

Guidelines for Deposit on Purchase of Capital Asset

A supplier may require a deposit to be paid prior to delivery of a capital asset. Refer to Guide: Procurement and Payments/Capital Asset Account Coding to determine whether the item being purchased constitutes a capital asset.

When a deposit is paid on the purchase of a capital asset to be received in a subsequent fiscal year, the unit will code the invoice payment to the capital expenditure account (507xxx) if the unit wishes to recognize the expenditure in the current fiscal year to align with its budget. If the payment is \$100,000 or more and the unit does not wish it to be reflected in the current fiscal year (i.e. would prefer to “defer” the expenditure until the capital asset is received), the unit will contact Supply Management Services to request that the transaction be recorded as a deposit. **No amount less than \$100,000 will be recorded as a deposit on the purchase of a capital asset.**