

Guidelines to Record Capital Spending

Three project codes are included in the chart of accounts to aid in tracking the capital funds spent under this provision. Project code COFT is for expenditures utilizing capital outlay funds, BFFT is for expenditures utilizing building funds and CNFT is for expenditures utilizing construction funds. The expenditures will occur in the appropriate fund and account where that type of expenditure normally would be recorded with the addition of the aforementioned project code to the account giving the ability to track the expenditures with the original funding source. Journal entries will be required to accurately record the transfer of the funds allowed.

Capital Funds for Projects with a BG-1

Capital request forms for funds to be used in a project with an approved BG-1, should be **transferred out** of the capital fund and **transferred in** to the appropriate construction project. This is the same procedure and the same org codes that have been used in the past for capital outlay or building fund monies that were used as a source of funding in a BG-1 construction project. For example, according to which fund the request is for, the org code may be 0003113 (for 310 expenditures) or 0003213 (for 320 expenditures). The object code is 0910 – Fund Transfers Out. This does not change the current process for capital fund transfers for debt service payments.

Capital Funds for Operating Expenses

To standardize how other expenditures on approved Capital Request Forms should be recorded, please refer to the following examples. Although the individual example shows a particular capital fund, the same methodology would apply for any other capital fund.

Example A: Expenditures already posted to capital outlay for property insurance and approved for \$100,000 on capital request form, with only \$50,000 actually spent in FY 2018. Only the actual expenditure amount of \$50,000 is transferred and recorded as an expenditure and not the maximum approved amount of \$100,000 itself.

ORIGINAL ENTRY		
Debit	0003186-0522	\$50,000
Credit	31-6101	\$50,000

ENTRY TO MOVE EXPENDITURE		
Debit	0001087-0522-COFT	\$50,000
Credit	0003186-0522	\$50,000
Debit	31-6101	\$50,000
Credit	10-6101	\$50,000

ENTRY TO POST TRANSFER OF FUNDS		
Debit	0003113-0910-COFT	\$ 50,000
Credit	110-5210-COFT	\$ 50,000
Debit	10-6101	\$ 50,000
Credit	31-6101	\$ 50,000

Example B: \$8,000 expenditure for roof repair at school 020 posted to general fund. CFR approved for \$8,000 for roof repair. District uses \$8,000 from building fund to “reimburse” general fund for the original expenditure.

ORIGINAL ENTRY		
Debit	0201087-0438	\$8,000
Credit	10-6101	\$8,000

ENTRY TO MOVE EXPENDITURE		
Debit	0201087-0438-BFFT	\$8,000
Credit	0201087-0438	\$8,000

in same fund - no cash effect

ENTRY TO POST TRANSFER OF FUNDS		
Debit	0003213-0910-BFFT	\$8,000
Credit	110-5210-BFFT	\$8,000
Debit	10-6101	\$8,000
Credit	32-6101	\$8,000

Example C: CFR approved for \$75,000 for buses. District uses \$75,000 from capital outlay fund to purchase a bus and not yet posted.

ORIGINAL ENTRY		
No entry yet		

ENTRY TO POST EXPENDITURE		
Debit	9011096-0732-COFT	\$75,000
Credit	10-6101	\$75,000

ENTRY TO POST TRANSFER OF FUNDS		
Debit	0003113-0910-COFT	\$ 75,000
Credit	110-5210-COFT	\$ 75,000
Debit	10-6101	\$ 75,000
Credit	31-6101	\$ 75,000

The only other necessary entries would be to adjust the budgets for each fund with budget amendments to reflect the appropriate funds requested in the transfer accounts.

For additional instructions on how to record the CFR expenditures and how and when to record escrowing journal entries, please refer to the ***Fiscal YE Processing BGL-2*** document located on the MUNIS Support & Guides webpage at: [Fiscal YE Processing BGL-2](#) under the General Ledger-Year End section and the ***GASB 54 Best Practices*** document located on the Fund Balances, Receipts and Expenditures, Chart of Accounts and Indirect Cost Rates webpage at [GASB 54 Best Practices](#) under the Chart of Accounts section.

CFR Requests

When completing the Capital Funds Request Form provide the MUNIS Object Expenditure Code, MUNIS or Itemized Description, Expenditure Amount Requested, and any FY 2018 Associated BG-1s, if applicable. If the BG-1 has been submitted to KDE's District Facilities Branch but has not been assigned a BG-1 number, please type "**TBD**" (To Be Determined) in the Associated BG-1 # field. Enter the MUNIS codes for the actual expenditures to be made. Do not use "0910 - Fund Transfers Out".

Please note, fiscal years ending in odd numbers (example 2023, 2025 and 2027), all unused capital outlay and building fund balances are escrowed for SFCC. As previously noted, only the actual expenditure amount should be transferred and recorded as expenditure and not the maximum approved amount.