

Overview of GL Accounts for Project/WBS Element Capitalization (Modified Accrual)

October 2021

The purpose of this job aid is to briefly explain how expenditures on WBS elements (WBSE) and Internal Orders (IO) are reclassified from Expenditure GL's to Capital GL's. The following illustrates the activities and corresponding GL accounts for modified accrual. The two-letter codes in parentheses are the FI Doc Types.

Throughout the month, various expenditures post against the WBS Element or Internal Order

Payroll Docs (ZY)	240001	\$5,000		F-xxxxxx-xx-xxx-xx
Goods Receipt (WE)	580001	\$10,000		F-xxxxxx-xx-xxx-xx
Journal Voucher (SA)	430001	\$10,000		F-xxxxxx-xx-xxx-xx



During Period End Closing, Facilities/ITD/Others settle WBS/IO expenditures to AuC which updates the AuC in the Fixed Asset module.

WBS/IO Settlements (Z1)	945001	\$25,000		CC
	580080		<\$25,000>	F-xxxxxx-xx-xxx-xx



Fixed Asset Accounting Unit (FAAU) runs a job to clear contra 580080 & credit original GL's (aka Settlement reversal)

Reclassification (Z5)	580080	\$25,000		CC
	240001		<\$5,000>	CC
	580001		<\$10,000>	CC
	430001		<\$10,000>	CC



FAAU runs depreciation

Depreciation (AF)	620086	\$25,000		CC
	979090		<\$25,000>	CC

NOTE: Depreciation postings summarize the AuC amounts by account string (Fund/Functional Area/Grant/CC); hence, there is not a one-to-one relationship between depreciation postings and settlement postings.

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- Expenditures accumulate on WBS elements and Internal Orders using non-capital general ledger objects

1. Initial Expenditures on Capital WBS or IO	
DR WBSE/IO	CR
1*****	Various (e.g., 958999 GR/IR Clearing)
2*****	
3*****	
4*****	
5*****	

- During the month-end closing process, there are a series of postings that eventually result in crediting the original objects and debiting the capital objects for Assets Under Construction (AuC). NOTE: 580080/620086 is for Buildings and 580081/640096 is for Equipment.

2a. Settlement from WBS/IO to AuC (Z1)	
DR AuC	CR Contra (WBS/IO)
945001 - Buildg	580080
945011 - Equipt	580081

2b. Settlement Reclassification (Z5)	
DR Contra	CR Original GL
580080/580081	1*****
	2*****
	3*****
	4*****
	5*****

2c. Depreciation - AuC (AF)	
DR	CR
620086/640096	979090

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3. The final entries to settle AuC to final asset are as follows:

3a. Settlement from AuC to Final Asset (Z1)	
DR	CR
94****	945001/945011

3b. Depreciation – Final Asset (AF)	
DR	CR
61**** – 65****	979090
979090	620086/640096

3c. Accumulated Depreciation – Final Asset (AF)	
DR	CR
69****	94*5**

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Internal Orders:

- Capital Internal Orders that are not part of a project follow the same flow and procedures as WBS Elements.
 - Capital Internal Order → AuC → Final Asset
- Internal Orders that are part of a Capital Project settle to the Capital WBS Elements unless it's a Districtwide Project.
 - Internal Order → WBS Elements → AuC → Final Asset
- Internal Orders that are part of a Districtwide Capital Project settle to the AuC directly
 - Internal Order → AuC → Final Asset