

Coding Tip of the Month, November 2015

School Food Service Capital Equipment and Depreciation Entries

There are two types of capital equipment purchases for the school lunch program. Equipment purchased using capital outlay funds and contributed to the school lunch program or purchased directly from the school lunch 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 account)

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

Debit 51 204 (GL Machinery & Equipment account)

Credit 51 101 (cash account)

- Annual depreciation entries in the school food service fund should be coded as follows:

Debit 51 256# 000 910 (expense line item)

Credit 51 208 (GL Accumulated Depreciation Mach & Equip account)