

	CHAPTER:	POLICY: Capital asset capitalization threshold	
		PAGES:	
SUBJECT: Assets			
RELATED POLICIES: Controlled assets	ENABLING RESOLUTION:	Res. 194-1978	
	RESOLUTION DATE:		
	REVISED RESOLUTION & DATE:	#243-1990, 10/17/90 #176-2001, 11/28/01	
OFFICE WITH PRIMARY RESPONSIBILITY: Finance			

I. PURPOSE

This policy establishes values above which capital assets owned by Sedgwick County are to be capitalized in the financial records of the County.

II. POLICY STATEMENT

The financial records of the County will accurately reflect the ownership by county government of capitalized capital assets in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board (GASB). Capital assets to be capitalized in the financial records of the county include the following:

- a. Buildings having an original cost to the county of more than \$50,000.
- b. Improvements other than buildings having an original cost to the county of more than \$50,000.
- c. Land having an original cost to the county of more than \$50,000.
- d. Roads and bridges having an original cost to the county of more than \$50,000.
- e. Sidewalks having an original cost to the county of more than \$50,000.
- f. Sanitary sewer lines having an original cost to the county of more than \$50,000.
- g. Storm drainage facilities having an original cost to the county of more than \$50,000.
- h. Traffic control systems having an original cost to the county of more than \$50,000.
- i. Infrastructure not specifically listed having an original cost to the county of more than \$50,000.
- j. Machinery and equipment having an original cost to the county of more than \$10,000.
- k. Other capital assets not specifically listed having an original cost to the county of more than \$10,000.

III. DEFINITIONS

Capital assets. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, software, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Improvement. An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

Infrastructure. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, drainage systems, sewer systems, dams, and lighting systems.

IV. PROCEDURES

The Finance Division will develop and implement systems and processes to identify capital assets subject to this policy at the time of acquisition or as soon as is practical thereafter. Records will be maintained in a manner adequate to permit identification of the asset, its physical location, its acquisition cost, the depreciation method used to determine current value, and the accumulated depreciation recorded against the asset.