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To be used by Exempt and Non-Exempt Institutions.

Use Fund 320* when 100% of the institution qualifies as a TABOR designated enterprise, use Fund 305* when the institution does not qualify for Enterprise status. However, if the institution is not an enterprise they must still use fund 320* for any enterprise specific activity.

CORE ACCOUNTING MODEL

Asset Impairment with Insurance Recoveries

Used to record insurance recoveries on impaired assets. This model assumes the impairment is significant and meets the GASB 42 requirements. Insurance recoveries on impairments in the current year offset Impairment Loss. Insurance recoveries on impairments from prior years are recorded as revenue without offset. Assume restoration costs extend the asset life and are considered capitalizable. Insurance recoveries may be more or less than the expense incurred. The recovery is independent of the valuation.

Authoritative Source(s):

*The Higher Education Policy Setting Group (HEP)
 Fiscal Procedures Manual Chapter 4, section 2, (2.10 and 2.11)
 GASB Statement 42*

Ln #	Description	General Information Tab			Fund Accounting Tab						Detail Accounting Tab	
		Posting Code	Debit Amount	Credit Amount	Fund	Dept	BSA	Revenue	Object	Appr	Function	Reporting

WRITE DOWN IMPAIRED ASSET

1	Gain/Loss On Impairment Of Capital Asset	XR02	\$ 1,000 ²		305* or 320*	G**A		6504 ¹		GC***NAP0	1900	
2	Furniture and Equipment	A016		\$ 1,000	305* or 320*	G**A	1840					

RECORD EQUIPMENT RESTORATION COSTS

3	Other Capital Equipment- Direct Purchase	XD04	\$ 2,000		305* or 320*	G**A			6280	GC***NAP0	1100 or 1900	
4	Operating Cash	A001		\$ 2,000	305* or 320*	G**A	1100					

CAPITALIZE EQUIPMENT RESTORATION COSTS

5	Furniture and Equipment	A016	\$ 2,000		305* or 320*	G**A	1840					
6	Higher Education Capitalization Clearing	XD04		\$ 2,000	305* or 320*	G**A			6610	GC***NAP0	1900	

ELIMINATE PURCHASE IN OPERATING FUND AND HE CAPITALIZATION EXPENSE CODE

7	Higher Education Capitalization Clearing	XD04	\$ 2,000		305/320 or 399*	G**A			6610	GC***NAP0	1900	
8	Other Capital Equipment- Direct Purchase	XD04		\$ 2,000	305/320 or 399*	G**A			6280	GC***NAP0	1100 or 1900	

RECORD THE PORTION OF INSURANCE PROCEEDS IF RECEIVED IN THE SAME YEAR AS IMPAIRMENT

9	Operating Cash	A001	\$ 1,200		305* or 320*	G**A	1100					
10	Insurance Recovery- Current Year	XR02		\$ 1,200	305* or 320*	G**A		5860 ¹		GC***NAP0	1100 or 1900	

RECORD THE PORTION OF INSURANCE PROCEEDS IF RECEIVED IN THE FISCAL YEAR FOLLOWING THE IMPAIRMENT

11	Operating Cash	A001	\$ 1,200		305* or 320*	G**A	1100					
12	Insurance Recovery- Previous Years	XR02		\$ 1,200	305* or 320*	G**A		5861		GC***NAP0	1100 or 1900	

¹ Revenue Account 5860 and 6504 are reported in the same line on the financial statements.

² If the event is significant and meets the impairment tests defined in GASB 42, the accounting must comply with measurement methods defined in GASB 42. This includes the Restoration Approach, Service Units Approach, or the Deflated Depreciation Replacement Cost Approach.

* Wildcard representing the unique fund for each governing board, indicated by adding the second digit of the Governing Board Department code to the Fund Number, for example, CU's department code is **GFAA**, the fund CU operates in is **320F**.

** Wildcard in the Department Code representing the Governing Board and Institution. Example **GFEA**, Governing Board (**F**), Campus (**E**) for University of Colorado Denver.

*** Wildcard representing the three digit Funding Source Code for each Appropriation Unit.