

## Appendix 4 - Examples for updating capital expenditure estimates in CBMS journals

### Departmental and administered capital budgets

The following journals are relevant to:

- NCEs in receipt of a DCB or ACB
- DCB and ACB funding received in a previous year but not yet spent.

#### Step 1: Update the asset movement table

To increase capital expenditure estimates in the *Asset movement table*, enter:

##### Journal entry purpose: Update the asset movement table

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
DR 531XXXX	Buildings / Land / PP&E, etc.	7121	Additions – New Assets	Not required	Not required
DR 224XXXX	Buildings / Land / PP&E, etc. – Depreciation and amortisation expense	Not required	Not required	Not required	Not required
CR 5233029	Appropriations Receivable - Cash held in OPA (or other appropriate account)	Not required	Not required	Not required	Not required
CR 531XXXX	Buildings / Land / PP&E, etc.	7153	Accumulated depreciation	Not required	Not required

#### Step 2: Update the capital budget statement

The following journals must then be entered in the *Capital budget statement* – the data will not automatically flow through from the *Asset movement table*.

Amounts entered must reconcile to the amounts entered to movement account 7121 in the *Asset movement table* at Step 1.

#### Appropriation Act (No. 2) funding – including CDAB

These journals are for entities in receipt of Appropriation Act (No. 2) funding that is:

- for an equity injection and or administered assets and liabilities, including CDAB
- received in a previous year but not yet spent.

#### Step 1: Update the asset movement table

Increase capital expenditure estimates in the asset movement table, by entering:

**Journal entry purpose: Update the asset movement table**

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
DR 531XXXX	Buildings / Land / PP&E, etc.	7121	Additions – New Assets	Not required	Not required
DR 224XXXX	Buildings / Land / PP&E, etc. – Depreciation and amortisation expense	Not required	Not required	Not required	Not required
CR 5233029	Appropriations Receivable - Cash held in OPA	Not required	Not required	Not required	Not required
CR 531XXXX	Buildings / Land / PP&E, etc.	7153	Accumulated Depreciation	Not required	Not required

**Step 2: Update the capital budget statement**

Update the *Capital budget statement* – data will not flow from the *Asset movement table* – by entering:

**Journal entry purpose: Update the capital budget statement**

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
DR 9110000 / 9140000*	Equity injections – Bill 2 / Administered assets and liabilities – Bill 2*	Not required	Not required	A002-00005-05004 / A002-00005-05005	Appropriation Act (No. 2) – Equity Injections Appropriation Act (No. 2) – Administered Assets and Liabilities
CR 9210000	Purchase of non-financial assets*	Not required	Not required	Not required	Not required
CR 9310000	Funded by Capital Appropriation	Not required	Not required	Not required	Not required

\* Only use this account if the Appropriation Act (No. 2) funding is being changed, i.e. as a result of government decisions or measures providing additional or reduced funding, or movements of capital expenditure between forward year estimates (that is, between FE1 to FE3).

**Step 3: Update the equity movement table**

This journal should only be entered where the amount of the Appropriation Act (No. 2) appropriation is being changed as a result of government decisions, such as:

- measures providing additional or reduced Appropriation Act (No. 2) funding
- movements of capital budgets between forward year estimates – FE1 to FE3.

**Journal entry purpose: Update equity movement table**

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
CR 4100003	Contributed equity (Total Capital)	7206	Equity injection - Appropriation (Injection for Capital Works)	Not required	Not required

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
DR 5233029	Appropriations Receivable - Cash held in OPA (or other appropriate account)	Not required	Not required	Not required	Not required

## Other funding

These journals are for entities that use other sources of funding to purchase assets, such as cash reserves, operational surpluses or external revenue including cost recovery revenue. Increases in capital expenditure from these sources may require a government decision. For more information, contact your AAU.

### Step 1: Update the asset movement table

To increase capital expenditure estimates in the asset movement table, enter:

#### Journal entry purpose: Update the asset movement table

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
DR 531XXXX	Buildings / Land / PP&E, etc.	7121	Additions – New Assets	Not required	Not required
DR 224XXXX	Buildings / Land / PP&E, etc. – Depreciation expense	Not required	Not required	Not required	Not required
CR 5233029	Appropriations Receivable - Cash held in OPA (or other appropriate account)	Not required	Not required	Not required	Not required
CR 531XXXX	Buildings / Land / PP&E, etc.	7153	Accumulated Depreciation	Not required	Not required

### Step 2: Update the capital budget statement

The following journals must then be entered in the *Capital budget statement* – the data will not automatically flow through from the *Asset movement table*:

#### Journal entry purpose: Update capital budget statement

Account code	Account name	Movement code	Movement code name	Appropriation code	Appropriation name
DR 9210000	Purchase of non-financial assets Nil*	7209	Injection for DCB	Not required	Not required
CR 9320000	Funded internally by Departmental resources	Not required	Not required	Not required	Not required

\* Enter 'nil' – this account is required to pass double-entry validation rule but figures are recorded.

## Reporting capital expenditure in annual financial statements

Annual financial statements include information about the entity's actual capital expenditure for the reporting period. The:

- *Statement of changes in equity* – shows the equity injections from government

- *Cash flow statement* – shows the cash used to purchase assets
- Notes to and forming part of the financial statements include:
  - reconciliation of the opening and closing balances of property, plant and equipment – shows the capital expenditure (accrual) for a number of assets
  - reconciliation of the opening and closing balances of intangibles – shows the capital expenditure (accrual) on intangibles
  - appropriations note – provides information on the amount of appropriation funding received and how much was spent.