

Appendix 16 - Accounting for Disposals of Fixed Assets

If the club disposes of an asset that has been sold or scrapped the club must correctly account for the disposal in both the fixed asset register and the general ledger.

Fixed Asset Register

Each club will maintain a different format of fixed asset register, e.g. excel spreadsheet, additional accounting package module, and as a result every the treatment of disposal will be different. It is important to keep the details of the asset after it has been disposed of, do not simply delete the asset. It is important to note, prior to disposing of an asset from the fixed asset register, the cost and accumulated depreciation associated with the asset. Once disposed of the asset should be removed from the fixed asset register.

General Leger

The following entries should be posted in the fixed asset register when an asset is disposed of:

Dr	Accumulated Depreciation Category
Cr	Fixed Asset Category (e.g. PPE)
Dr/Cr	(Profit) / Loss on sale of fixed assets

Clubs should confirm that the accounting treatment used with their Accountants.