

# University of Missouri System Accounting Policies and Procedures



**Policy Number:** APM-20.05.55

**Policy Name:** Capital Assets - Livestock

## General Policy and Procedure Overview:

Animals used for instruction in agriculture or held for herd or flock perpetuation/ improvement are capitalized at fair market value.

The departments are responsible for keeping records of livestock. Responsible departments at the relevant campuses must prepare annual inventories of capital livestock and report it to the Campus Accounting Office for adjustment in the PS Asset Management System.

## Detail Policy and Procedure:

As livestock are purchased for addition for herd or flock perpetuation/ improvement the entries are recorded as:

Transaction Description	Account	dr	Cr
The offset for the voucher	7XXXXXX Livestock Capital Expense	X	
Payment for the land	190000 Cash		X

## Recording of Livestock in Asset Management

- An annual, required, inventory is performed by the Department that manages the livestock. This inventory is submitted to the Campus Accounting Office.
  - This inventory is a listing of all livestock, which includes the fair market value of each individual livestock and the total fair market value of all livestock.
  - This inventory listing includes purchased and gifted livestock.
- Using this inventory, the Campus Accounting Office records the increase or decrease in purchased livestock from the prior year-end.
- Campus Accounting Office makes an addition to the livestock asset established in Asset Management using the Asset Cost Adjust/Transfers – Current Cost menu item.

## Recording of the Livestock Gift in Asset Management

- The Development Office forwards the Advice of Gift to the Campus Accounting Office.
- The Campus Accounting Office makes an asset addition entry into Asset Management using the Asset Cost Adjust/Transfers – Current Cost menu item if they are part of the permanent herd. If they are not then a separate asset needs to be created.

## RESPONSIBILITY

Department:

- Performs annual inventory.

Accounting Office:

- Records the increase or decrease in purchased livestock from the prior year-end.
- Makes an addition to the livestock asset established in Asset Management.

Development Office:

- Forwards the Advice of Gift to the Campus Accounting Office>

*Effective Date: July 1, 2006*

*Revised Date: May 1, 2007*

**Questions and Comments?**

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.