Exempt

COFRS ACCOUNTING MODEL Disposal of Assets

*Used throughout the year to record the disposal assets.
This presentation must be achieved at fiscal year-end.*

*Authoritative Source(s): The Higher Education Financial Advisory Committee (FAC)
GASB Statements No. 34 and 35
AICPA College Audit Guide
NACUBO Farm Manual*

Examples of Disposals

Fully Depreciated Asset							
Original Cost		\$100,000					
Accumulated Depreciation		\$100,000					
Book Value		\$0					
Description	Fund/Agency	APPR	Program	AcctType	BSA/RSC/OBJ	Debit	Credit
Accumulated Depreciation	320/Gxx			01	18xx	\$100,000	
Asset (disposed asset)	320/Gxx			01	18xx		\$100,000
To remove from the books asset disposed of that is fully depreciated AND no money was received from disposal.							

Asset With Book Value - Gain on Disposal/Sale of Asset							
Original Cost		\$100,000					
Accumulated Depreciation		\$70,000					
Book Value		\$30,000					
Cash Received		\$35,000					
Gain on Disposal/Sale		\$5,000					
Description	Fund/Agency	APPR	Program	AcctType	BSA/RSC/OBJ	Debit	Credit
Accumulated Depreciation	320/Gxx			01	18xx	\$70,000	
Cash	320/Gxx			01	1100	\$35,000	
Asset (disposed asset)	320/Gxx			01	18xx		\$100,000
Gain/Loss on Disposal of Assets	320/Gxx	NAP	11XX/19XX	31	6501		\$5,000
To remove from the books asset disposed of, record cash received and to record gain on disposal.							

Asset With Book Value - Loss on Disposal/Sale of Asset							
Original Cost		\$100,000					
Accumulated Depreciation		\$70,000					
Book Value		\$30,000					
Cash Received		\$25,000					
Loss on Disposal/Sale		(\$5,000)					
Description	Fund/Agency	APPR	Program	AcctType	BSA/RSC/OBJ	Debit	Credit
Accumulated Depreciation	320/Gxx			01	18xx	\$70,000	
Cash	320/Gxx			01	1100	\$25,000	
Gain/Loss on Disposal of Assets	320/Gxx	NAP	11XX/19XX	31	6501	\$5,000	
Asset (disposed asset)	320/Gxx			01	18xx		\$100,000
To remove from the books asset disposed of, record cash received and to record loss on disposal.							