

Douglas County
Management & Finance Department
Capital Asset Guidelines

Capital assets are assets that are used in operations, meet a minimum monetary threshold, and have initial lives extending beyond a single reporting period. Capital assets may be either tangible (e.g., land, buildings, building improvements, land improvements, vehicles, machinery, equipment, and infrastructure) or intangible (e.g., easements, water rights).

With the exception of Buildings & Improvements, the County's criterion used in determining whether the expenditure for a capital-type asset should be capitalized is based upon a threshold of \$5,000 (assets costing \$5,000 or more including shipping and/or installation) and a useful life of more than one year. Expenditures meeting these guidelines should be coded as follows:

Asset Type	Fund	Org Unit	Core Account	Sub-Account	Activity
Land	XXX	XXXX	8000	00	XXXXXXX
Furn. & Equip.	XXX	XXXX	8200	00	XXXXXXX
Vehicles	XXX	XXXX	8300	00	XXXXXXX
Dam Structures	XXX	XXXX	8700	00	XXXXXXX
Work-In-Process	XXX	XXXX	8800	00	XXXXXXX
Infrastructure	XXX	XXXX	8900	00	XXXXXXX

Buildings & Improvements:

Buildings purchased or built with a cost of \$50,000 or more (including all costs associated with the purchase of the building or getting it ready for County use), or any improvements costing \$50,000 or more and change the use, significantly increase the life, or increase the size of a current building are capitalized and included in fixed asset inventory.

Buildings & Improvements	XXX	XXXX	8100	00	XXXXXXX
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Buildings purchased or built for resale (e.g. DCIDB buildings) or improvement projects costing \$50,000 or more but do not change the use, significantly increase the life, or increase the size, are coded to 8100-99.

Building improvement projects with a cost of less than \$50,000 should be coded to Structural Maintenance & Repair 6550-XX. e.g.: remodeling, carpeting, moving walls, replacing electrical, repairs to old roof.

Management & Finance will, on a case by case basis, look at projects that increase building size or a separate building structure costing less than \$50,000, to determine whether the project will be capitalized and if it should be included in the County's fixed asset inventory.

Expenditures for capital-type items that cost more than \$1,000 (including shipping and/or installation) but less than \$5,000 are also considered capital outlay but are not included in the County's fixed asset inventory. They should be coded to the appropriate core account listed above but with the sub-account of 99. Control over these capital-type items should be accomplished by the establishment of adequate control procedures at the departmental level.

Items with short useful lives and a cost of less than \$1,000 may be coded to the 6295 core account, Equipment – Non-inventory.

Equipment – Noninventory XXX-XXXX-6295-XX-XXXXXX
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