

Coding Tip of the Month, September 2018

School Food Service Capital Equipment Purchases

There are two types of capital equipment purchases for the school lunch program. Equipment purchased using CO fund & contributed to the school lunch program or purchased directly from the food service fund.

- Equipment purchased from the Capital Outlay Fund and contributed to the food service fund would use the following entries:

To record the purchase of the equipment:

Debit 21 256# 000 549 (expenditure line item)

Credit 21 101 (cash account)

To add the equipment to the food service capital asset listing:

Debit 51 204 (GL Machinery & Equipment account)

Credit 51 5170 (contributed capital other financing source revenue acct)

- Equipment purchased directly from the Food Service Fund would use the below entry:

To record the purchase of the equipment:

Debit 51 204 (GL Machinery & Equipment account)

Credit 51 101 (cash account)

To reclassify the value to the Investment Capital Assets:

Debit 51 708 (GL Unrestricted Net Position)

Credit 51 706 (GL Investment in Capital Assets)

- Equipment purchased with the assistance of a Food Service Equipment grant directly through the Food Service Fund:

To record the purchase of the equipment:

Debit 51 205 (GL Machinery & Equipment-Federal Assistance acct)

Credit 51 101 (cash account)

To reclassify the amount of Investment Capital Assets in the Total Fund Equity:

Debit 51 708 (GL Unrestricted Net Position)

Credit 51 706 (GL Investment in Capital Assets)

To record federal reimbursement received for the grant:

Debit 51 101 (cash account)

Credit 51 4151 ### (Other federal through state revenue)