Monthly Accounting Meeting
March 16, 2011

Capital Assets

By: Tanya Harris, CPA
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County Auditor-Controller

GET READY, GET SET FOR CAPITAL ASSETS

OBJECTIVES:
Provide early start for Year-End Capital Asset Activities
1. Definition
2. Threshold
3. AM Forms 1-7
4. Useful Asset Life
5. CIP (Required Spreadsheet – Use ACO Template)
DEFINITION

The term *capital assets* includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, 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.

CAPITALIZATION THRESHOLDS

(See SPM 913 – ACO website):

- Equipment $5,000
- Betterment *(See SPM 901)* $2,500
- Real Property:
  - Building $1
  - (Structures) $5,000
  - Land $1
  - Land Improvements $1
- Building Improvements $150,000
CAPITALIZATION THRESHOLDS

(Continued – See SPM 913)

- Infrastructure $150,000
- CIP Infrastructure
  (Budgeted Project Amount) $150,000
- CIP Building $1
- CIP Structure
  (Budgeted Project Amount) $5,000
- Intangible Assets $150,000
  – Externally-Generated Software $5,000

USEFUL LIVES

Please use industry standard (See SPM 904)

NOTE: The guidelines provided in SPM 904 Table 1 should serve as a starting point for estimating a capital asset's useful life.

Consider:
- Quality
- Application
- Environment
AM FORMS

1. AM-1 INVENTORY OF COUNTY PROPERTY FOR CAPITAL ASSETS
   Required Year-End Certification – Must be signed by Department Head. **NOTE:** In-coming / Out-going department head must sign an AM 1 and attach inventory listing of capital assets.

2. AM-2 AUTHORIZED SIGNATURE FOR CAPITAL ASSETS CERTIFICATION
   Authorizes the individual listed to approve and certify the capital assets listing for Department Head and sign off on AM 6 and AM 7.

3. AM-3 CONTACT FOR CAPITAL ASSETS
   Person responsible for capital asset inventory.

4. AM-4 CAPITAL ASSET LISTING CORRECTIONS
   Must be completed to request change to capital asset.

AM FORMS (Continued)

5. AM-5 ACQUISITION, BETTERMENT & CAPITAL LEASES
   For new acquisition, betterment and capital leases. **NOTE:** Must be entered in the AM Module accordingly. Please do not change accounting date until YE.

6. AM-6 CAPITAL ASSET TRANSFER
   For intra-departmental and inter-departmental transfers. **MUST BE SIGNED BY DEPARTMENT HEAD OR AM 2 DESIGNEE**

7. AM-7 CAPITAL ASSET DISPOSITION
   For capital asset disposition. **MUST BE SIGNED BY DEPARTMENT HEAD OR AM 2 DESIGNEE**
CIPs

- We are introducing a new CIP Template

- It will become part of the year end Package

- Along with the T-9, S-9 and V-9 the New Q-9 will be due on May 12, 2011

CHANGING USEFUL LIFE WHILE ADDING AN ASSET

- **NOTE:** Department must verify the useful life right after adding the asset in the AM module. This is the only time the department can change the useful life of the asset. Any changes after that, the department has to fill out an AM-4. An AM-4 needs to be sent to the ACO.

- There are two ways to change the Asset Book Information.
FIRST OPTION

• THIS WILL BE USED RIGHT AFTER MANUALLY ADDING THE ASSET

• Navigation: Asset Management < Financial Management < Owned Asset < Basic Add < Asset Acquisition Detail

Changing the Useful Life

When done go back to the Asset Information Tab
Changing the Useful Life
Changing the Useful Life

Changing the Useful Life

County of Riverside ■ Office of the Auditor-Controller
SECOND OPTION

- Navigation: Asset Management < Financial Management < Owned Asset < Review Cost

Changing the Useful Life
Changing the Useful Life

[Image of Oracle software interface]

Changing the Useful Life

[Image of Oracle software interface]
Changing the Useful Life
Changing the Useful Life
## Capital Assets

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<th>Lisette</th>
<th>Echel</th>
<th>Reggie</th>
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<tr>
<td>Micro 5-3821</td>
<td>Micro 5-3556</td>
<td>Micro 5-8134</td>
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### Departmental Assignments

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<tr>
<th>Position / Department</th>
<th>Auditor-Controller</th>
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## ACO CONTACTS:

- **ECHEL YBANEZ** 5-3556
- **LISETTE ROSE** 5-3821
- **REGGIE ARHIN** 5-8134
- **TANYA HARRIS** 5-8375