

UNIFORM ACCOUNTING PROCEDURES

CAPITAL OUTLAY (Continued)

Equipment--Gain or Loss

Examples of entries to record the sale of equipment are as follows:

Assume that a fully depreciated piece of equipment was sold for \$10,000:

Cash Receipts Record

		<u>Debit</u>	<u>Credit</u>
001	Cash	\$10,000	
693.01	Gain or Loss on Disposal of Equipment		\$10,000

Assume that a piece of equipment with a net book value of \$5,000 was sold for \$10,000:

Cash Receipts Record

		<u>Debit</u>	<u>Credit</u>
001	Cash	\$10,000	
693.01	Gain or Loss on Disposal of Equipment		\$5,000
689	Equipment Retirements		5,000

(To record the sale and gain on sale
of equipment # ____.)

Note: Entries to be made in the Capital Assets Account Group to record equipment purchases, trade-ins, and retirements are explained in the Uniform Accounting Procedures-Capital Assets Account Group section of this manual.

Installment Purchases

If installment purchases are made pursuant to the provisions of [MCL 224.10\(5\)](#), accounting procedures as presented in the following example are applicable: