

# STATE OF INDIANA

## CAPITAL ASSET POLICY

(July 1, 2009, Rev.)

### SECTION

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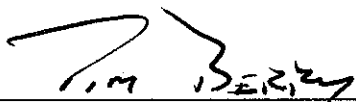
Capital Asset Categories - Depreciable/Amortizable Lives

Approved by:



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Commissioner of Department of Administration

July 1, 2009  
Date



Tim Berry  
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7/1/09  
Date

INDOT Infrastructure Section Approved by:



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Date

## 1. General Information

The Capital Asset Policy applies to all State of Indiana business units (BU) and is revised effective July 1, 2009. The capitalization threshold for assets is a cost of \$500.00 or more which is to be applied on an individual or per item basis. All assets have a \$0.00 salvage value. This revision reflects the implementation of ENCOMPASS and new accounting and financial reporting standards including Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets.

The purpose of establishing a formalized Capital Asset Policy is as follows:

- To safeguard the investments of the citizens of Indiana
- To assign accountability and responsibility for the custody of equipment
- To provide a basis for formulating capital asset acquisition, maintenance and retirement policies
- To provide data for financial reporting
- To demonstrate appropriate stewardship responsibility for public assets

Business units are responsible for providing reports on their real and personal property pursuant to state law. Governmental Accounting Standards Board (GASB) standards specify the State should publish a Comprehensive Annual Financial Report and requires capital assets to be reported in the Comprehensive Annual Financial Report's (CAFR) government-wide financial statements.

This Capital Asset Policy is limited to outlining the broad classifications of property, the definitions of assets, methods of creating asset data, acquisitions, transfers, and retirements of State-owned property for which the State is fiscal agent. It does not include data processing, programming requirements, or computer operations procedures.

The ENCOMPASS Asset Management module is the State's official Capital Assets Accounting System. The Auditor of State's (AoS) Finance/Accounting Division uses the ENCOMPASS Asset Management Module to report capital assets in the State's CAFR. Questions regarding capital assets reporting should be directed to the AoS Finance/Accounting Division at 232-3328 or by email to [cjackson@auditor.in.gov](mailto:cjackson@auditor.in.gov).

## 2. Definitions of Capital Assets – State Procedures

Capital assets include: land, right of ways, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, works of art, and intangible assets. Land, right of ways (other than easements), and land improvements will be capitalized but not depreciated. Works of art and historical treasures are not capitalized by the State if they meet the requirements of GASB Statement No. 34, paragraph 27. Other capital assets with a useful life of more than one year and a cost of \$500.00 or more shall be capitalized and, with the exception of INDOT infrastructure, such capital assets shall be depreciated (including acquisitions by lease-purchase agreements and donated items). Capital assets meeting this criteria will be reported in the government-wide financial statements.

Improvements and repairs which allow an asset to continue to be used during its originally established useful life are expensed and not capitalized. Improvements and repairs which extend the useful life of an asset are called preservation costs. These preservation costs will be capitalized for all capital assets with the exception of infrastructure. Additions and improvements which increase the capacity or efficiency of the asset will also be capitalized for all assets.

Assets that are not capitalized are expensed in the year of acquisition. For accountability and safeguarding of assets, business units are responsible for maintaining all assets costing \$500.00 or more in ENCOMPASS' Asset Management Module. The \$500.00 or more cost for assets is to be applied on an individual asset or per item basis. All capital assets, including those owned by Internal Service funds, will be reported by the AoS in the State's Comprehensive Annual Financial Report. Chapter 8, "Capital Asset Accounting," of the Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies (Accounting Manual) describes the business processes of accounting for capital assets.

### 3. Valuation of Capital Assets

Capital assets should be recorded at historical or original cost. Normally the cost recorded is the purchase price or construction costs of the asset, but also included are any other reasonable and necessary costs incurred to place the asset in its intended use that can be directly related to the asset. Such costs could include the following:

- Legal and title fees, closing costs
- Appraisal and negotiation fees, surveying fees
- Damage payments
- Land preparation costs, demolition costs
- Architect and accounting fees
- Design and consulting fees
- Transportation charges

Donated or contributed assets should be recorded at their fair market value on the date donated or acquired.

### 4. Asset Definitions by Major Category

It is important to the maintenance of accurate records that each asset category be precisely defined and that all persons responsible for records maintenance be fully aware of the categorization system. Appendix A lists the category codes and descriptions for each category of capital assets. These categories are grouped into major categories for reporting in the State's Comprehensive Annual Financial Report. This section further clarifies the asset definitions by major category and groups the sub-categories given in Appendix A into major categories used for external financial reporting. The Accounting Manual includes the detail profile IDs for each major asset category. Assets are to be reported at the five-digit profile ID level associated with each category code. Category codes and profile IDs are also available on the ENCOMPASS website under Asset Management.

Land:

Land includes category codes 101, 110, 150, 151, 160, and 170. Specified land, right of way, and improvements to land are included, regardless of the method or date of acquisition.

Infrastructure:

Infrastructure includes category codes 130 and 601 through 617. Infrastructure assets are 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, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. The Department of Natural Resources' dams, reservoirs, and like items are depreciated as are site improvements which include water tanks, septic systems, etc. The policy for INDOT infrastructure is provided in Section 8.

Buildings and Improvements:

Buildings and Improvements includes category codes 301, 351, 401 through 406, and 451. All structures designed and erected to house equipment, services, or functions are included. Buildings and improvements is reported in the State's CAFR in the notes to the financial statements and under property, plant, and equipment in the government-wide Statement of Net Assets.

Furniture, Machinery, and Equipment:

Furniture, Machinery, and Equipment include all other types of physical property within the scope of the Capital Asset Policy not previously classified. This would include all category codes within the range from 501 through 556 except for 553 which is computer software. Furniture, machinery, and equipment is reported in the State's CAFR in the notes to the financial statements and under property, plant, and equipment in the government-wide Statement of Net Assets.

Computer Software:

Computer software is an intangible asset subject to capital assets reporting pursuant to GASB 51, Accounting and Financial Reporting for Intangible Assets. Computer software is to be reported under category code 553. Websites are included as computer software.

Reporting for the State's website, [www.in.gov](http://www.in.gov), as a capital asset shall be the responsibility of the Indiana Office of Technology (IOT). Business units that have or develop websites external to the State's website shall be responsible for reporting them as a capital asset pursuant to GASB 51, Accounting and Financial Reporting for Intangible Assets.

### Easements:

An easement is an intangible asset subject to capital assets reporting pursuant to GASB 51, Accounting and Financial Reporting for Intangible Assets. Easements are to be reported under category codes 101 if a permanent easement and 120 if a temporary easement with a definitive end date.

### Land and Water Use Rights:

Land use rights include conservation land rights, timber rights, mineral rights, and water rights. These rights are intangible assets pursuant to GASB 51, Accounting and Financial Reporting for Intangible Assets. Land and Water Use Rights are to be reported under category code 120.

### Antiques, Artwork, Other Inexhaustible Collections:

Antiques, artwork, and other inexhaustible collections include works of art, historical treasures, and similar assets held as individual items or in a collection. An example of a collection in this category is the State Museum Collection which consists of historical buildings and furnishings; personal artifacts; tools and equipment; communication, transportation, recreational and societal artifacts; and art objects. Antiques, artwork, and other inexhaustible collections are to be reported under category code 161.

### Copyrights, Patents, and Trademarks:

Copyrights, patents, and trademarks are intangible assets pursuant to GASB 51, Accounting and Financial Reporting for Intangible Assets. These represent different kinds of intellectual property protection.

### Capital Leases:

Per FASB's Statement of Financial Accounting Standards No. 13, a capital lease is one that that meets one or more of the following criteria, meaning it is classified as a purchase by the lessee (business unit): the lease term is greater than 75% of the property's estimated economic life; the lease contains an option to purchase the property for less than fair market value; ownership of the property is transferred to the lessee at the end of the lease term; or the present value of the lease payments exceeds 90% of the fair market value of the property.

If a capital asset is acquired through use of a lease contract, this must be indicated in the checkbox when the purchase order is created. The fiscal department of the Department of Administration will review all such contracts and enter applicable information into the Asset Management system, thus determining whether a "capital" or "operating" lease. If a "capital" lease, financial information, including depreciation, for the asset will be maintained the same as for a purchased asset.

Capital leases are to be reported using category codes 9101 through 9556.

### Work-in-Progress:

Work-in-progress consists of all design, consultant, and/or construction projects in progress that will lead to either a new capital asset or one that will increase the useful life, functionality, or efficiency of an existing capital asset. Work-in-progress does not include completed construction projects. The capitalization threshold of \$500.00 or more applies to work-in-progress construction projects. Maintenance and preventative maintenance projects for capital assets are not to be included in work-in-progress. Work-in-progress is required by GASB standards to be reported as a capital asset in the government-wide financial statements published in the CAFR.

Pursuant to state law, the Public Works Division (PWD) of the Indiana Department of Administration manages almost all of the work-in-progress construction projects undertaken by business units. The PWD is responsible for issuing and mailing to a public works contractor, along with the purchase order from the business unit, the letter of authority to proceed. They are also responsible for reviewing and approving all requisitions, purchase orders, and payments made in a capital project on the ENCOMPASS system. The BU is responsible for setup and maintenance of capital projects, including finalizing and moving to Asset Management when complete. Expenditures of capital projects not completed at year end are to be considered as work-in-progress for the CAFR.

### 5. Asset Transfers and Dispositions

Section 8.4.2, Transfer/Disposal of Capital Assets, and Section 8.4.3, Retirement of Capital Assets, in the Capital Asset Accounting Chapter of the Accounting Manual details the Asset Transfers and Dispositions procedures. It outlines the disposition of surplus property, transfers to State surplus, transfers to another State business unit, trade-ins, disposal of junk property, and sales of assets.

### 6. Physical Inventories

Per the Accounting Manual, an annual physical inventory is to be performed by each business unit and compared to the business unit's listing of assets from ENCOMPASS. The physical inventory helps ensure the asset inventory is accurate and that assets have not left the business unit without authorization. It also helps management identify unused assets for appropriate disposition. Evidence documenting that a physical inventory was performed should be maintained for auditing. The annual physical inventory should be completed by August 15<sup>th</sup> of each year.

### 7. Depreciation/Amortization

The State's CAFR uses information from the ENCOMPASS Asset Management Module for preparing the Government-Wide Financial Statements under GASB Statement No. 34. The category codes, which are the first three digits of the profile ID, determine whether to depreciate or amortize capital assets. Appendix A provides the useful lives which are used for each category code. All assets, with the exception of INDOT infrastructure using the modified approach, are depreciated on a straight-line basis beginning the month after being placed into service.

## 8. Indiana Department of Transportation (INDOT) Infrastructure

### Purpose

The purpose of this section is to explain the information, procedures, and requirements pertaining to INDOT's infrastructure reporting using the GASB 34 modified approach. Per GASB 34, infrastructure assets that are part of a network or subsystem of a network are not required to be depreciated as long as two requirements are met. First, the government manages the infrastructure assets using an asset management system that keeps an up-to-date inventory of infrastructure assets, performs condition assessments of the infrastructure assets and summarizes the results using a measurement scale, and estimates each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the government. The second requirement is that the government document that the infrastructure assets are being preserved approximately at or above a condition level established and disclosed by the government.

All of INDOT's non-GASB 34 modified approach capital assets shall adhere to sections 1 through 7 of this policy.

### Policy

INDOT shall maintain an inventory of all infrastructure it owns as well as that owned by the Indiana Finance Authority, other business units/institutions/properties, and as designated by the legislature or Governor's Executive Order. Infrastructure subsystem assets to be reported include Interstate Roads, NHS Roads – Non-Interstate, Non-NHS Roads, Interstate Bridges, NHS Bridges – Non-Interstate, Non-NHS Bridges, Roads at State Institutions and Properties, and Bridges at State Institutions and Properties. INDOT capital assets also to be reported include Right-of-Way, Right-of-Way in Progress, and Work-in-Progress.

INDOT's formal contracts construction program is comprised of only Capital and Preservation Projects. This program includes contracts awarded for New Road/New Bridge Construction, Road/Bridge Resurfacing, Replacement, and Rehabilitation, and Intelligent Traffic System installation and Support.

Only Capital Projects shall be earmarked for consideration as infrastructure. Preservation Projects shall be considered as necessary to maintain the existing asset and thus not be capitalized. INDOT maintains a GASB 34 Definitions, Capital / Preservation / Maintenance manual. Patching, snow removal, etc, are considered maintenance activities, thus such costs are expensed and are not pertinent to GASB 34 reporting requirements.

A capital project is one which affects the addition of a reportable infrastructure asset or increases either the capacity or the efficiency of the asset. A change in capacity increases the level of service provided by an asset. For example, additional lanes could be added to a road. INDOT has developed and maintains work type codes to distinguish between capital and preservation projects. Examples of work type codes used to identify capital projects include new bridge construction, new road construction, and construction of roadside facilities and structures.

A preservation project is any project of the department's formal contracts construction program which extends the useful life of an asset beyond its original estimated useful life, but does not increase the capacity or efficiency of the asset. Such projects would not be capitalized.

A maintenance activity is any activity which allows an asset to continue to be used during its originally established useful life. Such activity costs would neither be capitalized nor reported as preservation.

Feasibility studies, preliminary engineering, and environmental assessments are considered normal operating activities and often pertain to potential assets that will never be constructed. These activities' outlays shall be expensed as incurred.

In addition to the cost of construction, outlays for design, demolition and clearing of land, railroad modification, utility modification, and construction engineering and inspection are indirectly related the asset construction and may be relatively material to the overall costs of asset construction. The costs for these activities after construction has started shall be included in the capitalized cost of the infrastructure asset.

There are no threshold limitations for capitalizing infrastructure. Roads and bridges shall be valued and inventoried based upon the total direct costs necessary to construct the project.

For incomplete capital projects, project costs shall be accumulated, recorded, and reported as work-in-progress. The capitalized costs associated with infrastructure assets shall be categorized between "in progress" and "completed" for all eligible costs incurred during the specified reporting period. Work-in-progress shall be accumulated and retained in ENCOMPASS' project costing module with sufficient detail to support future update to the roads and bridges inventory. The capital project records shall be maintained so as to facilitate a report of costs incurred for purposes of updating a work-in-progress inventory on the ENCOMPASS Asset Management module. The date on the letter relieving the contractor from further obligation will serve as the date that triggers the transfer of a project from work-in-progress to a complete and capitalized project. The project will be reported as capitalized at the end of the current quarter.

INDOT shall satisfy the GASB 34 reporting requirements via the Highway Transportation System (Roads and Bridges) and its subsystems for Interstate Roads, NHS Roads – Non Interstate, Non-NHS Roads, Interstate Bridges, NHS Bridges – Non-Interstate, Non-NHS Bridges, Roads at State Institutions and Properties, and Bridges at State Institutions and Properties. INDOT shall use the ENCOMPASS project costing and asset management modules to record and report on all of its capital assets. INDOT shall maintain the financial data detail for each subsystem within ENCOMPASS Asset Management so as to facilitate any necessary internal and external reporting requirements.

INDOT's Division of Accounting is the liaison with the Auditor of State's office for all GASB 34 reporting requirements.

### Infrastructure

The Program Engineering and Accounting divisions shall have joint responsibility to cause the reporting of capitalized projects and preservation costs related to infrastructure,



accumulated by sub-system. Such information shall be derived from the BAMS / TRNS\*PRT system and ENCOMPASS financial system, for the specified periodic reporting to the Auditor of State.

Infrastructure assets are to be added to ENCOMPASS Asset Management from the project costing module by individual project. INDOT will record all infrastructure assets in ENCOMPASS to enable reporting by subsystem.

If / when applicable, the sale, relinquishment, or other disposal of an infrastructure asset shall be recorded in a manner to retain the cost information to reduce the 'book value' of the asset.

Infrastructure subsystems are to be reported under category codes 601 through 608.

INDOT will provide the Auditor of State's office with quarterly reporting from ENCOMPASS of its infrastructure assets by category. These quarterly reports are due on October 31, January 31, April 30, and July 31 for each fiscal year.

#### Right-of-Way

INDOT's Production Management Division / Real Estate Section shall maintain the records for Right-of- Way (RoW) with routine updates to support periodic reporting of activity. ROW purchases shall be recorded including the Fund, the amount and the date of qualifying payments. If/when applicable, the sale of ROW shall be recorded in a manner to retain the purchase information yet offset or reduce the 'book value' of the asset. The original acquisition information will remain with the Real Estate Section. The ROW purchase / sale records shall be maintained so as to facilitate a report of activity (purchases and sales) for updating the ENCOMPASS Asset management module.

INDOT has capitalized all right-of-way placed in service since inception. INDOT's existing RoW inventory consists of estimated costs for parcels acquired before 1960 and actual costs for RoW acquired since 1960. Actual cost is the amount paid directly or indirectly to the property owners to acquire the land or easement thereto. This includes relocation, moving expenses and damages as well as the purchase price. RoW is acquired via fee simple with transfer of title and ownership recorded.

Once capitalized, ROW is virtually never removed from inventory. Although the responsibility for operation and maintenance of roads and other improvements may be 'relinquished' to cities and counties, the land remains an asset of INDOT.

The cost of RoW shall include the payment for services performed by contract (fee appraisers, abstractors, buyers, etc.). RoW's cost shall not include INDOT staff salaries and benefits for services. Demolition is not a cost of the land. Typically, it is performed in conjunction with the construction of the improvement to the land. The transfer of ownership shall be effective upon final payment to the property owner. Donated land shall be recorded as an asset with a cost value of Fair Market Value at the time of the donation. Only land acquired via transfer of title right or via easement shall

be included.

In the event the actual cost of RoW acquired is not determinable, its estimated cost shall be based on a computed average cost per acre (etc) of the entire existing ROW inventory.

Currently, any road relinquishments are pertinent to the operation and maintenance of the road, thus the associated ROW remains property of the Department; Such ROW shall remain on the Department's inventory records.

When ROW is sold, it shall be removed from the ROW total value. ROW will be reclassified as excess land before it can be sold.

Excess land acquisitions will added to INDOT's Asset Management inventory and appropriately reported in ENCOMPASS asset management.

INDOT shall record the dollar value of RoW capitalized, retired, or disposed of using ENCOMPASS asset management. RoW activity in ENCOMPASS is to be identified using profile ID 10102 on transactional documents such as purchase orders, vouchers, and retirement disposition forms. Acquisition costs for RoW activity will be interfaced into Asset Management valued at 100% capitalization regardless of the other activities' capitalization percentages. INDOT shall ensure that its recording of RoW transactions in ENCOMPASS is kept up-to-date.

RoW is to be reported under category code 101.

INDOT will provide the Auditor of State's office with quarterly reporting from ENCOMPASS of its RoW. These quarterly reports are due on October 31, January 31, April 30, and July 31 for each fiscal year.

### Easements

Easements are being added as a capital asset by virtue of being an intangible asset pursuant to GASB 51, Accounting and Financial Reporting for Intangible Assets. Permanent and temporary easements acquired prior to July 1, 2009 are included in the project costs and have been and will continue to be reported as the tangible asset, Right-of-Way. Effective July 1, 2009, INDOT will add and track permanent and temporary easements for recording to ENCOMPASS Asset Management as an intangible asset(s).

Permanent easements are to be reported under category code 101. Temporary easements are to be reported under category code 120.

INDOT will provide the Auditor of State's office with quarterly reporting from ENCOMPASS of its permanent and temporary easements. These quarterly reports are due on October 31, January 31, April 30, and July 31 for each fiscal year.

### Work-in-Progress

INDOT shall maintain records to facilitate reporting RoW and infrastructure subsystem work-in-progress as capital assets.

For incomplete capital projects, project costs shall be accumulated, recorded, and reported as work-in-progress. The capitalized costs associated with infrastructure assets shall be categorized between "in progress" and "completed" for all eligible costs incurred during the specified reporting period. Work-in-progress shall be accumulated and retained in ENCOMPASS' project costing module with sufficient detail to support future update to the roads and bridges inventory. The date on the letter relieving the contractor from further obligation will serve as the date that triggers the transfer of a project from work-in-progress to a complete and capitalized project. The project will be reported as capitalized at the end of each current quarter.

INDOT will provide the Auditor of State's office with annual reporting from ENCOMPASS of RoW and infrastructure work-in-progress. This annual report is due on July 31 of each fiscal year.

### Condition Assessments

GASB 34 requires a condition assessment by infrastructure subsystem at least every three years. INDOT conducts condition assessments on a more frequent basis to help ensure the adequacy and sufficiency of Indiana's roads and bridges.

INDOT assesses the condition of Interstate highways on an annual basis and other highways on a biannual basis. This assessment of roads is based on measurement of International Roughness Index (IRI), Rut, and Pavement Condition Rating (PCR) to determine the condition of roadway pavements. Since 1998 INDOT uses the Pavement Quality Index (PQI) as the State's primary method to rate pavement conditions for monitoring purposes. The rating established by PQI is a calculated composite index of the above three measured factors and ranges from 100 to 0. Indiana's PQI rating system is used for both asphalt and concrete pavements.

Bridge sufficiency ratings are calculated based on the formula and guidelines provided by the Federal Highway Administration (FHWA) in the "Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges." The sufficiency rating formula is a method of evaluating data by calculating four separate factors to obtain a numeric value which is indicative of bridge sufficiency to remain in service. The result of this method is a percentage in which 100 percent would represent an entirely sufficient bridge and zero percent would represent an entirely insufficient or deficient bridge. It is reasonable to conclude that bridges with a sufficiency rating of:

90% to 100%	are generally in Excellent Condition
80% to 90%	are generally in Good Condition
70% to 80%	are generally in Fair Condition
60% to 70%	are generally in Marginal Condition
Less than 60%	are generally in Poor Condition

The Program Engineering Division shall maintain the 'operational' Road and Bridge inventory records for the Highway System. These inventory records shall be the source for reporting the "condition" of the Highway System, as required by GASB 34. The Program Engineering Division shall coordinate approval and submission of INDOT's 'Condition Levels' for each sub-system of infrastructure assets.

The Condition data for infrastructure subsystems shall be maintained and evaluated to facilitate internal and external reporting requirements. INDOT shall provide the condition rating for each of the subsystems comprising the State's highways and bridges to the Auditor of State's office for CAFR reporting by August 31<sup>st</sup> of each year.

#### Comparison of Needed to Actual Maintenance/Preservation

The Program Engineering, Budget, Procurement, and Project Accounting divisions shall jointly develop an "estimate of preservation costs" to be provided to the Auditor of State for the ensuing fiscal year. This information is necessary to support the required comparison reporting of actual vs. estimated costs to maintain/preserve INDOT's infrastructure assets at their established condition levels. INDOT shall provide an estimate of the needed preservation costs for each subsystem to the Auditor of State's office by August 31<sup>st</sup> of each fiscal year.

INDOT shall report its preservation/maintenance costs for each subsystem to the Auditor of State's office on a quarterly basis. The July through September report is due October 31<sup>st</sup>, the October through December report is due January 31<sup>st</sup>, the January through March report is due April 30<sup>th</sup> and the April through June report is due August 31<sup>st</sup>. INDOT reporting to the Auditor of State's office is necessary as this is required supplementary information to be provided in the CAFR.

#### Management Discussion and Analysis

The Program Engineering Division shall coordinate INDOT's input to the Management Discussion & Analysis required pursuant to GASB 34. INDOT's input shall focus on an analysis of condition levels and costs associated with maintaining the condition of the infrastructure. INDOT shall provide the Auditor of State's office with explanations for any infrastructure subsystem where its actual maintenance and preservation costs were lower than the plan needed. These explanations should be provided by provided by August 31<sup>st</sup> of each year along with the required comparison schedule of actual versus plan needed for infrastructure subsystems.

Appendix A – Capital Asset Categories - Depreciable/Amortizable Lives

Category Code	Description	Depreciable Life In Months	Asset Account	Expense Account
101	Land	N/A	151101	551101
110	Associated Land Costs	N/A	151110	551110
120	Temporary Land Rights	on contract	151120	551130
130	Site Improvements (i.e., Utilities & other infrastructure)	240-720	151130	551130
150	Land Damage Improvements	N/A	151150	551150
151	Improvement to Land	N/A	151151	551151
160	Hwy Relocation Reimbursement	N/A	151160	551160
161	Antiques, Artwork, Other Inexhaustible Collections	N/A	151161	551161
170	Land Acquisition Prof Service	N/A	151170	551170
301	Buildings	480	155301	555301
351	Improvements to Building	480	155351	555351
401	Structures other than Buildings	240	155401	555401
402	Docks – Ports Commission	240	155402	555402
403	Harbors – Ports Commission	240	155403	555403
404	Harbor Improvements - Ports Commission	240	155404	555404
405	Mooring Cells/Structures-Cells – Ports Commission	240	155405	555405
406	Mooring Cells/Structures-Imprvmt – Ports Commission	240	155406	555406
451	Improvements to Structures other than Buildings	240	155451	555451
501	Office Equipment	60	155501	555501
502	Household, Kitchen, & Laundry	60	155502	555502
503	Office Furniture	84	155503	555503
505	Automobiles	96	155505	555505
506	Station Wagon, Van, SUV	120	155506	555506
507	Pickup Trucks	108	155507	555507
508	Medium & Heavy Trucks	168	155508	555508
509	Graders	120	155509	555509
510	Mowers	60	155510	555510
511	Transportation Equipment	60	155511	555511
512	Snow Plows & Snow Equipment	60	155512	555512
513	Construction & Engineering Equipment	60	155513	555513
514	Building & Plant Equipment	120	155514	555514
515	Manufacturing Equipment	84	155515	555515
516	Design & Location Engineering Equipment	60	155516	555516
517	Engineering/Testing/Safety Equipment	60	155517	555517
518	Paving Maintenance Equipment	84	155518	555518
520	Traffic Regulatory Equipment	60	155520	555520
521	Medical & Laboratory Equipment	60	155521	555521
522	Educational Equipment	60	155522	555522
523	Recreational Equipment	60	155523	555523
526	Tractors	120	155526	555526
527	Rest Area Equipment	60	155527	555527
528	Air Craft	120	155528	555528
529	Spreaders	60	155529	555529
530	Radio & Telephone Equipment	60	155530	555530
531	Window Air Conditioner	60	155531	555531
532	Agriculture Equipment- For Field Crops	84	155532	555532
533	Other Farm/Agri Equipment	84	155533	555533
534	Boats, Motors & other Marine	84	155534	555534
536	Weapons & Related Riot Control Equipment	60	155536	555536
537	Weigh Station Equipment	60	155537	555537
538	Landscaping Equipment	60	155538	555538
539	Shop Equipment	60	155539	555539
540	Main frame Computers & Peripheral Devices	36	155540	555540
541	Camera Equipment	60	155541	555541
542	Fire Fighting Equipment	60	155542	555542

Appendix A – Capital Asset Categories - Depreciable/Amortizable Lives - Continued

Category Code	Description	Depreciable Life In Months	Asset Account	Expense Account
543	Trash Dumpster	60	155543	555543
544	Micro Form, Reader & Reproducing Equipment	60	155544	555544
553	Computer Software	36	155553	555553
554	Personal Computers & Accessories	36	155554	555554
556	Computer Data File	60	155556	555556
601	Interstate Roads - INDOT only	N/A	152601	552601
602	NHS Roads - INDOT only	N/A	152602	555602
603	Non-NHS Roads - INDOT only	N/A	152603	552603
604	Interstate Bridges - INDOT only	N/A	152604	552604
605	NHS Bridges Non-interstate - INDOT only	N/A	152605	552605
607	Non-NHS Bridges - INDOT only	N/A	152606	552606
608	Roads at State Institutions & Properties - INDOT only	N/A	152607	552607
606	Bridges at State Institutions & Properties - INDOT only	N/A	152608	552608
614	DNR Infrastructure Using Depreciation	240	151614	552614
615	Railroad – Ports Commission	600	152615	552615
616	Railroad Rehabilitation – Ports Commission	300	152616	552616
617	Streets – Ports Commission	360	152617	552617
9101	Capital Lease Land	N/A	151101	551101
9301	Capital Lease Buildings	480	155301	555301
9501	Capital Lease Office Equipment	60	155501	555501
9502	Capital Lease House, Kitchen & Laundry	60	155502	555502
9505	Capital Lease Automobiles	96	155505	555505
9506	Capital Lease Station Wagon, Van, SUV	120	155506	555506
9507	Capital Lease Pickup Trucks	108	155507	555507
9508	Capital Lease Medium & Heavy Trucks	168	155508	555508
9511	Capital Lease Transportation Equipment	60	155511	555511
9513	Capital Lease Construction & Engineering Equip.	60	155513	555513
9515	Capital Lease Manufacturing Equipment	84	155515	555515
9516	Capital Lease Design & Location Engineering Equipment	60	155516	555516
9518	Capital Lease Paving Maintenance Equipment	84	155518	555518
9521	Capital Lease Medical/Lab equipment	60	155521	555521
9522	Capital Lease Educational Equipment	60	155522	555522
9523	Capital Lease Recreational Equipment	60	155523	555523
9526	Capital Lease Tractors	120	155526	555526
9528	Capital Lease Aircraft	120	155528	555528
9530	Capital Lease Radio & Telephone Equipment	60	155530	555530
9533	Capital Lease Other Farm/Agri Equipment	84	155533	555533
9534	Capital Lease Boats, Motors & other Marine	84	155534	555534
9539	Capital Lease Shop Equipment	60	155539	555539
9540	Capital Lease Main frame Computers & Peripheral Devices	36	155540	555540
9544	Capital Lease Microform, Reader & Reproducing Equip.	60	155544	555544
9554	Capital Lease Personal Computers & Accessories	36	155554	555554
9556	Capital Lease Computer Data File	60	155556	555556

Notes:

1. The capitalization threshold for an asset is a cost of \$500.00 or more which is to be applied on an individual or per item asset basis.
2. Salvage values are \$0.00 for all assets.
3. Assets are to be reported at the five-digit profile ID level associated with each category code. Profile IDs for assets can be found in ENCOMPASS Asset Management.
4. If you acquire an asset for which you believe there is not an existing category code, please contact the Auditor of State's office at 232-3328.