

ACCOUNTING POLICY

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| TOPIC: Section 8 - Capital Assets 1.0 | EFFECTIVE DATE: 11/19/86 |
| TITLE: Capital and Non-Capital Asset and Inventory Systems | REVISION DATE: 5/24/12 |
| AUTHORIZED BY: Amy McDowell, Deputy Director | PAGE 1 OF 2 |

POLICY

Department of Health Services (DHS) organizations shall have a capital asset system (maintained by Bureau of Fiscal Services (BFS) Financial Reports and Analysis Section) and a non-capital asset system (maintained by each organization), which complies with federal regulations, the state self-funded insurance program, and Wisconsin Statutes, sections 16.41 and 46.014 (1). The accounting policies for assets and equipment are detailed in the *Department of Administration (DOA) State Accounting Manual*, Section V, Sub-Section 12. DHS Organizations are responsible to assure that capital assets are used in accordance with federal laws and regulations, state statutes, and departmental policies and procedures.

This accounting policy outlines the requirements for the Microsoft Access capital asset database, the Microsoft Access non-capital asset database, and the information technology system called Service Center - Resource Management System (RMS).

A capital asset is defined as any asset (i.e. buildings, equipment, etc.), with an acquisition cost of \$5,000 or more and a useful life of two years or more. All capital assets, including Information Technology (IT) assets with a cost of \$5,000 or more, must be recorded in the Microsoft Access capital asset database maintained by BFS.

Most IT assets, regardless of acquisition cost, must also be recorded in RMS. IT assets include personal use equipment such as desktop CPUs, monitors, laptops, and printers, as well as network items such as routers, servers, and switches. PDA's and purchased software programs costing less than \$5,000 are excluded from RMS, but still included in the Microsoft Access non-capital asset database.

Non-IT assets with an acquisition cost between \$1,000 and \$4,999 must be recorded on the organization's non-capital asset Access database. That includes those assets purchased with a P-card.

Accounting procedures are separately stated in the following APP's:

[Section 8-Capital Assets 1.01](#) Accounting Procedures for Capital Assets (costing \$5,000 and over)

[Section 8–Capital Assets 1.02](#) Accounting Procedures for Non-Capital Assets (costing \$1,000 to \$4,999.99)

[Section 8–Capital Assets 1.03](#) Accounting Procedures for IT (Information Technology) Assets

The requirements specified are the minimum acceptable for the capital inventory reports. DHS organizations may use more restrictive criteria for property management. Examples of reasons for more restrictive criteria are to comply with specific federal regulations or to maintain control over sensitive assets with a unit cost under \$1,000.

For construction project closeout procedures of additions and improvements, see [Section 8–Capital Assets 2.1](#) [Capitalization of Fund 490/495 Capital Projects (Construction Projects)]. For year-end reporting procedures see [Section 8–Capital Assets 4.0](#) (Year-End Capital Asset Reporting). For procedures to dispose of state-owned assets see [Section 8–Capital Assets 5.0](#) (Disposition of State-Owned Assets).

REFERENCES

Wisconsin Statutes, ss. 16.41 and 46.014 (1)

www.legis.state.wi.us/rsb/stats.html

DOA State Accounting Manual, Section V - Expenditures, Sub-Section 12–Capital Expenditures

<http://www.doa.state.wi.us/category.asp?linkcatid=961&linkid=185&locid=167>

DHS APP

[Section 1–Business Standards 2.0](#) Standards of Business Conduct

[Section 8–Capital Assets 1.01](#) Accounting Procedures for Capital Assets (cost \$5,000 and over)

[Section 8–Capital Assets 1.02](#) Accounting Procedures for Non-Capital Assets (cost \$1,000 to \$4,999.99)

[Section 8–Capital Assets 1.03](#) Accounting Procedures for Information Technology (IT) Assets

[Section 8–Capital Assets 2.1](#) Capitalization of Fund 490/495 Capital Projects

[Section 8–Capital Assets 4.0](#) Year-End Capital Asset Reporting

[Section 8–Capital Assets 5.0](#) Disposition of State-Owned Assets

CONTACTS

[Capital Asset Accountant](#)