

Appendix B - Capital Asset Donations

GASB 33, paragraph 7d, defines a donation as a voluntary non-exchange transaction entered into willingly by two or more parties. Both parties may be governments or one party may be a nongovernmental entity, including an individual. **A voluntary contribution of resources (capital assets) between state agencies is an interagency transfer of capital assets, not a donation.** For more information see [Sale, Disposal or Interagency Transfer of Capital Assets](#).

Use the acquisition value to report donated capital assets (as required by GASB 72, paragraph 79).

The timing of the recognition of assets and related revenue (as required by GASB 33) is as follows:

	Governmental Activities	Business-Type Activities
Donations	If the asset was received but the eligibility requirements were not met, capital assets are debited and unearned revenue is credited on the government-wide financial statements.	If the asset was received but the eligibility requirements were not met, capital assets are debited and unearned revenue is credited on the fund financial statements.
	If the asset was received and the eligibility requirements were met, capital assets are debited and revenue is credited on the government-wide financial statements.	If the asset was received and the eligibility requirements were met, capital assets are debited and revenue is credited on the fund financial statements.
	If the asset was not received but the eligibility requirements were met, a receivable is debited and revenue is credited on the government-wide financial statements.	If the asset was not received but the eligibility requirements were met, a receivable (net of estimated uncollectible amounts) is debited and revenue is credited on the fund financial statements.
Promises of capital asset donations	Promises are recognized as receivables and revenues (net of estimated uncollectible amounts) on the government-wide financial statements when all applicable eligibility requirements are met, provided the promise is verifiable and the resources are measurable ¹ and probable ² of collection.	Promises are recognized as receivables and revenues (net of estimated uncollectible amounts) on the fund financial statements when all applicable eligibility requirements are met, provided the promise is verifiable and the resources are measurable ¹ and probable ² of collection.
<i>1 Measurable – Reasonably estimable</i>		
<i>2 Probable – The future event or events are likely to occur</i>		