



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 8 – Capital Assets 4.0	EFFECTIVE DATE: 05/06/1989
TITLE: Year-End Capital Asset Reporting	REVISION DATE: 05/15/2018
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

POLICY (REPORTING REQUIREMENTS AND DEADLINES)

In order to meet various deadlines imposed on the Bureau of Fiscal Services (BFS), it is important that all Department of Health Services (DHS) Organizations submit their June 30 inventory package for each year no later than August 1.

PROCEDURES

1. The Bureau of Fiscal Services (BFS) Cost Allocation and Financial Reporting (CAFR) section will provide an inventory listing from the STAR-Asset Management System to DHS organizations by June 1 of every year. That inventory listing is to be used as an aid in conducting the physical inventory. DHS organizations must complete the physical inventory by June 30. See APP Section 8 – Capital Assets 1.04 (Annual Physical Inventory) for additional information.
2. All organizations are required to submit their June 30 inventory package to BFS/CAFR by August 1. The inventory package should include the following:
 - a. **Physical Inventory Certification** – Organizations are required to submit a Physical and Capital Inventory Compliance Certification (F-80464). See APP Section 8 – Capital Assets 1.04 (Annual Physical Inventory) for additional information on the physical inventory requirements.
 - b. **New Assets** – Organizations are required to submit a New Capital Asset Record (F-80962) to BFS/CAFR for each new acquisition over \$5000. The second page of New Capital Asset Record (F-80962) has a description for each item on the form. If a purchase is funded from more than one appropriation, all funding sources should be reflected in the capital asset records.

All land should also be recorded in the same manner as other assets.

Information Technology (IT) assets with an acquisition cost over \$5,000 must be entered into both the STAR-Asset Management System and the Information Technology System called the Cherwell Service Management – Configuration Management Database (CMDDB) [See APP Section 8 – Capital Assets 1.03 (Accounting Procedures for Information Technology (IT) Assets)].

Assets should be tagged with identification numbers where feasible.

See APP Section 8 – Capital Assets 1.01 [Accounting Procedures for Capital Assets (Cost \$5,000 and over)] for information on required attributes, useful lives, depreciation, system assets, and capital leases.

- c. **Asset Changes** – If there are any changes to the information already entered in the STAR-Asset Management System, a Capital Asset Changes/Deletion Record (F-80963)

should be completed and submitted to BFS/CAFR. The second page of Capital Asset Changes/Deletion Record has a description for each item on the form.

Changes to capital IT asset information should be reported on a Capital Asset Changes/Deletion Record (F-80963). That will initiate the change on the STAR-Asset Management System. All DHS organizations must make the changes in Cherwell Service Management – Configuration Management Database (CMDB), also.

Asset Deletions – Organizations should complete a Capital Asset Changes/Deletion Record (F-80963) for all capital asset disposals. See APP Section 8 – Capital Assets 5.0 (Disposition of State-Owned Equipment) for additional guidance on state-owned disposals. All DHS organizations must make the changes in Cherwell Service Management – Configuration Management Database (CMDB), also.

- d. See APP Section 8 – Capital Assets 1.01 (Accounting Procedures for Capital Assets (Cost \$5,000 and over)) for additional information on trade-ins, fully depreciated assets, asset transfers from other agencies, and transfers between organizations.
2. After the inventory packages are received, BFS/CAFR will make the required changes to the STAR-Asset Management System, calculate depreciation and prepare/distribute the year-end capital asset reports.

BFS/CAFR, with the assistance of the organizations, is required to complete the Capital Asset Summary (F-80462).

FORMS

1. Physical and Capital Inventory Compliance Certification, [F-80464](#)
2. New Capital Asset Record, [F-80962](#) (2 pages)
3. Capital Asset Changes/Deletion Record, [F-80963](#) (2 pages)
4. Capital Asset Summary, [F-80462](#)

REFERENCES

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

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

[DHS APP Section 8 – Capital Assets 1.04](#) (Annual Physical Inventory)

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

CONTACTS

[Capital Asset Accountant](#)