LANT ACCOUNTING: INVESTMENT IN PLANT—
DEPRECIATION
Contents

PLANT ACCOUNTING: INVESTMENT IN PLANT—
DEPRECIATION

I.   INTRODUCTION

Historically, the University did not report depreciation in
its University-wide audited financial statements; however,
University medical centers reported depreciation on their
individual financial statements.

In December 1999, the Government Accounting Standards Board
(GASB) issued Statement No. 35, *Basic Financial Statements—
and Management's Discussion and Analysis—for Public
Colleges and Universities*. The Statement effectively
extended the governmental reporting model required by GASB
Statement No. 34, *Basic Financial Statements—and
Management's Discussion and Analysis—for State and Local
Governments*, to include public colleges and universities.
Depreciation of capital assets is required by these rules.
The University was required to comply with the depreciation
reporting requirements for the fiscal year ended
June 30, 2002.

In addition to the depreciation reporting requirements
prescribed in GASB Statement No. 34 and 35, the University
must consider the requirements of Generally Accepted
Accounting Principles, Generally Accepted Auditing
Standards, Medicare costing rules, OMB Circular A-21, and
the Internal Revenue Code.

This chapter outlines the procedures required for
depreciating the University's assets. Refer to chapter P-
415-3 for the procedures related to capitalizing the
University's assets and eliminating capital expenditures
from Current Funds, and chapter P-415-3.2 for the
procedures related to disposals, write-offs and gains and
losses (this chapter is under development).

II. DEPRECIATION

A. METHODOLOGY

The University will use the straight-line method of
calculating depreciation for financial reporting
purposes.

1. Real Estate

Real Estate will be capitalized, but not
depreciated.

2. Buildings and Structures and Fixed Equipment

Buildings, structures (including permanently
anchored trailers or modular buildings) and fixed
equipment are treated as the same class of assets
for depreciation purposes. Amounts separately
identified as Fixed Equipment will be summarized
by capital asset account number (CAAN) with
amounts identified as Buildings & Structures.

Each building capitalization (including additions
and renovations to existing buildings) will be
tracked and depreciated separately with its own
useful life determined in accordance with one of
the methodologies described below. Depreciation
will be accumulated until the asset is fully
depreciated.

Campuses may elect to survey an individual
building/structure or a specific year's
incremental capitalization in order to determine
the useful life for each surveyed building or
increment. Each year, UCOP will collect override
useful life data for surveyed buildings from
campuses (see Exhibit A for a sample worksheet
provided by UCOP to campuses).

If the useful life of a new building is
determined by a survey, that useful life will be
used to depreciate the initial capitalization
and all future increments for the building
unless later increments by year are surveyed.

I.   DEPRECIATION
     A.   METHODOLOGY
          2.   Buildings and Structures and Fixed Equipment
               (Cont'd.)

               If increments are surveyed, the life determined
               for the increment will be used for calculating
               depreciation on that increment only. All future
               increments for the same building must be
               surveyed.

               "Laboratory" buildings are defined as:

               • Buildings where at least 25 percent of the
                 total assignable square feet (ASF) of the
                 building is dedicated to laboratory space, or

               • Buildings with at least 7,500 ASF of laboratory
                 space.

               Laboratory space is defined using Room Use Codes,
               Program Codes and, where necessary, Department
               Codes as they appear in the annual Facilities
               file (EFA70). Appendix A provides a list of the
               codes that are used to identify laboratory space.
               Campuses may request that additions or deletions
               be made to the Program Codes or Department Codes
               used to define laboratory space by submitting
               requests to UCOP-Costing Policy Analysis at the
               time a building or increment is capitalized
               (refer to chapter P-415-3).

               Laboratory buildings that have not been surveyed
               will be depreciated using a 26 year useful life.
               Buildings not qualifying as laboratory buildings
               that have not been surveyed will be depreciated
               using a 33 year useful life.

          3.   Leasehold Improvements

               The University will depreciate leasehold
               improvements using the applicable default useful
               life for the building (26 years for laboratory
               buildings or 33 years for other buildings) unless
               a useful life override is provided by the campus.

The useful life override for leasehold improvements should normally be the expected remaining years on the lease agreement. The remaining years for the lease agreement should be provided annually when the campus provides useful life override data to UCOP.

4.   General Improvements

Each general improvement capitalization will be tracked and depreciated separately with a 15 year useful life.

*   5)   Software > $5 Million

The University will depreciate the annual incremental additions to these software costs for a period of seven years beginning in the year after the costs are capitalized. Depreciation will be calculated from the aggregated change in General Ledger balances at June 30. After seven years, the costs, along with the accumulated depreciation, will be written off on the local ledger (chapter P-415-3.2 *Disposals, Write-Offs and Gains & Losses is under development*).

*   6)   Software ≤ $5 Million

The University will depreciate incremental additions to software costs for a period of three years beginning in the year after the costs are capitalized. Annual increments for depreciation will be calculated from the aggregated change in the General Ledger balances at June 30. After three years, the costs, along with the accumulated depreciation, will be written off on the local ledger (chapter P-415-3.2 *Disposals, Write-Offs and Gains & Losses is under development*).

II. DEPRECIATION
     A.   METHODOLOGY (Cont'd.)

          7.   Equipment

               The University will capitalize and depreciate
               University-owned capital equipment, as well as
               non-University-owned equipment purchased with
               federal funds or on loan from a federal agency
               (with the exception of equipment classification
               code (calcode) H50XX—Works of Art, Antiques and
               Special Collections which is capitalized, but not
               depreciated).

               Useful lives will be established at the time of
               acquisition and will be based on the
               classification code assigned to the equipment and
               the University-wide useful life table (available
               at http://eulid.ucop.edu/). The useful life
               assigned to an item of equipment will not be
               adjusted, regardless of additions or deletions.
               However, equipment with additions will be
               effectively depreciated over a period of time
               longer than its assigned useful life.

               The following provides an illustration of the
               approach to equipment depreciation:

               • An item of equipment is purchased in October
                 2001 for $50,000 and has a five year useful
                 life. The annual depreciation expense is
                 $10,000.

               • In August 2004, a $20,000 addition is made
                 to the equipment.

               • Although the useful life for the equipment
                 is five years, the equipment will be fully
                 depreciated in six years when the
                 accumulated depreciation equals the
                 acquisition value.

FY	Acquisition Value	Useful Life	UC Reported Depreciation Expense	UC Reported Accumulated Depreciation
2002	$50,000	5	$10,000	$10,000
2003	50,000	5	10,000	20,000
2004	50,000	5	10,000	30,000
2005	70,000	5	14,000	44,000
2006	70,000	5	14,000	58,000
2007	70,000	5	12,000	70,000

Non-Inventorial Equipment at Medical Centers

Medical centers may capitalize items that are not considered inventorial according to the University's definition of equipment. The total annual aggregate value of capitalized non-inventorial items will be recorded in equipment inventory code F9999 and depreciated over a composite life of 15 years (see chapter P-415-2, *Plant Accounting: Costing and Reconciling Inventorial Equipment Acquisitions*). When the non-inventorial equipment has either been disposed or fully depreciated (whichever comes first), the costs, along with the accumulated depreciation, will be written-off by the hospital (chapter P-415.3.2, *Disposals, Write-Offs and Gains & Losses is under development*). This will require communication with the campus equipment management and plant accountant.

8. Library Materials and Collections—General

The University will depreciate general campus library materials and collections using a 15 year useful life. Campus libraries will continue to provide local accounting offices with the expenditures to be capitalized in accordance with guidelines set forth the chapter L-316-11, *Libraries and Collections: Capitalization*.

9. Library Rare Books and Rare Book Collections

Rare or museum-type books and other rare library materials will be capitalized, but not depreciated.

II.   DEPRECIATION
A.   METHODOLOGY (Cont'd.)

10.   Intangible Assets

The University will depreciate intangible assets. The useful life for intangible assets will be determined on a case-by-case basis and reported to UCOP as a useful life override (see Exhibit A for a sample worksheet provided by UCOP to campuses). Unless otherwise specified by the campus in the override useful life file, 40 years will be the default life for all intangible assets.

The following should be guidelines for determining the override useful life reported to UCOP:

- Goodwill may be amortized over periods up to 40 years, depending on the underlying economic substance.

- Covenants not to compete will be amortized over the term of the agreement.

- Purchased patents will be amortized over the lesser of the remaining life of the patent or 17 years, unless it is demonstrated that it should be accelerated.

- Gifts of intellectual property will be amortized a minimum of 8 years (see chapter G-327, *Gifts: Financial Reporting of Gifts of Tangible and Intangible Property*).

When the net book value of the asset reaches zero, the costs, along with the accumulated depreciation, will be written off on the local ledger (chapter P-415-3.2 *Disposals, Write-Offs and Gains & Losses is under development*).

11. Infrastructure Assets

Each infrastructure assets capitalization will be tracked and depreciated separately with a 25 year useful life.

12. Special Collections

Special collections will be capitalized, but not depreciated.

II. DEPRECIATION
     B.   USEFUL LIVES

          The following table summarizes the useful lives by asset
          category.

          Asset Useful Life Summary

Asset Category	Useful Life
Buildings & Structures and Fixed Equipment	
▪ Surveyed buildings/structures	Based on survey and provided to UCOP as a useful life override
▪ Non-surveyed "laboratory" buildings/structures	26 years
▪ Non-surveyed "other" buildings/structures	33 years
Leasehold Improvements	26 or 33 years unless useful life override is provided by campus
General Improvements	15 years
Equipment	2-20 years (refer to University Useful Life Table for equipment[1])
Non-Inventorial Equipment at Medical Centers	15 years
Library Materials and Collections (General)	15 years
Software	
▪ Software and Software Projects ≤ $5 Million	3 years
▪ Software projects > $5 million	7 years
Intangible Assets	40 years unless useful life override is provided by campus
Infrastructure Assets	25 years

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[1] The University Useful Life table for equipment is available at
http://eulid.ucop.edu/

Useful Life Override

Each year, campuses will provide UCOP with the override values for the useful life for selected asset types (see Exhibit A for a sample worksheet provided by UCOP to campuses). Override values may be submitted for the following selected asset types:

- Buildings and structures that were surveyed and determined to have a different useful life than the default values of 26 years for laboratory buildings and 33 years for other buildings.

- Any building capitalized at December 31 that was *not* included in the annual Facilities File (EFA70) should be included with the appropriate useful life.

- Leasehold improvements to buildings and structures determined to have a different life than the default values of 26 years for laboratory buildings or 33 years for other buildings.

- Intangible assets that have a shorter life than the default value of 40 years.

C. DEPRECIATION CALCULATION

The depreciation calculations for the University will be performed by UCOP-Financial Management, using data provided by the campuses. Summarized depreciation data will be returned to the campuses to be recorded in the local General Ledger systems.

The following chart summarizes the types of assets to be depreciated and the corresponding campus interface file that will be used as the source of data. More information about the corporate interface files is available at http://www.ucop.edu/irc/appsys.html.

IV. DEPRECIATION
     C.   DEPRECIATION CALCULATION (Cont'd.)

Source of Campus Data for Depreciation

Asset Category	Corporate Interface File
CAAN-Identified Assets ■ Buildings & Structures (including Fixed Equipment and Leasehold Improvements) ■ General Improvements ■ Intangible Assets ■ Infrastructure Assets	■ CFS Asset File (CFSAST) as of December 31 due the eighth working day of February ■ Facilities Building (EFA71) and Room (EFA70)Files[2], due the tenth working day of December
★ Software > $5 Million ★ Software ≤ $5 Million Library Materials and Collections—General	■ CFS Balances File (CFSBAL) as of June 30 Final due in early August in accordance with the annual closing schedule
Equipment	■ EFA100 and EFA200[3] Files as of December 31 due the eighth working day of February

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[2] Facilities room and building files (EFA70 and EFA71) are used to determine the "laboratory" and "other" buildings designation necessary for the annual depreciation calculation.

[3] Equipment—Facilities Conversion file (EFA200) is also submitted with the Equipment Inventory file (EFA100). The EFA200 is a cross reference file that campuses create to link equipment departments to facilities programs.

1. CAAN-Identified Assets

The annual CFSAST file submission will provide UCOP with the campus data for all CAAN-identified assets, including Buildings and Structures (including Fixed Equipment and Leasehold Improvements), General Improvements, Intangible Assets, and Infrastructure Assets. File specifications are available at http://www.ucop.edu/irc/campus_specs/cfs/.

UCOP will use the CFSAST files to update the CAAN-identified asset depreciation table in order to calculate the current fiscal year depreciation expense and the accumulated depreciation associated with the disposal of CAAN-identified capital assets. Each year, UCOP will provide campuses with the depreciation entries to be recorded in campus General Ledgers by June 30.

a. CFSAST—Record Types

The CFSAST file contains two record types:

• Record Type 12 contains year-end balances for each asset by account and fund. Negative balances should not appear in the CFSAST Type 12 Records and there should be no more than one Type 12 record for a given combination of location1-sublocation-account-fund-CAAN.

   Note: Location 1 indicates the major location or physical campus, e.g., Berkeley = 01, San Francisco = 02. Sublocation indicates whether the account is: local campus (not including local medical center) = 1; systemwide or UCOP = 2; or local medical center = 3.

• Record Type 13 contains transactions for the current fiscal year activity for each asset by account and fund.

IV. DEPRECIATION
     C.   DEPRECIATION CALCULATION
          1.   CAAN-Identified Assets (Cont'd.)

          The Record Type 13 transaction records provide nearly
          all of the data required for updating the CAAN-
          identified asset depreciation table. Asset
          descriptions are provided from the Record Type 12
          balance records.

               b.   CFSAST—Action Code Values

               The Record Type 13 submission includes a two-
               digit data element titled, "Action Code"
               (separate and distinct from "Transaction Codes")
               which is used to identify types of activity. The
               action codes are:

               • 10—New increment/addition

                    Transactions using action code 1X represent
                    new capitalizations and are normally positive
                    amounts (i.e., debit entries to increase asset
                    value). A credit transaction (i.e., a
                    negative amount) is acceptable only to correct
                    a debit transaction made within the same
                    period for the same asset, provided that the
                    net effect for a given location1—sublocation—
                    asset type—fund source—CAAN is either a debit
                    or zero. If the net effect is a credit (e.g.,
                    posting a correction to an over-capitalization
                    from the prior period), then action code 2X
                    must be used for the credit transaction.
                    (Refer also to the Correcting
                    Overcapitalizations section below.)

               • 20—Disposal

                    Transactions using action code 2X represent
                    reductions in capitalized value and are
                    normally negative amounts (i.e., credit
                    entries to decrease asset value). A debit
                    transaction (i.e., a positive amount) is
                    acceptable only to correct a

credit transaction made within the same period for the same asset, provided that the net effect for a given location1—sublocation—asset type—fund source—CAAN is either a credit or zero. If the net effect is a debit, then action code 1X must be used for the debit transaction. (Refer also to the *Correcting Overcapitalizations* section below.)

- 30—Intercampus transfer (Sending campus)

  Transactions using action code 30 represent transferring assets <u>to</u> another campus and must be negative amounts.

- 40—Intercampus transfer (Receiving campus)

  Transactions using action code 40 represent transferring assets <u>from</u> another campus and must be positive amounts.

- 50—Transfer/adjustment within a campus (i.e., changes to a sub-location, funding source, asset type, asset sub-type and/or CAAN)

  Transactions using action code 50 represent movements of capitalized values within one campus and are reported as positive amounts in the Record Type 13 record. The action code 50 record provides the amount to be deducted from the incorrect sub-location, funding source, asset type, asset sub-type and/or CAAN, and the amount to be added to the correct sub-location, funding source, asset type, asset sub-type and/or CAAN. (Refer also to the *Correcting Overcapitalizations* section below.)

The above action code values provide the level of detail required for capturing data for depreciation purposes. Campuses may wish to record at a lower level of detail in their local systems and transmit this data to

IV.   DEPRECIATION
    C.   DEPRECIATION CALCULATION
        1.   CAAN-Identified Assets (Cont'd.)

            UCOP. However, all increments will be
            aggregated to the level of the first position
            of the action code (e.g., action code 11 will
            be read and retained by the depreciation system
            as an action code 10). The optional action
            code values are for new increments or disposals
            only:

            • New Increments (will be read and retained as
              action code 10 in the depreciation system):

                11 Financed from Plant Funds

                12 Financed from Current Funds

                13 Gifts

                14 Adjustments and other

            • Disposals (will be read and retained as
              action code 20 in the depreciation system):

                21 Sale of the asset

                22 Demolition of asset

                23 Other

        c.   CFSAST—Correcting CAAN Overcapitalizations

            Overcapitalizations may be corrected in the
            CFSAST file using the following guidance:

            • Corrections made in the current reporting
              period (i.e., both the erroneous entry and the
              correcting entry are contained in the same
              CFSAST file):

                The overcapitalization entry will appear as a
                debit amount (positive amount) using action
                code 10, additions. The correcting entry

should appear as a credit amount (negative amount) also using action code 10. As a reminder, campuses are permitted to report transactions with credit amounts using action code 1X as long as the net amount of action code 1X for a given location-sublocation-asset type-fund source-CAAN is zero or greater.

- *Corrections made to a prior reporting period where amounts should not have been capitalized at all:*

  Given the University's policy of capitalizing at 90 percent completion (leaving a 10 percent cushion in which potential overcapitalizations may be absorbed) or when a certificate of occupancy has been issued, overcapitalizations of this nature are not expected to be material in relation to the amounts properly capitalized. The correcting entry should use action code 2X, disposals. Optionally, if the correcting entry is being made in the same reporting period as a new addition to the same location1-sublocation-asset type-fund source-CAAN, the campus may offset the correction against the new addition using action code 1X, additions, as long as the net dollar amount of the action code 1X is zero or greater. If the amount of the correction is greater in magnitude than the new addition, the campus should report the net credit amount using action code 2X.

- *Corrections made to a prior reporting period where amounts were properly capitalized, but to the wrong location1, sublocation, account, fund, or CAAN:*

  The correcting entry should use action code 50, transfers. The transfer is FROM the incorrect location-sublocation-account-fund-CAAN and TO the correct location-sublocation-account-fund-CAAN.

II. DEPRECIATION
    C.   DEPRECIATION CALCULATION
        1.   CANN-Identified Assets
            c.   CFSAST-Correcting CANN Overcapitalizations
                    (Cont'd.)

                    Note on timing assumptions: CAAN-identified
                    assets are stored as increments by year of
                    capitalization. Disposals are processed on a
                    FIFO (first in, first out) basis. Transfers
                    out of CAAN-identified assets are processed on
                    a LIFO (last in, first out) basis.

        2.   Equipment

                UCOP will use the EFA100 files submitted by campuses
                to build a database to compare to the prior fiscal
                year's equipment depreciation table. The comparison
                will identify the data needed to build the current
                year Equipment depreciation table. The comparison,
                based on property numbers, will identify:

                • Additions—items of equipment not found in the
                  prior year's table;

                • Deletions—items of equipment found in the prior
                  year's table, but not in the current year's
                  file;

                • Changes—items of equipment found in the prior
                  year's file that have differences in the current
                  year's file, including: transfers from one
                  campus to another; transfers from campus to
                  medical center (or vice versa); change in
                  funding source; or change in the acquisition
                  cost.

                UCOP will use the results of the comparison to
                create the current fiscal year Equipment
                depreciation table in order to calculate the current
                fiscal year depreciation expense and the accumulated
                depreciation associated with the disposal of capital
                equipment. Each year, UCOP will provide campuses
                with the depreciation

entries to be recorded in campus General Ledgers by
June 30.

File specifications are available at:

http://www.ucop.edu/irc/campus_specs/efa/.

3. Miscellaneous Assets

UCOP will use the CFSBAL file to identify the annual
increments to be depreciated for the following asset
types:

* Library Materials and Collections—General

* * Software > $5 Million

* * Software > $5,000 and ≤ $5 Million

The CFSBAL file is submitted monthly by the campuses,
but depreciation data for the above asset types will
be captured once a year, using June 30 balances in
the June Final cycle. The University will report
depreciation calculated from prior year capitalized
expenditures (i.e., depreciation calculated using the
balances as of June 30, 2002 will be recorded in
campus General Ledgers at June 30, 2003 and reported
in the FY 2002-2003 Annual Report).

UCOP will use the CFSBAL files to update the
Miscellaneous Asset depreciation table in order to
calculate the current fiscal year depreciation
expense, the accumulated depreciation associated with
the disposal of software, and the acquisition value
of software to be written-off. Each year, UCOP will
provide campuses with the journal entries to be
recorded in campus General Ledgers by June 30.

D. JOURNAL ENTRY TO RECORD ANNUAL DEPRECIATION EXPENSE

Each year, UCOP will provide campuses with the data to
record the journal entries for annual depreciation
expense, the write-off of accumulated depreciation on
asset disposals, and the acquisition value of software

II. DEPRECIATION
     D. JOURNAL ENTRY TO RECORD ANNUAL DEPRECIATION EXPENSE
         (Cont'd.)

         to be written off (see Exhibit B for a sample of the
         entries provided to campuses each year). Campuses may
         use local account and fund numbers to record journal
         entries, however, the local account and fund numbers must
         be mapped to the appropriate account group codes and fund
         group codes. The entries for the write-off of
         accumulated depreciation, acquisition value, and any gain
         or loss on disposal are provided in chapter P-415-3.2,
         *Plant Accounting: Investment in Plant—Disposals, Write-
         Offs and Gains & Losses (under construction)*.

         Campuses should make the following entry to record annual
         depreciation expense no later than the June 30 final
         ledger:

             Investment in Plant

             Financial Entry

             Dr. Fund Balance—Depreciation Expense by Asset
                  Type by Location by Transaction Code
                  Investment in Plant X-10199X-0199X-2XXX[4]
                  (AGC 129000)

             Cr. Accumulated Depreciation by Asset Type[5] by
                  Location by Fund Source[6]

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[4] A list of valid depreciation expense transaction codes is available in
     Appendix B.

[5] A list of valid accumulated depreciation account group codes is available in
     Appendix C.

[6] A list of valid fund group codes is available in Appendix D.

II.   REFERENCES

AICPA Statement of Position (March 4, 1998)

GASB Statement No. 34 Issue Resolution Memoranda (including related addenda): 1, 2, 5, 6, 7, 8, 10, 11, 15, 16, 17, 18, 21, 22, 125, 150

Accounting Manual chapter

A-115-2	Accounting Codes: General Ledger
A-115-3	Accounting Codes: Transaction Codes for Fund Balances Accounts
G-327	Gifts: Financial Reporting of Gifts of Tangible and Intangible Property
L-316-11	Libraries and Collections: Capitalization
P-415-2	Plant Accounting: Costing and Reconciling Inventorial Equipment Acquisitions
P-415-3	Plant Accounting: Investment in Plant—Capitalization and Elimination in Current Funds
P-415-3.2	Plant Accounting: Investment in Plant—Disposals, Write-Offs and Gains & Losses *(under development)*

Historical Note: Original Accounting Manual chapter first published 6/30/04. Updated 6/30/10; analyst—Jorge Ohy.

APPENDIX A   DEFINITION OF LABORATORY SPACE

The following tables list the Room Use and Program codes that are
used to identify "laboratory" space.

Room Use

Room Use Code	Room Use Code Description	Campus Code Applicable To
210	Research Laboratory or Studio	ALL
225	Research Laboratory or Studio Services	ALL
260	Class Laboratory	ALL
261	Special Class Laboratory	ALL
265	Class Laboratory Services	ALL
270	Open Laboratory	ALL
275	Open Laboratory Service	ALL
580	Animal Quarters	ALL
585	Animal Quarters Service	ALL
590	Greenhouse	ALL
595	Greenhouse Service	ALL
710	Shop—General and Research	ALL
711	Shop—Teaching Laboratory	ALL
715	Shop Service—General and Research	ALL
716	Shop Service—Teaching Laboratory	ALL
740	Support Facilities—Miscellaneous	ALL
840-848	Surgical Rooms	ALL
855-859	Radiological Service Rooms	ALL
860	Diagnostic Service Laboratory	ALL
862	Diagnostic Service Laboratory Support	ALL

Program

Program Code	Program Codes (Disciplines) Description	Campus Code Applicable To
1102, 2102, 3102	Agricultural Services	ALL
1103, 2103, 3103	Conservation and Renewable Natural Resources	ALL
1114, 2114, 3114	Engineering	ALL
1115, 2115, 3115	Engineering-Related Technologies	ALL
1126, 2126, 3126	Biological Sciences and Life Sciences	ALL
1140, 2140, 3140	Physical Sciences	ALL
1141, 2141, 3141	Science Technologies	ALL
1301, 2301, 3301	Medicine	ALL
1302, 2302, 3302	Veterinary Medicine	ALL
1303, 2303, 3303	Dentistry	ALL
1304, 2304, 3304	Nursing	ALL
1305, 2305, 3305	Pharmacy	ALL
1306, 2306, 3306	Public Health	ALL
1307, 2307, 3307	Optometry	ALL
3400	Agricultural Field Stations	ALL
3500	Natural Reserve System	ALL
5501, 5502, 5503	Vivaria	ALL
113001	Multi/Interdisciplinary Studies: Biological and Physical Sciences[+]	ALL
113011	Multi/Interdisciplinary Studies: Environmental Science[+]	ALL
113012	Multi/Interdisciplinary Studies: Environmental Studies[+]	ALL

[+] The specific disciplines will be identified through the Facility Department codes.

APPENDIX A (Cont'd.)

In addition, the following codes will be incorporated into campus-specific definitions for determining "laboratory" space:

Program

Program Code	Program Codes (Disciplines) Description	Campus Code Applicable To
1142, 2142, 3142	Psychology	BK and RV
2130	Multi/Interdisciplinary Studies: ANACHEM[+]	RV
230900	General and Unclassified Health Sciences: Jerry Lewis Neuromuscular Research Center	LA
3130	Multi/Interdisciplinary Studies[+]	BK, LA, SD, SB

[+] The specific disciplines will be identified through the Facility Department codes.

APPENDIX B   DEPRECIATION EXPENSE TRANSACTION CODES

The following table lists valid investment in plant transaction codes for recording annual depreciation expense.

Depreciation Expense Transaction Codes—Investment in Plant

Asset Type	Transaction Code	
	Campus	**Medical Center**
Buildings & Structures—Campus (including Fixed Equipment and Leasehold Improvements)	2400	2500
General Improvements	2401	2501
*Software > $5 million	2402	2502
*Software ≤ $5 million	2403	2503
Equipment	2404	2504
Library Materials & Collections	2405	n/a
Intangible Assets	2406	2506
Infrastructure Assets	2407	2507

APPENDIX C   ACCUMULATED DEPRECIATION ACCOUNT GROUP CODES

The following table lists valid accumulated depreciation account
group codes.

Accumulated Depreciation Account Group Codes

Asset Type	Account Group Code	
	Campus	**Medical Center**
Buildings & Structures—Campus (including Fixed Equipment and Leasehold Improvements)	121210	121220
General Improvements	121310	121320
*Software > $5 million	121440	121450
*Software ≤ $5 million	121460	121470
Equipment	121490	121480
Library Materials & Collections	121510	n/a
Intangible Assets	121710	121720
Infrastructure Assets	121810	121820

APPENDIX D   FUND GROUP CODES

The following tables list valid fund group codes by category, i.e.,
Federally Sponsored, Non-Federally Sponsored and All Other.

Federally Sponsored Fund Group Codes

Description	Fund Group Code
Plant Funds—Federal	100200
Current Funds—Federal Appropriations	406100
Current Funds—Federal Grants	406210
Current Funds—Federal Contracts	406310

Non-Federally Sponsored Fund Group Codes

Description	Fund Group Code
Plant Funds—Private Grants & Contracts	100700
Current Funds—State Agencies	404210
Current Funds—Local Governments	405210
Current Funds—Private Grants	408300
Current Funds—Private Contracts	408410
Current Funds—Private Clinical Trials	408420

All Other Fund Group Codes

Description	Fund Group Code
Plant Funds—Restricted Gifts	100100
Plant Funds—State Appropriations	100300
Plant Funds—University Funds	100400
Plant Funds—Multi-Campus Borrowings	100510
Plant Funds—Campus Borrowings	100590
Plant Funds—Unrestricted Gifts	100600
All Other Current Fund and Renewal and Replacement Fund Group Codes Not Listed Above	40XXXX and 41XXXX

EXHIBIT A   SAMPLE USEFUL LIFE OVERRIDE TABLE

FY 2004 Depreciation System Useful Life Overrides

The University's standard useful lives of 26 years for Lab Buildings and 33 years for Non-Lab Buildings are applied to depreciate all new capitalizations of Buildings & Structures and Leasehold Improvements unless an override to the useful life has been supplied to UCOP via this report. Campuses must also provide a specific useful life for Intangible Assets. Override useful lives that have been provided to UCOP in previous years will be applied to any new capitalizations (1/1/03-12/31/03) for existing buildings, leasehold improvements and intangible assets unless overrides are provided in the shaded columns. New buildings and their override useful lives should be provided at the end of this report.

A list of Lab Buildings, Leasehold Improvements and Intangible Assets based on the Fall 2002 Facilities file is attached for reference in completing the table of overrides. Use additional pages as needed.

Please provide one of the following codes for all CAANs you list in the override table (use one line per CAAN):

code	description
SURVEY	Useful life of a new or existing **building as a whole**, determined by an approved survey method
INCRMT	Useful life of a single increment for a building, capitalized after 12/31/00, determined by an appropriate survey method
LEASE	Useful life of a Leasehold Improvement
INTANG	Useful life of an Intangible Asset

> **Enter useful life only if different from previous year. Leave blank if useful life is the same as previous year.**

Notes: (1) Useful lives set at the CAAN level include all sub-locations & funding sources. (2) Once a specifically surveyed increment life has been used for a CAAN, all future increments to the CAAN must be specifically surveyed.

			Overrides in these columns were applied to capitalizations from 01/01/02 to 12/31/02		Overrides in these columns will be applied to **new** capitalizations from 01/01/03 to 12/31/03	
Loc1	CAAN	Asset Description	useful life (years)	useful life (code)	useful life (years)	useful life (code)
			This section is completed by UCOP based on useful life overrides provided by the campus in the prior year.			

LIST NEW BUILDINGS, LEASEHOLD IMPROVEMENTS AND/OR INTANGIBLE ASSETS:

EXHIBIT B   SAMPLE ENTRIES PROVIDED BY UCOP TO RECORD
                 ANNUAL DEPRECIATION EXPENSE

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Report ID: CFSDGLR   UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT   Run Date: 05/14/0X
Program: CFSDGLR   CFS - CORPORATE FINANCIAL SYSTEM   Run Start Time: 08.04.43
                           Campus Depreciation Transactions for CAMPUS X
                                   for Fiscal Year 200X - 200X

TE	Loc	Account	Fund	Sub	Trans Code	Date	Description	Ref No	Vchr	Debit	Credit
53	X	101990	01990		2400	05313	FY03 BD DPR EXP	FED	11D35	2,978,464.00	
53	X	101860	01994			05313	FY03 BD DPR EXP	FED	11D35		2,978,464.00
53	X	101990	01990		2500	05313	FY03 BD DPR EXP MC	FED	11D35	29,839.00	
53	X	101861	01994			05313	FY03 BD DPR EXP MC	FED	11D35		29,839.00
53	X	101990	01990		2400	05313	FY03 BD DPR EXP	OTHER	11D35	59,630,308.00	
53	X	101860	01990			05313	FY03 BD DPR EXP	OTHER	11D35		59,630,308.00
53	X	101990	01990		2500	05313	FY03 BD DPR EXP MC	OTHER	11D35	8,395,332.00	
53	X	101861	01990			05313	FY03 BD DPR EXP MC	OTHER	11D35		8,395,332.00
53	X	101990	01990		2404	05313	FY03 EQ DPR EXP	FED	11D35	11,839,625.00	
53	X	101869	01994			05313	FY03 EQ DPR EXP	FED	11D35		11,839,625.00
53	X	101990	01990		2504	05313	FY03 EQ DPR EXP MC	FED	11D35	3,004.00	
53	X	101868	01994			05313	FY03 EQ DPR EXP MC	FED	11D35		3,004.00
53	X	101990	01990		2404	05313	FY03 EQ DPR EXP	NONFED	11D35	2,664,296.00	
53	X	101869	01998			05313	FY03 EQ DPR EXP	NONFED	11D35		2,664,296.00
53	X	101990	01990		2504	05313	FY03 EQ DPR EXP MC	NONFED	11D35	573.00	
53	X	101868	01998			05313	FY03 EQ DPR EXP MC	NONFED	11D35		573.00
53	X	101990	01990		2404	05313	FY03 EQ DPR EXP	OTHER	11D35	31,620,910.00	
53	X	101869	01990			05313	FY03 EQ DPR EXP	OTHER	11D35		31,620,910.00
53	X	101990	01990		2504	05313	FY03 EQ DPR EXP MC	OTHER	11D35	17,001,116.00	
53	X	101868	01990			05313	FY03 EQ DPR EXP MC	OTHER	11D35		17,001,116.00
53	X	101990	01990		2401	05313	FY03 GI DPR EXP	FED	11D35	9,786.00	
53	X	101862	01994			05313	FY03 GI DPR EXP	FED	11D35		9,786.00
53	X	101990	01990		2401	05313	FY03 GI DPR EXP	OTHER	11D35	3,140,014.00	
53	X	101862	01990			05313	FY03 GI DPR EXP	OTHER	11D35		3,140,014.00
53	X	101990	01990		2501	05313	FY03 GI DPR EXP MC	OTHER	11D35	206,964.00	
53	X	101863	01990			05313	FY03 GI DPR EXP MC	OTHER	11D35		206,964.00
53	X	101990	01990		2407	05313	FY03 IA DPR EXP	OTHER	11D35	200,412.00	
53	X	101873	01990			05313	FY03 IA DPR EXP	OTHER	11D35		200,412.00
53	X	101990	01990		2403	05313	FY03 SM DPR EXP	OTHER	11D35	791,857.00	
53	X	101866	01990			05313	FY03 SM DPR EXP	OTHER	11D35		791,857.00
53	X	101990	01990		2503	05313	FY03 SM DPR EXP MC	OTHER	11D35	10,488,917.00	
53	X	101867	01990			05313	FY03 SM DPR EXP MC	OTHER	11D35		10,488,917.00
53	X	101990	01990		2405	05313	FY03 LB DPR EXP	OTHER	11D35	14,947,346.00	
53	X	101870	01990			05313	FY03 LB DPR EXP	OTHER	11D35		14,947,346.00

Total for Transaction Type Annual Depreciation Expense (DR Fund Balance, CR Accum Depr)
                                                          163,948,763.00 163,948,763.00

53	X	101860	01994			05313	FY03 BD DISPOSL	FED	11D35	7,117.00	
53	X	101990	01990		2440	05313	FY03 BD DISPOSL	FED	11D35		7,117.00
53	X	101860	01990			05313	FY03 BD DISPOSL	OTHER	11D35	653,442.00	
53	X	101990	01990		2440	05313	FY03 BD DISPOSL	OTHER	11D35		653,442.00
53	X	101861	01990			05313	FY03 BD DISPOSL MC	OTHER	11D35	1,463,156.00	
53	X	101990	01990		2540	05313	FY03 BD DISPOSL MC	OTHER	11D35		1,463,156.00
53	X	101869	01994			05313	FY03 EQ DISPOSL	FED	11D35	4,099,481.00	
53	X	101990	01990		2444	05313	FY03 EQ DISPOSL	FED	11D35		4,099,481.00
53	X	101869	01998			05313	FY03 EQ DISPOSL	NONFED	11D35	1,284,427.00	
53	X	101990	01990		2444	05313	FY03 EQ DISPOSL	NONFED	11D35		1,284,427.00
53	X	101869	01990			05313	FY03 EQ DISPOSL	OTHER	11D35	17,698,582.00	
53	X	101990	01990		2444	05313	FY03 EQ DISPOSL	OTHER	11D35		17,698,582.00
53	X	101868	01990			05313	FY03 EQ DISPOSL MC	OTHER	11D35	5,744,069.00	
53	X	101990	01990		2544	05313	FY03 EQ DISPOSL MC	OTHER	11D35		5,744,069.00

Total for Transaction Type Reduce depreciation for disposals (DR Accum Depr, CR Fund Bal)
                                                           30,950,274.00   30,950,274.00

EXHIBIT B (Cont'd.)

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TE	Loc	Account	Fund	Sub	Trans Code	Date	Description		Ref No	Vchr	Debit	Credit
53	X	101990	01990		4354	05313	FY03 EQ TRNSFR		FED	11D35		465,871.00
53	X	101869	01994			05313	FY03 EQ TRNSFR		FED	11D35	465,871.00	
53	X	101990	01990		4454	05313	FY03 EQ TRNSFR	MC	FED	11D35		20,649.00
53	X	101868	01994			05313	FY03 EQ TRNSFR	MC	FED	11D35	20,649.00	
53	X	101990	01990		4354	05313	FY03 EQ TRNSFR		NONFED	11D35		48,465.00
53	X	101869	01998			05313	FY03 EQ TRNSFR		NONFED	11D35	48,465.00	
53	X	101990	01990		4454	05313	FY03 EQ TRNSFR	MC	NONFED	11D35		1,338.00
53	X	101868	01998			05313	FY03 EQ TRNSFR	MC	NONFED	11D35	1,338.00	
53	X	101990	01990		4354	05313	FY03 EQ TRNSFR		OTHER	11D35	58,603.00	
53	X	101869	01990			05313	FY03 EQ TRNSFR		OTHER	11D35		58,603.00
53	X	101990	01990		4454	05313	FY03 EQ TRNSFR	MC	OTHER	11D35		183,864.00
53	X	101868	01990			05313	FY03 EQ TRNSFR	MC	OTHER	11D35	183,864.00	

Total for Transaction Type Transfers of Accumulated Depreciation

                                                      778,790.00   778,790.00

Total for X-Campus

    195,677,827.00 195,677,827.00

TE	Loc	Account	Fund	Sub	Trans Code	Date	Description	Ref No	Vchr	Debit	Credit
53	Y	101990	01990		2400	05313	FY03 BD DPR EXP	FED	11D35	44,149.00	
53	Y	101860	01994			05313	FY03 BD DPR EXP	FED	11D35		44,149.00
53	Y	101990	01990		2400	05313	FY03 BD DPR EXP	OTHER	11D35	4,479,001.00	
53	Y	101860	01990			05313	FY03 BD DPR EXP	OTHER	11D35		4,479,001.00
53	Y	101990	01990		2404	05313	FY03 EQ DPR EXP	FED	11D35	6,180.00	
53	Y	101869	01994			05313	FY03 EQ DPR EXP	FED	11D35		6,180.00
53	Y	101990	01990		2404	05313	FY03 EQ DPR EXP	NONFED	11D35	91,565.00	
53	Y	101869	01998			05313	FY03 EQ DPR EXP	NONFED	11D35		91,565.00
53	Y	101990	01990		2404	05313	FY03 EQ DPR EXP	OTHER	11D35	3,857,150.00	
53	Y	101869	01990			05313	FY03 EQ DPR EXP	OTHER	11D35		3,857,150.00
53	Y	101990	01990		2403	05313	FY03 SM DPR EXP	OTHER	11D35	695,882.00	
53	Y	101866	01990			05313	FY03 SM DPR EXP	OTHER	11D35		695,882.00

Total for Transaction Type Annual Depreciation Expense (DR Fund Balance, CR Accum Depr)

    9,173,927.00   9,173,927.00

TE	Loc	Account	Fund	Sub	Trans Code	Date	Description	Ref No	Vchr	Debit	Credit
53	Y	101869	01994			05313	FY03 EQ DISPOSL	FED	11D35	13,689.00	
53	Y	101990	01990		2444	05313	FY03 EQ DISPOSL	FED	11D35		13,689.00
53	Y	101869	01998			05313	FY03 EQ DISPOSL	NONFED	11D35	85,779.00	
53	Y	101990	01990		2444	05313	FY03 EQ DISPOSL	NONFED	11D35		85,779.00
53	Y	101869	01990			05313	FY03 EQ DISPOSL	OTHER	11D35	3,501,970.00	
53	Y	101990	01990		2444	05313	FY03 EQ DISPOSL	OTHER	11D35		3,501,970.00

Total for Transaction Type Reduce depreciation for disposals (DR Accum Depr, CR Fund Bal)

    3,601,438.00   3,601,438.00

TE	Loc	Account	Fund	Sub	Trans Code	Date	Description	Ref No	Vchr	Debit	Credit
53	Y	101990	01990		4354	05313	FY03 EQ TRNSFR	OTHER	11D35		102.00
53	Y	101869	01990			05313	FY03 EQ TRNSFR	OTHER	11D35	102.00	

Total for Transaction Type Transfers of Accumulated Depreciation

    102.00   102.00

Total for Y-OP

    12,775,467.00 12,775,467.00

Total for X and Y

    208,453,294.00 208,453,294.00