



CAPITAL ASSET MANAGEMENT | QUICK REFERENCE GUIDE

RESOURCES

FMS Capital Assets Website

The Capital Asset Management website, found at <https://fms.iu.edu/capital-assets>, is the best place to start for questions concerning capital assets.

Capital Asset Standard Operating Procedures

If you need detailed procedural documentation for capital asset accounting and inventory management, visit the FMS website: <https://fms.iu.edu/capital-assets/capital-asset-standard-operating-procedures/>.

Video Tutorials

To see informational videos with step-by-step instructions on how to complete various capital asset documents in KFS, visit the FMS website: <https://fms.iu.edu/capital-assets/video-tutorials/>

IUIE Reports

Not sure which IUIE report you should use to obtain the capital asset information you need? Visit the FMS website to view a list of the most common CAMS reports and how to run them: <https://fms.iu.edu/capital-assets/iuie-reports/>

Contacts

Capital Asset Management has a group email account, capasset@iu.edu, which is the recommended place to email your questions as we will forward them to the appropriate person. To email one of the capital asset staff directly, visit the FMS website for contact information: <https://fms.iu.edu/capital-assets/contacts/>

CAPITALIZATION THRESHOLDS

The table below provides descriptions and examples of the different asset types with their corresponding capitalization thresholds.

ASSET TYPE	THRESHOLD	DESCRIPTION
Art & museum objects	\$5,000	Assets with aesthetic or artistic creation Examples: paintings, sculptures, artifacts, etc.
Buildings	\$75,000	Roofed or walled structures Examples: buildings, garages, storage units, etc.
Equipment	\$5,000	Items of equipment used longer than one year Examples: office equipment, research equipment, delivery equipment, etc.
Infrastructure	\$75,000	Basic physical supporting systems Examples: roads, sewers, utility distribution systems, etc.
Intangibles	\$500,000	Assets that lacks physical substance Examples: software, patents, trademarks, etc.
Land	No threshold	Real property not including the cost of constructed assets
Land improvements	\$75,000	Constructed improvements to land Examples: landscaping, parking lots, walkways, etc.
Library books	\$1	Items catalogued in university library system Examples: books, periodicals, films, etc.



CAPITAL ASSET MANAGEMENT | QUICK REFERENCE GUIDE

DEFINITIONS

Capital asset – An item that is acquired and is classified as an asset on the balance sheet because it has a useful life expectancy of one year or greater and meets or exceeds the capitalization threshold.

Capitalization threshold – The dollar amount that determines the proper classification of an asset; acquisition costs below the capitalization threshold will be expensed; costs equal to or greater than the capitalization threshold will be capitalized.

Straight-line depreciation – Equal allocation of the cost of an asset from the balance sheet to the income statement during periods in which the asset is used.

CAPITALIZABLE COSTS

- Cost of equipment
- Freight/Shipping
- In-transit insurance
- Installation
- Assembling/Preparing the site/asset for intended use
- Training

UNALLOWABLE COSTS

- Software licenses
- Service/maintenance agreements or warranties

OBJECT CODE SELECTION

Is cost of asset including all capitalizable costs (shipping, installation, etc.) \$5,000 or more?

- **YES** – use object code **7000** or **7015**
- **NO** – use object code **5200** or **5215**