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Capital Asset Accounting System

Dear Reader:

The following document was created from the MTAS website (mtas.tennessee.edu). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

The University of Tennessee
Municipal Technical Advisory Service
1610 University Avenue
Knoxville, TN 37921-6741
865-974-0411 phone
865-974-0423 fax
www.mtas.tennessee.edu

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Capital Asset Accounting System

Reference Number: MTAS-623

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, requires that all intangible assets not specifically excluded be classified as capital assets. Like GASB Statement 34, this statement was phased in so that Phase 1 and 2 cities must retroactively report intangible assets acquired since June 30, 1980, except for those intangible assets that have indefinite useful lives and those internally generated. Retroactive reporting for Phase 3 cities is encouraged but not required.

If there are no factors that limit the useful life of an intangible asset, then it is considered to have an indefinite life and therefore not depreciated. Assets with indefinite useful lives and those internally generated do not have to be retroactively reported. This statement is effective for periods after June 15, 2009, so it first applied to fiscal year 2010 audit.

This publication provides direction in accounting for and properly reporting assets in governmental funds. Governmental accounting or fund accounting had been evolving slowly until the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis--for State and Local Governments*. Statement No. 34 (GASB 34) had been in development for 15 years before its 1999 release. It was not only quite comprehensive but burdensome for small governments.

One of the requirements for Tennessee local governments is to provide disclosures of all of their assets, both current and capital (long term). Governments are required to capitalize general infrastructure assets and report these assets in the government-wide statement of net position. The annual cost of using general infrastructure assets must be reported in the statement of activities as an operating expense (depreciation). Cities literally, have to keep two sets of books.

Prior to GASB 34, local governments were required to maintain a fixed asset accounting system (FAAS), but it was not part of the financial statements. Many cities did not adequately maintain a FAAS, which usually resulted in a "finding" in the annual audit. Under GASB 34, those findings result in either an adverse or a qualified auditor's opinion because those long-term assets are a part of the government-wide new financial statements.

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, requires that all intangible assets not specifically excluded be classified as capital assets. Intangible assets include easements, water rights, computer software and trademarks.

A municipality's capital assets are the tangible and intangible assets purchased or obtained through transactions or events. Capital assets are classified as buildings, equipment, improvements other than buildings, infrastructure, construction in progress, intangibles or land. In the private sector, these assets generally are referred to as property, plant and equipment.

History of Governmental Accounting

Reference Number: MTAS-624

Governmental accounting has evolved formally for many years. The Governmental Finance Officers Association (GFOA) was founded in 1906 to actively support the advancement of governmental accounting, auditing and financial reporting. However, it was not until 1934 that GFOA established the National Committee on Municipal Accounting (NCMA), which began to promulgate accounting standards for governments.

In 1951, the National Committee on Governmental Accounting (NCGA), the successor body to the NCMA, issued Bulletin No. 14, *Municipal Accounting and Auditing*. This statement of governmental accounting standards found widespread acceptance and gave rise to the publication in 1968 by the GFOA of the first “blue book,” which provided authoritative guidance in generally accepted governmental accounting principles.

Accounting standards for private industry are set by the Financial Accounting Standards Board (FASB) and embraced by the American Institute of Certified Public Accountants (AICPA). When the AICPA issued its industry audit guide for governments in 1974, users found that some provisions were contrary to those set out by the GFOA's "blue book." In order to resolve these differences, in 1979 the NCGA issued its Statement 1 entitled *Governmental Accounting and Financial Reporting Principles*, which led to the uniform acceptance of Statement 1 as authoritative guidance for governmental or fund accounting.

The "blue book" has been revised several times and re-issued by the GFOA as *Governmental Accounting, Auditing and Financial Reporting*. It is now considered a non-authoritative guide for practitioners. However, it now describes how best to implement authoritative guidance.

The current authoritative body of governmental accounting is the Governmental Accounting Standards Board (GASB). This accounting and financial reporting standard-setting body was established in June 1984.

Governmental Funds-Measurement Focus

Reference Number: MTAS-625

To understand the procedures for accounting for capital assets in government, one should first understand the model used for the general fund and the different model used for enterprise funds.

The traditional model of governmental accounting is based on two concepts: the measurement focus and the basis of accounting. Notes to financial statements in all governmental audits detail these two concepts as they apply to the government unit being audited.

The general fund operating statement measures the flow of the government's current financial resources. Revenues in the form of taxes, fees and charges for services are recognized because they increase resources available for the budget year. Expenditure transactions are recognized on the operating statement because they decrease current financial resources available for spending in the budget year.

In the general fund, the focus is on current year revenues (resources) used to provide services through current year expenditures. This measurement focus is called the "current financial resources" focus simply because it recognizes transactions that increase or decrease the resources available for spending during the budget year. The general fund budget is based on this model.

In contrast to the current financial resources measurement focus, there is an economic resources measurement focus model that is used with enterprise funds. It is similar to the model used in private sector businesses. Examples of enterprise funds include water and sewer funds, natural gas funds and solid waste funds. These funds are not as concerned with available resources as they are with changes in net position (total assets minus total liabilities). Operating statements for these funds recognize transactions that increase or decrease the funds' total economic resources during the fiscal year.

This boils down to some significant accounting differences between the annual operating statements (income statements) produced by the two measurement focus models. The economic resources measurement focus model for enterprise funds does not report the issuance of debt in its operating statement. When debt (liability) is issued, an offsetting cash (asset) amount is received resulting in no change to net assets. With the current financial resources measurement focus of the general fund, the issuance of debt increases current resources available and, therefore, is recorded on the operating statement as an Other Financing Source.

Principal debt repayment is not shown on the operating statement of the enterprise fund. The principal portion of debt repayment does not change net positon because the reduction in the amount of outstanding debt (liability) is offset by a reduction in cash (asset). In the general fund, a principal repayment is a decrease in current financial resources (decrease in assets) and is shown as an expenditure on the operating statement.

Spending for capital items does not change net position because cash is reduced (or debt is incurred) while another asset is increased by an offsetting amount. Hence, there is no recognition in the enterprise fund operating statement for acquiring assets. However, the same expenditure in the general fund is a reduction in cash (current resource) and is recognized in the general fund operating statement as an expenditure.

Depreciation is used to measure the degree to which an asset is used up over time and is shown on the operating statement of the enterprise fund. It is a non-cash expense derived by dividing the cost of an asset by its anticipated length of service. Depreciation does not affect the current financial resources of the general fund and, therefore, is not shown on its operating statement.

Now, under GASB 34, there are two financial presentations of the general fund in the annual financial report (audit), two balance sheets and two income statements. The difference in the two methods is reflected in the method of accounting for long-term assets and liabilities. Prior to GASB 34, under the general fund model all long-term assets were maintained "off the books" in something called a "general fixed asset account group." Likewise, long-term liabilities were recorded in a separate account group called "general long-term debt account group." These account groups were custodial in nature and not part of the audited financial statements.

Under GASB 34, a new *government-wide* financial report was created to convert the general fund current resources measurement to the economic resources measurement. Basically, this means adding the long-term assets and liabilities of the local government to the current items, thereby creating new financial reports.

Since the traditional general fund current financial resources focus records only current revenues and expenditures, the balance sheet for these government funds does not include a provision for long-term assets or liabilities.

General fund expenditures for land, equipment, roads, buildings, and infrastructure are recorded simply as "capital outlay" expenditures. This is in agreement with the budget process. Conversely, payments for these items in an enterprise fund would be capitalized as land, equipment or other capital assets.

Under GASB 34, local governments now capture capital outlays in the capital asset accounting system (CAAS). This is not a fund, nor is it the old and very limited general fixed asset account group. It is a permanent addition to the financial records that enables tracking of capital assets. This long- term data is used in the government-wide financial reports.

Having two completely different financial statements for the general fund is confusing. A reconciliation must be included in the financial statements that shows how the governmental reports are related to the government-wide statements of net position and statement of activities.

Basis of Accounting

Reference Number: MTAS-626

There are two types, or bases, of accounting: cash and accrual. The cash basis is used by individuals and small businesses. Cash accounting records only cash in and cash out. It is limited in that some financial events would not show up under cash basis accounting. Tennessee cities and utilities use accrual accounting of which there are two types: accrual and modified accrual.

At the fund level of reporting, the general fund uses the modified accrual basis method of accounting. The "modification" is primarily in the recognition of revenue. It's all about the budget at the general fund level, and only money available during the budget year can be booked as revenue.

General fund revenues are recognized only when they are available to liquidate liabilities of the budget year. Expenditures should be recognized in the accounting period in which the liability is incurred. The main reason for this is that most city budgets are balanced with property taxes. It is very important to tie the property tax rate to the service being provided during the budget year.

The private sector, enterprise funds, and the government-wide financial reports use the accrual basis of accounting. Revenues are recognized when they are earned and measurable, and expenses are recognized when a liability is incurred. Because enterprise fund revenue is generated from users (not taxes), there is an implicit understanding that rates will increase as necessary.

Purpose and Benefits of a Capital Asset Accounting System

Reference Number: MTAS-627

Adequate capital asset records must provide:

- A simple method of positively identifying each piece of equipment; and
- A method of accounting for each piece (or group) of property.

The records system should be simple and flexible, yet it also must provide essential information to protect city property. The capital asset accounting system should place responsibility for custody and proper use of a distinct capital asset with a specific individual.

Another benefit derived from a CAAS includes providing a centralized source of information, such as price, source of supply, maintenance costs (optional), useful life, annual depreciation, assigned department, location and anything else necessary for accountability. This captures warranty information, helps determine the amount of property insurance needed and forms the basis of cost accounting records. The CAAS must provide detailed and summarized information for inclusion in the city's financial report by department and by fund.

Classifying Capital Assets

Reference Number: MTAS-628

To be classified as a capital asset, a specific item must have a life longer than one year and have significant value.

What constitutes significant value varies depending on the size of the city and the class of capital asset. The threshold for capitalization can vary among types of capital assets. A city may classify equipment costing more than $1,000 as capital while using a $5,000 minimum limit for buildings. Your threshold could be set at the limit at which bids are required before purchase. Cities may exercise the option to include as a capital asset any borderline items over which it wishes to maintain accounting control. Groups of items that may not qualify individually can be capitalized when the total purchase exceeds your threshold.

The municipal governing body should set the capitalization threshold for all classes of capital assets via resolution or ordinance.

A cost test may be applied to aggregates of units of similar type or purpose rather than to the unit itself. Whether an expenditure is classified as an operating expense or capitalized often is determined by its relationship to some existing asset. The amounts specified above are rather arbitrary. Your city could establish threshold values for capital asset accounting different than those suggested.

The following classifications for capital assets are recommended for purposes of accounting and financial statement presentation:

- **Land** includes investment in real estate other than structures, improvements and land acquired and used for street and road purposes. All land, as defined above, should be capitalized without regard to significant value. Include legal and surveying fees, damage payments and site preparation costs, including removal of old buildings, etc. Receipts from the sale of salvage should be credited against the land cost.
- **Building** includes costs incurred directly to put the building into its intended state of use, including construction or purchase price, architects' fees, accident or injury costs, payments for damage and insurance during construction. The costs should be reduced for discounts, insurance recoveries and other credits.
- **Improvements Other than Buildings** are costs incurred directly to place the improvement into its intended state of use. It includes storage tanks, parking areas, landscaping, connector driveways, traffic lights, parking meters, and other improvements.
- **Equipment** includes moveable personal property such as furniture, machines, tools and vehicles. The price should include the total purchase cost before any trade-in allowance minus any discounts. It also should include other costs required to place the equipment in its intended state of operation, such as dealer add-ons or modifications.
- **Infrastructure Assets** include roads, bridges and tunnels. Before GASB 34, these items were not considered capital assets. During implementation of GASB 34, many cities were required to capitalize major infrastructure items acquired since 1980. Other cities picked up infrastructure assets prospectively. Infrastructure assets are classified into networks and subsystems of networks. For example, city streets may be classed as a network, while bridges would be a subsystem.

- **Construction Work in Progress** represents a temporary accumulation of labor, materials, equipment and overhead costs (excluding administrative overhead) of a construction project. Upon completion of the work, the total cost is transferred to one or more of the above classes of capital assets.
- **Intangibles** include costs incurred to acquire assets such as patents, trademarks, water rights, road easements, timber rights and computer software. GASB Statement No. 51 had a phase-in similar to GASB 34. Phase 1 and 2 cities must go back to 1981 and pick up intangible assets that were internally generated and those that have a definite life due to contractual or legal limitations. Intangible assets with an indefinite useful life may be retroactively reported. Phase 3 cities do not have to retroactively report any intangible asset.

Establishing a Capital Asset Accounting System

Reference Number: MTAS-629

In most small and medium-size cities, establishing a CAAS is not a major undertaking. However, planning, direction and cooperation are needed to achieve satisfactory results.

The following steps are suggested to establish the initial capital asset record:

- Assign one responsible individual the task and authority for establishing capital asset records.
- Take an initial physical inventory to collect all essential information. Description, assigned department, location, model number, serial number, manufacturer, size, and capacity are a few of the suggested identifying characteristics of each asset.
- Establish a value for all capital assets. Use historical cost records if available, or estimate value. Documentation is important.
- Complete and file an individual property record card or computer file on each capital asset.
- Label or tag capital assets. Adhesive metal tags or labels are convenient for marking each asset.

Designating a Responsible Official

Reference Number: MTAS-630

We recommend that the office of the chief fiscal officer be responsible for the CAAS because this office keeps general ledger control accounts and many of the source documents used to process and file property information. The chief fiscal officer, or deputy, acting as property accounting officer, should control the identification of equipment, detailed records, physical inventory planning, entries in the books of account and report preparation. Centralizing this responsibility results in a more efficient and accurate system than maintaining it in individual departments. The official assigned to establish the CAAS will need the cooperation and assistance of all department heads during system establishment, annual inventories, and on other occasions.

Initial Inventory

Reference Number: MTAS-632

The next step in establishing the CAAS is taking a physical inventory and preparing the initial database. Make every effort to obtain a complete record of all capital assets owned by the city. The chief administrative officer should inform all department heads and agencies that capital asset controls have been established and announce the person who is responsible for them. Each department should designate a person to assist in taking inventory for that department. The city’s size should determine if a formal meeting of department heads is required.

Valuing Capital Assets

Reference Number: MTAS-633

After conducting and reducing to paper a complete physical inventory, the next step is to assign a dollar value to each capital asset identified. Where possible, capital assets should be recorded at historical cost. While this step can be time consuming, actual costs usually can be found through searching prior years’ financial records and source documents. The objective is to determine the initial investment, not the present market or replacement value. If you cannot determine cost, the following alternatives can be used, in this order, to determine the value of capital assets:

1. Estimated market value at the time of purchase or construction; or
2. Fair market value (or appraised value) at the time when establishing the capital asset records.

During GASB Statement 34 implementation, Phase 1 and Phase 2 cities had to go back to 1981 to pick up infrastructure assets. Phase 3 cities — those with less than $10 million in revenues recorded in their fiscal year 1999 audit — simply picked up new infrastructure from the date of implementation. GASB Statement No. 51 had the identical implementation phase in for intangible assets as used for GASB Statement No. 34. If no historical records exist or fair market value cannot be determined, a city could take current replacement costs and deflate the amount using a pertinent index such as the Consumer Price Index. If no better records exist, a city could hire an expert to estimate cost. Finance personnel could consult an external auditor during this process to determine if their cost data are acceptable for financial statement presentation.

Individual Property Records and Filing System

Reference Number: MTAS-634

A subsidiary ledger card system should be adequate for small- and medium-size cities. Cities with computer capabilities probably will want to computerize their CAAS records. A separate card should be prepared for each unit of property (any item that can be readily identified and accounted for individually or any group of items, such as chairs, purchased at the same time).

This record of individual properties constitutes the subsidiary ledger. The total of the amounts shown on the subsidiary ledger cards corresponds to the control totals for the capital assets.

The following information should be on each individual property card:

- Asset number, including the class code;
- Sequence or payment voucher number;
- Date of acquisition;
- Name and address of vendor;
- Abbreviated description;
- Department, division and unit charged with custody;
- Location;
- Cost;
- Fund and department from which purchased;
- Method of acquisition;
- Estimated life;
- Date, method, and authorization for disposition; and
- Depreciation method and annual depreciation expense.

Once information has been entered on the asset ledger card, the next step is to develop a filing system to provide controls. Group the cards first by department. In the case of equipment, this usually amounts to grouping by location. Within each department or location, arrange the cards according to the classification of capital asset (i.e., land, building, infrastructure). Further subdivisions may be advisable if justified by the number of cards. For example, equipment could be divided into automotive, construction, office, etc.

Before completing the property card, assign and attach an individual asset number to each asset. This number should appear on the property card. Assigning each item a permanent number provides the necessary link between asset and property record card.

There are a number of adequate numbering systems for recording capital assets. A simple, flexible system might be a numerical sequence code system, with an alpha prefix. The alpha prefix classifies the asset according to the seven classes recommended for accounting and statement presentation purposes (L: land, B: building, I: infrastructure, O: improvements other than building, E: equipment, N: intangibles and C: construction in progress). This code numbering system might also identify the department and asset number.

Proper Marking of Capital Assets

Reference Number: MTAS-635

Regardless of the code system you adopt, you should assign individual asset numbers and permanently affix them to each asset. You can attach the identification number to the asset through labels, tags, decals, epoxy paint or other appropriate method. Attach the number in a conspicuous place where it will not be worn or knocked off. Try to standardize the location.

It may not be practical to place a number on some items. In these cases, assign numbers, and indicate on the cards that the number is not present.

Maintaining a Capital Asset Accounting System

Reference Number: MTAS-637

Once you establish a CAAS, proper maintenance is imperative. All accounting systems require current and accurate information to be meaningful. The best capital asset records can quickly become outdated if they are not maintained. Conversely, the most elementary records will become more accurate if properly maintained.

In small cities it may be sufficient to update the capital asset records at the close of each fiscal year. Large cities may require monthly updates.

We suggest that the person paying or approving invoices prepare a preliminary list of all items to be accounted for in the CAAS. Establish definite accounting procedures to ensure proper recording of asset purchases, sales, transfers and retirements.

Sources of Cost Information

Reference Number: MTAS-638

The obvious source of information about capital assets are vendors’ invoices or contracts. Another source of information are minutes from past governing body meetings. If historical records are unavailable, use a replacement value and deinflate that amount to the original purchase date. In some cases, using an expert or appraiser may be acceptable to arrive at an estimated cost.

Close cooperation with the property accounting officer is required in cities where a purchasing agent handles surplus property sales, interdepartmental transfers of equipment, or retirements.

Where department heads control the purchase, movement, and disposal of assets, you should design procedures and reports to give the property accounting officer prompt notice of any changes affecting capital assets.

Disposing of Capital Assets

Reference Number: MTAS-640

Capital assets may be sold, lost, junked or traded for new assets. Regardless of the manner of disposition or the amount of proceeds, remove the asset from the CAAS at its recorded value.

The capital asset card should show clearly the method of disposal and, if sold, the amount of money received.

In order to furnish necessary information on fixed asset changes, those responsible should fill out a form such as the one found later in this section, and transmit it immediately to the property officer.

Cost Subsequent to Acquisition

Reference Number:

MTAS-646

Maintenance is an expenditure that neither materially adds to the value of property nor appreciably prolongs its life. Maintenance keeps the property in ordinary efficient operating condition. Maintenance costs do not add value and should not be recorded in the CAAS. Paving or resurfacing roads is an expense while construction of new roads would be recorded as infrastructure.

Betterment is the replacement of a unit of an existing asset by an improved or superior unit, usually resulting in a more productive, efficient or longer-lived asset. Significant betterments are capital assets and should be added to the value of the property improved on the CAAS.

Before recording the cost of additions to capital assets, determine that the expenditure has bettered the asset. Analyze expenditures and add the part that bettered the asset to the value of the asset. Treat the part that only restored the asset to its former operation as a current expense.

Physical Inventory

Reference Number: MTAS-639

To ensure that the system is functioning as intended, the city should initially take a complete inventory of capital assets every three or four months. The inventory should agree with the records maintained in the CAAS.

After determining that the system is operating properly, an annual physical inventory (coinciding with the end of the city’s fiscal year) should be sufficient. In the interest of internal control, the property accounting officer should check inventories randomly and unannounced.

We recommend that you require strict accountability for the use and care of capital assets. Make an investigation of any shortages or overages in cooperation with the department involved.

Frequently such conditions are due to the lag in recording acquisitions, transfers, and dispositions. Report any unexplained shortage to the head administrative or chief fiscal officer. Make adequate written explanation of all items accounted for and be available for any administrative or legislative inquiry regarding discrepancies.

It will simplify taking inventories if the property accounting officer provides a current listing, in numerical order, of the equipment charged to each department. This list should provide space for checking each item present, noting exceptions and certification.

Sample Forms for Capital Asset Accounting Systems

Reference Number: MTAS-647

Sample forms below.

Form - Capital Asset Accounting Record (Ledger Card)

Reference Number: MTAS-649

Appendix A. CAPITAL ASSET ACCOUNTING RECORD (Ledger Card)

City of: ____________________

Assigned Property #: ____________________
Description: ____________________
Department: ____________________
Manufacturer's Serial #: ____________________
Location: ____________________
Tax Map Reference: __________ Book #: __________ Map #: __________
Kind of Deed: ____________________
Title Abstract: ____________________
Source of Funds: ____________________
Manufacturer: ____________________
Make and Model: ____________________
Color: ____________________
Purchase Order or Check #: ____________________
How and From Whom Acquired: ____________________
Date of Purchase: ____________________
Date Placed in Service: ____________________
Date of Last Improvement: ____________________

Invoice Price: $____________________
List Other Costs: $____________________
Installation Costs: $ ____________________
Estimated Salvage: $____________________
Improvements or Betterments: $ ____________________
Accumulated Capital Asset Amount: $ ____________________

Depreciation Basis: $ ____________________
Estimated Useful Life: ____________________
Depreciation Method: ____________________
Annual Depreciation: $ ____________________

Method of Price Evaluation: ____________________
Authority and Date: ____________________

The following explanations are offered to assist with completing ledger cards.

Accumulated Capital Asset Amount: Include in this amount the initial cost plus betterments to arrive at total investment cost.

Authority: Name of the person, board or council authorizing disposal of the asset.

How and From Whom Acquired: The “how” should indicate whether the asset was acquired through condemnation, as a gift, etc.

Method of Price Evaluation: Indicate how the price of the asset was determined. If other than cost, the name of the person making the evaluation should appear on the next line.

Other Comments: Should be used to report anything unusual or unique about this asset.

Property Number: This refers to the CAAS number assigned to this particular capital asset. It should be noted if this number has not been affixed to the asset.

Reference: This space should be used to indicate the source of the authority, such as minute book number and page number.

Source of Funds: This refers to the fund financing the asset, as well as whether by rental, purchase, etc.

Tax Map Reference: For counties in which the reappraisal program has been completed, this information can be obtained from the tax assessor.

Form - Capital Asset Disposal Record

Reference Number: MTAS-644

Appendix B: CAPITAL ASSET DISPOSAL RECORD

City of: ______________________________

Assigned Property #: ______________________________

Authority: ______________________________

Reference: ______________________________

Reason: ______________________________

Date of Disposition: ______________________________

Item Description: ______________________________

Removed from Department: ______________________________

METHOD OF DISPOSAL

- ☐ Trade-in (list new items acquired) ______________________________
- ☐ How Sold (advertised, sealed bids, etc.) ______________________________
- ☐ Transfer (list department receiving) ______________________________
- ☐ Junked and/or salvaged for parts ______________________________
- ☐ Other (explanation) ______________________________

Location at Time of Final Disposal: ______________________________

Amount Received: $ ______________________________

Sold to Whom: ______________________________

Other Comments: ______________________________

____

____

Condition of Property: ______________________________

Signature of Authority: ______________________________

Sample Resolution to Set Threshold for Capitalization

Reference Number: MTAS-651

Appendix D: SAMPLE RESOLUTION TO SET THRESHOLD FOR CAPITALIZATION

SAMPLE RESOLUTION TO SET THRESHOLD FOR CAPITALIZATION

WHEREAS this Resolution establishes a threshold that dictates when expenditures may be capitalized in accordance with generally accepted accounting principles.

WHEREAS the City needs to establish a different threshold for each asset class in order to maintain effective managerial control.

THEREFORE the City resolves that these dollar levels set the thresholds that apply to these asset classes:

Land	$ 500
Buildings	$10,000
Improvements Other than Buildings	$ 5,000
Equipment	$ 2,500
Infrastructure	$10,000
Construction in Process	Tied to asset class

This resolution will take effect immediately upon passage.

1st Reading ________________________________

____
Mayor

____
City Recorder

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