

Division of Accounting – Policies and Procedures Manual Standard Policies and Procedures	
Policy Number – AUB-05-03	Revision Number: 4
Subject: Plant Accounting	Effective Date: 10-01-2009
	Superintendent Approval:
	General Manager Approval:

1.0 Purpose

Plant accounting at Athens Utilities Board (AUB) will be performed in compliance with methods and procedures prescribed in the Uniform System of Accounts by the Federal Energy Regulatory Commission (FERC). Plant accounting for each division of the AUB will be centralized under the supervision of the Superintendent of Accounting.

2.0 Fixed Assets

Plant accounting personnel will maintain records of all fixed assets for each division. This information shall include, but not be limited to, cost, periodic depreciation, accumulated depreciation, book value, useful life, and salvage value. As a general rule, all fixed assets with an original purchase value of \$1,000.00 or more will be capitalized on the books of the appropriate division, and depreciation will be recognized over the useful life of the asset as prescribed by the Uniform System of Accounts and Generally Accepted Accounting Principles (GAAP). All assets purchased with an initial cost under \$1,000.00 shall be expensed to the appropriate division’s books during the period in which the asset is purchased.

3.0 Construction in Progress

Plant accounting shall maintain all records pertaining to construction in progress for each of the divisions of AUB. Furthermore, they will maintain records pertaining to work orders and work order completion. Plant accounting will be responsible to close all projects out of construction in progress as soon as practicable upon completion of the project. Every effort shall be made to close the project out of construction in progress in the same month that the project is completed. Projects will not be allowed to remain in construction in progress beyond the fiscal year in which the project is completed.

4.0 Annual Inventory

An inventory of all materials and supplies will be conducted annually. This inventory will be supervised by plant accounting personnel in conjunction with the Warehouse Supervisor. Plant accounting personnel will update the books of each division to reflect losses or gains not previously recognized but identified as a result of the inventory. Adjustments must be approved by the Superintendent of Accounting. The annual inventory will be conducted prior to the end of the fiscal year.

5.0 In Lieu of Taxes

The Power and Gas divisions of AUB will pay “in lieu of tax payments” to each of the taxing jurisdictions in which it maintains investments in physical plant. The calculation of these payments shall be the responsibility of plant accounting personnel. These calculations shall be performed in compliance with the “Municipal Electric System Tax

Equivalent Law of 1987” [TCA Title 7, Chapter 52, Part 3]. The amounts due the various taxing jurisdictions shall be calculated annually. These calculations shall be reviewed and approved by the Superintendent of Accounting. In lieu of tax payments shall be paid to the various taxing jurisdictions monthly.