

ACCOUNTING FOR CONSTRUCTION

Construction in progress includes all cost of incomplete construction projects. The Inventory Control Sheet will be maintained at the end of the accounting period for all construction in progress, later becoming a fixed asset of the school system. A detail accounting of transactions supporting the value assigned to construction in progress must be maintained in the central office. Individual inventory records must be maintained for each “construction in progress” item.

Each Inventory Control Sheet for “Construction in Progress must contain the following information:

1. Inventory Control Number
2. Item Description
3. Location of Project
4. Date Project Started
5. Cost Value (value assigned at the end of accounting period)
6. Fund Used to Finance Project
7. Estimated Completion Date
8. Estimated Completion Value
9. Contractor’s Name
10. Board Approval Date (for project under construction)
11. Method of Financing
12. Date Project Completed
13. Assigned Inventory Control Number (Permanent fixed asset control number assigned)

Upon completion of the project, the cost value assigned to “construction in progress” will be reclassified to the appropriate fixed asset account such as “Buildings” or “Improvements”.