

APPENDIX A

SUPPLIES AND EQUIPMENT

In this section some guidelines are provided for the solution of the ever-present problem in financial accounting--distinguishing between supplies and equipment. These guides consist of criteria for classifying an item as supply, criteria for classifying an item as equipment, a list of supplies and a list of equipment. Equipment built in or permanently fixed to the building or grounds is considered a part of the building or land improvement and is to be charged to those respective accounts.

When there is doubt as to the nature of an item (supply or equipment), search on an alphabetical basis the list in which it probably would be found. If it is not in that list, search the other. If it is not in either list, the nature should be resolved by searching a similar item and applying the necessary criteria.