



Chapter 30 - Capital Assets

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30.00

Equipment and Software Purchase and Lease Restrictions

On February 15, 2010, the Governor signed Engrossed Substitute House Bill 2921. This bill restricts the acquisition of equipment costing more than \$5,000 effective March 17, 2010 through June 30, 2011.

30.00.05

March 17, 2010

Who must comply with these restrictions?

All executive, legislative, or judicial branch agencies must comply with the policies in this section.

30.00.10

March 17, 2010

Equipment and software purchases and leases restricted

Agencies shall not acquire through purchase or lease any item of equipment or software the cost of which exceeds \$5,000. Exceptions may be granted as set forth in Subsection 30.00.20.

The restriction does not apply to the following equipment purchases or leases:

- related to an emergency or other catastrophic event that requires government action to protect life or public safety;
- for the unemployment insurance program of the Employment Security Department;
- funded exclusively from private or federal grants;
- related to tax and fee collection, revenue generation, and auditing activities;
- necessary to receive or maintain federal funds by the state;
- for institutions of higher education, not funded from state funds or tuition;
- necessary for the completion of a project funded in the omnibus capital or transportation appropriations acts;
- for the operational divisions of the Department of Information Services;
- related to the continuation, renewal, or establishment of maintenance for existing computer software licensing and existing computer hardware; or
- related to the Judicial Information System technology projects.

30.00.20

August 24, 2010

Exceptions to restrictions

30.00.20.a

Exceptions to the equipment purchase and lease restrictions may be granted for **critically necessary work** subject to the following approvals:

- For executive branch agencies, the Director of the Office of Financial Management or designee;
- For judicial branch agencies, the Chief Justice of the Supreme Court; and
- For legislative agencies, the Chief Clerk of the House of Representatives and/or the Secretary of the Senate.

The form to request exemptions can be found on the Office of Financial Management (OFM) website at: <http://ofm.wa.gov/exemptionrequests>. With the exception of printing and copying equipment, requests are to be filed with OFM. For printing and copying equipment exemption requests, refer to Subsection 30.00.20.b.

Approved exemptions to the equipment purchase and lease restrictions take effect five business days following notification of the appropriate legislative committees, and shall be sent to the legislature for consideration every thirty days or earlier should volume or circumstances so necessitate.

Exemptions will be published electronically by OFM on the state fiscal website at: www.fiscal.wa.gov.

30.00.20.b

The following procedures are to be followed by executive branch agencies for printing and copying equipment exemption requests:

- Agencies, boards and commissions are to submit an exemption request to purchase printing and copying equipment to the Department of Printing (State Printer).
- The State Printer will review the request and verify if a compliant print assessment has been completed or recommend that an assessment be done.
- If a compliant print assessment has been completed, the State Printer will sign off on the exemption request form and submit the form to OFM for review and approval.



30.10

About the Capital Asset Policies

30.10.10

July 1, 2001

Policies in this chapter are minimum standards

The purpose of a capital asset inventory system is: 1) to provide control and accountability over capital assets, and 2) to gather and maintain information needed for the preparation of financial statements.

The policies and procedures in this chapter are the minimum requirements for capital assets that state agencies must meet. An agency may maintain its capital asset inventory system in greater detail, or use additional supporting documentation, as long as the agency meets the required minimum standards.

30.10.20

July 1, 2001

Authority for these policies

30.10.20.a

The Office of Financial Management (OFM) is required by the Budget and Accounting Act (RCW 43.88.160 (1)) to establish a Generally Accepted Accounting Principles (GAAP) based accounting system and procedures to ensure the state's assets, including capital assets, are properly accounted for.

30.10.20.b

RCW 43.19.1917 requires OFM to develop a standard method of maintaining records for state owned equipment that state agencies must follow.

30.10.20.c

RCW 43.41.150 requires OFM to provide for the maintenance of an inventory of state owned or controlled land resources by state agencies.

30.10.30

July 1, 2001

Applicability

30.10.30.a

All agencies of the state of Washington must comply with this chapter, unless otherwise exempted by statute. RCW 43.88.020 defines the term "Agency" to mean and include "every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board, and commission, except as otherwise provided."

- 30.10.30.b Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

30.10.40

July 1, 2001

Agency responsibilities

The agency head must designate, in writing, one or more Agency Inventory Officers to be responsible for maintaining and safeguarding the agency's capital assets. Agencies are responsible for developing internal policies and procedures to protect and control the use of all capital assets.

30.10.50

July 1, 2001

Policies differ in cases of absolute title and residual title

When the agency has absolute title of a capital asset: 1) include the value of the capital asset in the annual financial statements, and 2) include the capital asset in the capital asset inventory system, if inventoriable.

When an external entity, such as the federal government, retains residual title to a capital asset: 1) include the capital asset in the capital asset inventory system, if inventoriable. This includes capital assets on lease or long-term loan.

Temporary custodial responsibility or title shall not be considered absolute for the purposes of this chapter.

30.10.60

July 1, 2001

Assets in use by subtenant agencies

The purchasing agency is the owner of and has responsibility for the proper accounting and reporting of capital assets acquired through a capital project. If the authorizing legislation for a capital project provides capital assets for more than one agency or for agencies other than the purchasing agency, the purchasing agency may, by agreement, condition the use of such capital assets by the subtenant agency. This agreement could include making the subtenant agency responsible for all reporting requirements for those capital assets. Upon vacation of the agreement, all ownership rights and responsibilities revert to the purchasing agency.



30.20

Valuing, Capitalizing, and Depreciating Capital Assets

30.20.10

July 1, 2009

How to value capital assets

Capital assets should be valued at cost including all ancillary charges necessary to place the asset in its intended location and condition for use.

Determine the value of capital assets in the following manner:

30.20.10.a

Purchased Assets. Use historical costs including all nonrefundable purchase taxes (e.g., sales taxes), and all appropriate ancillary costs less any trade discounts or rebates. If the historical cost is not practicably determinable, use the estimated cost.

If land is purchased, the capitalized value is to include the purchase price plus costs such as legal fees, filing, and excavation costs incurred to put the land in condition for its intended use. The cost of the land also includes indefinite land use rights, such as easements, mineral, timber, and water rights, acquired with the purchase of the underlying land. Land use rights acquired separately from a land purchase and those with definite useful lives are classified as intangible assets.

Building costs include both acquisition and capital improvement costs, including, in enterprise and trust funds, net construction period interest. Capital improvements include structures (e.g., office buildings, storage quarters, and other facilities) and all other property permanently attached to, or an integral part of, the structure (e.g., loading docks, heating and air-conditioning equipment, and refrigeration equipment). Agencies have the option of capitalizing buildings by components when the useful lives of the components vary.

Furniture, fixtures, or other equipment not an integral part of a building are not considered capital improvements and should be classified as equipment. The cost for this asset type reflects the actual or estimated cost of the asset.

Software, licenses of commercially available software, patents, and other purchased intangible assets are valued at historical cost, including all appropriate ancillary costs.

30.20.10.b

Self-Constructed Assets, including Internally Developed Computer Software. Capitalize all direct costs and agency project management costs associated with a construction/development project. Agency project management costs may be capitalized in one of two ways:

1. Use actual project management costs when they are practicably discernible and directly associated with the project; or
2. Apply a percentage of total budgeted project costs. The application rate may or may not be designed to recover total agency project management costs. Exclude indirect costs unless they are increased by the construction. Refer to the OFM Capital Plan instructions for discussion of maximum percentage limitations.

In enterprise and trust funds, include net interest costs incurred during the period of construction in the capitalized cost of the asset, if material. Capitalized interest on assets constructed with tax-exempt borrowing should be netted against any interest earned on the investment of the proceeds of the related tax-exempt borrowings. Interest costs are always recorded as expenditures in governmental fund type accounts and as expenses in internal service funds. Refer to Subsection 85.85.50.

Once identifiable as defined in Subsection 30.20.20, costs incurred for the development of internally generated intangible assets are capitalized only upon the occurrence of **all** of the following criteria; costs incurred prior to meeting these criteria are not capitalized:

1. Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon the completion of the project.
2. Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity. For example, technical feasibility can be demonstrated by the selection of a commercially available software package or by the selection of a development path to meet service capacity requirements.
3. Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

Specifically with respect to internally developed computer software, there are three stages involved in the development and installation:

1. Preliminary project stage, which includes conceptual formulation and evaluation of alternatives, determination of the existence of needed technology, and the final selection of alternatives for the development of software. Costs associated with this stage are not capitalized.
2. Application development stage, which includes design, configuration and interfaces, coding, installation of hardware, installation and licensing of commercially available software, and testing, including parallel processing. This includes data conversion only to the extent it is necessary to make the software operational. Costs associated with this phase are capitalized when both of the following occur:
 - Activities of the preliminary project stage are completed.
 - Management implicitly or explicitly authorizes and commits to funding the software project.

Capitalization of costs should cease when the computer software is substantially complete and operational.

3. Post-implementation/operation stage, which includes application training and software maintenance. This includes other data conversion costs. Costs associated with this stage are not capitalized.

Refer to Subsection 85.60.90.

30.20.10.c

Ancillary Costs. Normally, ancillary costs should be included in the cost of a capital asset. However, minor ancillary costs, not measurable at the time a capital asset is recorded in an authorized property inventory system, are not required to be capitalized but may be capitalized if the information becomes readily available. Ancillary costs include such items as:

For land:

- Legal and title fees;
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

For infrastructure:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

For buildings and improvements other than buildings:

- Professional fees of architects, engineers, attorneys, appraisers, financial advisors, etc.;
- Damage payments;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums, interest in certain situations (refer to Subsection 30.20.10.a), and related costs incurred during construction; and
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For furnishings, equipment, intangibles, collections, and other capital assets:

- Transportation charges;
- Sales tax;
- Installation costs;
- Warranties; and
- Any other normal or necessary costs required to place the asset in its intended location and condition for use.

30.20.10.d

Donated Assets, including Donated Intangible Assets and those acquired through Non-exchange Transactions. Use the fair market value at the time of acquisition plus all appropriate ancillary costs. If the fair market value is not practicably determinable due to lack of sufficient records, use the estimated cost. If land is acquired by gift, the capitalized value is to reflect its appraised or fair market value at the time of acquisition.

30.20.10.e

Capital Assets for Income Purposes. Capital assets acquired or created primarily for the purpose of obtaining income or profit should be valued pursuant to the investment policy in Section 85.52.

30.20.20

March 17, 2010

When to capitalize assets

The state's capitalization policy is as follows:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs;
- The state highway system operated by the Department of Transportation;
- Infrastructure, other than the state highway system, with a cost of \$100,000 or greater;
- Buildings, building improvements, and leasehold improvements with a cost of \$100,000 or greater;
- Intangible assets, either purchased or internally developed, such as land use rights not acquired with the purchase of land, software, patents, and trademarks, with a cost of \$1,000,000 or more that are "identifiable" by meeting either of the following conditions:
 - The asset is capable of being separated or divided and sold, transferred, licensed, rented, or exchanged; or
 - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable;
- All other capital assets with a unit cost (including ancillary costs) of \$5,000 or greater, or collections with a total cost of \$5,000 or greater, unless otherwise noted; and
- All capital assets acquired with Certificates of Participation (COP).

For capital assets acquired by and used in the operations of **governmental fund type accounts**, record the value of the assets in the General Capital Assets Subsidiary Account (Account 997). Refer to Subsection 85.60.30.a.

For capital assets acquired by and used in **proprietary and trust fund type accounts**, record the value of the assets in the account itself. Refer to Subsection 85.60.30.b.

Although small and attractive assets do not meet the state's capitalization policy above, they are considered capital assets for purposes of marking and identifying capital assets (refer to Section 30.30), inventory records requirements (refer to Section 30.40), and physical inventory counts (refer to Section 30.45).

Close out the construction in progress and capitalize the costs into the appropriate asset classification when a project is substantially complete, accepted, and placed into service. Refer to Subsection 85.65.64.

30.20.20.a **New Acquisitions.** Capitalize new acquisitions that meet the state's capitalization policy as stated above. Additions, improvements, repairs, or replacements to existing capital assets are not considered new acquisitions and are discussed below.

30.20.20.b **Additions.** Capitalize expansions of or extensions to an existing capital asset that meet the state's capitalization policy above.

30.20.20.c **Extraordinary Repairs, Betterments, or Improvements.** Capitalize outlays that increase future benefits from an existing capital asset beyond its previously assessed standard of performance if they meet the state's capitalization policy as stated above. Increased future benefits typically include:

- An extension in the estimated useful life of the asset.
- An increase in the capacity or efficiency of an existing capital asset.
- A substantial improvement in the quality of output or a reduction in previously assessed operating costs.

Leasehold improvements that meet the state's capitalization policy are recorded to General Ledger Code 2350 "Leasehold Improvements."

30.20.20.d **Replacements.** For buildings, improvements other than buildings, and equipment, capitalize the cost of outlays that replace a part of another capital asset when the cost of the replacement is \$100,000 or more **and** at least 10 percent of replacement value of the asset.

Example: A \$120,000 replacement of a heating system in a building having a replacement value of \$1.5 million would not be capitalized. In this case \$120,000 is not at least 10 percent of the building's replacement value. Had the building's replacement value been less than \$1.2 million, the \$120,000 heating system replacement would have been capitalized.

Exceptions to this policy are:

- Replacement roof coverings are not capitalized (whether or not the replacement is with superior materials) unless the replacement extends the useful life of the building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use are not capitalized, where the remodeling does not extend the useful life of the structure itself, unless the conversion increases the capacity or efficiency of the existing asset.

Remove the capitalized value and the associated accumulated depreciation of the replaced capital asset or original building component from the accounting records if the amounts are determinable, and capitalize the cost of the replacement. Refer to Subsection 85.60.50.

30.20.20.e

Bulk Purchase. For proprietary fund type accounts, bulk purchases of like capital assets with unit costs of less than \$5,000 may be capitalized as a group where the allocation of costs for the bulk assets over time is matched to the corresponding revenue generated by the bulk assets. For other fund type accounts, bulk purchases are capitalized when the purchase is made using the Office of the State Treasurer's (OST) Certificate of Participation (COP) program.

30.20.20.f

Collections. Capitalize art collections, library reserve collections, and museum and historical collections when the conditions described in Subsection 30.20.22 are not met. Agencies meeting these conditions have the option of capitalizing their collections. Library resources are capitalized and may be carried on the agency's property records as a single item.

30.20.22

July 1, 2001

Assets not capitalized

30.20.22.a

Art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, are not required to be capitalized if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an agency policy that requires the proceeds from sales of collection items to be used to acquire other items for the collections.

Agencies must be able to provide descriptions of the collections and the reasons the collections are not capitalized.

30.20.22.b

While these collections are not required to be capitalized, they are to be catalogued per Subsection 30.40.10.

30.20.30

March 17, 2010

Capital leases – definition

A capital lease is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the state. A lease must meet one or more of the following four criteria to qualify as a capital lease:

1. Ownership of the leased property is transferred to the state by the end of the lease term; or
2. The lease contains a bargain purchase option; or
3. The lease term is equal to 75 percent or more of the estimated useful life of the leased property; or

4. If, at the inception of the lease, the present value of the future minimum lease payments, excluding executory costs (usually insurance, maintenance, and taxes paid in connection with the leased property, including any profit thereof) is 90 percent or more of the fair value of the leased property. The interest rate to be used in the computation of the present value is available by contacting the Debt Management Division of OST, and is the rate in effect at the execution date of the lease.

30.20.40

March 17, 2010

Accounting for capital leases

30.20.40.a

When the state's capitalization policy (refer to Subsection 30.20.20) is met:

- Account for a capital lease as an acquisition of a capital asset and the incurrence of a liability. If a lease involves the acquisition of more than one asset, each asset is to be capitalized if its fair value meets the state's capitalization threshold. Refer to Subsections 85.60.70 and 85.72.30.
- If title to a leased asset transfers to the state at the conclusion of an operating lease (refer to Subsection 30.20.30), capitalize the fair market value of the asset upon receiving title.

30.20.40.b

If a lease meets the requirements of a capital lease per Subsection 30.20.30, record a capital lease between state agencies as follows:

- The lessor agency is to treat the lease as a sales type lease (record a sale on account and remove the asset from inventory).
- The lessee agency is to treat the lease as a capital lease (record the acquisition of a capital asset and the incurrence of a liability).

30.20.40.c

Capital leases are to be used only to acquire capital assets. Refer to Subsection 30.20.20.

30.20.50

July 1, 2009

Capital assets acquired through certificates of participation

Capital assets acquired through OST's Certificate of Participation (COP) program are to be capitalized. Refer to Subsections 85.60.80 and 85.72.40.

30.20.60

July 1, 2005

Accounting for infrastructure

30.20.60.a In accordance with the Governmental Accounting Standards Board Statement Number 34, acquisitions of capital assets defined as infrastructure, which meet the state's capitalization policy, are to be capitalized.

30.20.60.b The state highway system, including emergency airfields, operated by the Department of Transportation is classified by the state as Transportation Infrastructure-Modified Approach. Refer to Subsection 30.20.80.

30.20.60.c All transportation-related infrastructure not included in Subsection 30.20.60.b and all non-transportation infrastructure assets are required to be depreciated. Refer to Subsection 30.20.70.

30.20.70

February 1, 2011

Depreciation policy

30.20.70.a Calculate and record depreciation or amortization for all depreciable capital assets. Refer to Subsection 85.60.40. Non-depreciable capital assets include:

- Land;
- The state highway system operated by the Department of Transportation, which is classified as Transportation Infrastructure-Modified Approach (refer to Subsection 30.20.80);
- Art collections, library reserve collections, and museum and historical collections that are inexhaustible (refer to Subsection 30.20.22);
- Construction in progress; and
- Intangible assets with indefinite useful lives.

30.20.70.b

Depreciation normally begins when an asset is purchased or completed, and accepted. However, if it is not placed into service immediately, depreciation should begin when the asset begins to lose value. Either option should be applied consistently and should be reasonable in the circumstance. Depreciation may be calculated using either the straight-line or composite method.

- To calculate depreciation using the **straight-line method**:
$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$
- Calculate the **composite method** based on weighted average estimated lives or an estimate of the useful life of the grouping of assets, such as library resources. The assessment could be based on condition assessments or experience with the useful lives of the groupings of assets. A consistent composite depreciation rate should generally be used throughout the life of the grouping of assets, but the rate should be recalculated if the composition of the assets or estimate of the useful lives changes significantly. For example, if the average useful life of library resources, or portion thereof, was estimated to be 25 years, an annual depreciation rate of 4 percent would be used. The annual depreciation expense would be calculated by multiplying the annual depreciation rate by the cost of the collection.

30.20.70.c

Useful Life for Capital Assets. Agencies are required to use the useful life shown in Schedule A, Capital Asset Class Codes and Useful Life Schedule (Subsection 30.50.10.a) for capital assets acquired in new condition. For energy efficiency equipment and products, refer to the Addendum to Schedule A (Subsection 30.50.10.b).

However, a shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. Proposed deviation in useful life from Schedule A requires prior written approval from the OFM Accounting Division.

When establishing an asset's useful life:

- Agencies are responsible for establishing and utilizing an appropriate useful life for assets acquired in less than new condition.
- The useful life for leasehold improvements is the estimated service life of the leasehold improvements, or the remaining term of the lease, whichever is shorter.

- The useful life for intangible assets acquired by contract generally should not exceed the period of the contract.

For depreciation purposes, the useful life of assets should be reviewed to ensure it has remained the same. Impairment of assets or changes in contractual provisions may impact the useful life and remaining depreciation.

30.20.80

June 1, 2002

Non-depreciable transportation-related infrastructure assets reported using the modified approach

The state capitalizes the state highway system as a class of infrastructure assets and reports these assets using the “modified approach” to depreciation. Under the modified approach, these infrastructure assets are not depreciated as long as two requirements are met:

- The assets are managed in an asset management system, which includes keeping an up-to-date inventory of assets, performing condition assessments of the assets and summarizing the results, and estimating the annual amount to maintain and preserve the assets.
- The state documents that the assets are being preserved approximately at or above the condition level established and disclosed previously by the state.

30.20.90

July 1, 2005

Impairment of capital assets and related insurance recoveries

30.20.90.a

A capital asset is considered to be impaired if the asset experiences a significant and unexpected decline in its service utility. The service utility of a capital asset is the expected usable capacity at acquisition. A capital asset may be impaired due to events or changes in circumstances, such as physical damage, obsolescence or changes in technology, enactment or approval of laws or regulations or other changes in environmental factors, a change in manner or duration of use, or a construction stoppage. A capital asset that becomes impaired is to be revalued to reflect its decline in service utility. Refer to Subsection 85.60.45.

30.20.90.b

Insurance recoveries related to impaired assets are reported net of the related loss when the recovery is realized or realizable in the same fiscal year as the loss. Otherwise, restoration or replacement costs of an impaired capital asset are reported as a separate transaction from the related insurance recovery.



30.30

Marking and Identifying Capital Assets

30.30.10

July 1, 2001

Mark all inventoriable capital assets

Inventoriable capital assets are described in Subsection 30.40.10.

Mark all inventoriable capital assets upon receipt and acceptance to identify that the property belongs to the state of Washington, except as noted in Subsection 30.30.30 below.

This identification should:

- Facilitate accounting for the asset;
- Aid in its identification if the asset is lost or stolen;
- Discourage theft; and ultimately,
- Reduce the magnitude of the state's property losses.

30.30.20

July 1, 2001

How capital assets should be marked

30.30.20.a

Permanently affix the identification information to the asset by using a standardized adhesive tag or inscribing the asset according to the following format:

- WASHINGTON STATE (or state seal insignia),
- AGENCY NAME (or authorized abbreviation or agency number),
- OPTIONAL BAR CODE, and
- ASSIGNED CONTROL NUMBER

If an existing capital asset displays only a state control number, which has been assigned, properly affixed, and recorded on an authorized inventory system pursuant to Subsection 30.40.10, it does not need to be retagged.

30.30.20.b

Agencies may determine where to place the "Washington State" identification and control number on the capital asset. However, the identification and control number should be located on the principal body of the asset, rather than a removable part.

30.30.30

July 1, 2009

When it is OK not to mark a capital asset

Occasionally, an agency will find it is impractical or impossible to mark some of its inventoriable capital assets according to these standards. For example, where a capital asset:

- Would lose significant historical or resale value (such as art collections or museum and historical collections);
- Would have its warranty negatively impacted by being permanently marked;
- Is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements);
- Has a unique permanent serial number that can be used for identification, security, and inventory control (such as vehicles); or
- Is an intangible asset that lacks physical substance.

In these cases, the identification “Washington State” or state seal insignia is not required, and the agency is to apply alternative procedures to inventory and identify such assets as “Washington State.”

Leased assets (capital or operating) should only be permanently marked with the identification upon formal transfer of ownership to the state.

30.30.40

July 1, 2005

State Printer produces capital asset inventory tags

Agencies are to order capital asset inventory tags from the State Printer. Agencies are authorized, but not required, to use tags bearing a bar code for ease of inventory control.

30.30.50

July 1, 2001

Capital asset inventory tags and control numbers need to be controlled

Responsibility for controlling capital asset control numbers rests with the agency’s inventory officer. Agencies are to ensure that adequate controls for safeguarding unissued, mutilated, and voided capital asset inventory tags are established.



30.40

Capital Asset Inventory Records Policy

30.40.10

July 1, 2001

Which assets need to be inventoried or cataloged?

The following assets are inventoriable assets and must be carried on the property records of an agency:

- All assets meeting the state's capitalization policy (refer to Subsection 30.20.20),
- Assets with a unit cost (including sales tax and ancillary costs) less than \$5,000 identified as small and attractive assets (refer to Subsection 30.40.20 below),
- Art collections, library reserve collections, and museum and historical collections that meet the criteria in Subsection 30.20.22 which are not required to be capitalized, are required to be controlled by means of a perpetual inventory or a recognized cataloging system, and
- Collections under the control of a state historical society as defined by RCW 27.34.020 are required by RCW 27.34.070 to be cataloged.

Trust lands are to be accounted for by the administering agency.

30.40.20

July 1, 2001

Small and attractive assets

Each agency should perform a risk assessment (both financial and operational) on the agency's assets to identify those assets that are particularly at risk or vulnerable to loss. Assets so identified that fall below the state's capitalization policy are considered small and attractive assets. Each agency should develop written internal policies for managing small and attractive assets.

The agency should implement specific measures to control small and attractive assets in order to minimize identified risks. Periodically, the agency should perform a follow up risk assessment to determine if the additional controls implemented are effective in managing the identified risks.

Agencies must include as small and attractive assets all items in the commodity class code major group 10XX – Weapons, Firearms, Signal Guns, and Accessories. Otherwise, agencies have discretion in setting their definition of small and attractive assets. However, absent a risk assessment and development of written policies for identifying and controlling small and attractive assets, agencies must include, at a minimum, the following assets with unit costs of \$300 or more as small and attractive:

5822	Communications Equipment, Public Safety: Audio and Video
6651	Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders
6710-6730	Cameras and Photographic Projection Equipment
7012-7013	Microcomputer Systems, Laptop and Notebook Computers
7034-7039	Other IT Accessorial Equipment and Components (Scanners, Data Displays, etc.)
7420-7450	Office Equipment
7730	Record Players, Radios, Television Sets, Tape Recorders, VCRs, and Video Cameras, Home Type

30.40.30

July 1, 2008

Inventory records requirements

Agencies are to maintain capital asset inventory systems that include records for all inventoriable assets.

Agencies are to use the Capital Asset Management System (CAMS) operated by the OFM Accounting Division for all assets that meet the state's capitalization policy. Agencies may use an alternate in-house system provided written approval of OFM Accounting Division is obtained prior to initiating acquisition or development of the system. Refer to Subsection 80.30.88.

For assets defined as small and attractive, agencies may use either CAMS or an alternate in-house system without OFM approval.

The following are required to be included in the inventory records:

Agency Name and Code Number - The agency name and three digit agency code number.

Account - For proprietary and trust fund type accounts, this is the account in which the asset is being used. This may or may not be the original purchasing account.

For governmental fund type accounts, this is the account that originally purchased the asset.

For those assets acquired prior to July 1, 1982, for which an account cannot be identified or is no longer in existence, such assets are to be identified as assets of the General Fund.

Acquisition Date - The date the agency takes title to, or assumes responsibility for, an asset.

Class Code - The code assigned to a capital asset that correlates to a descriptive title. Refer to Subsection 30.50.10 for Schedule A-Capital Asset Class Code List and Useful Life Schedule.

Cost - The total cost (value) assigned to the asset. Refer to Subsection 30.20.10 for clarification.

Depreciation - The portion of the cost of a capital asset representing the expiration in the service life of the asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and/or obsolescence which is charged systematically over the useful life of the capital asset. Refer to Subsection 30.20.70. This element is not applicable to small and attractive assets.

Description - Name of the asset.

Disposal Authorization - When required, either the number assigned by the Department of Information Services (for information technology related equipment and proprietary software) or the Department of General Administration (for all other capital assets), granting an agency the authority to dispose of an asset or as provided by specific statutory authority. Refer to Subsection 30.40.45.

Disposal Date - With proper authorization, the date that the agency officially relinquishes responsibility for the asset.

Inventory Control Number - The control number inscribed on, or contained on the inventory tag attached or referring to, an asset.

Location Code - The identification code of the county in which the asset is located. Refer to Subsection 30.50.20 for Schedule B for Location (County) Codes.

Manufacturer - The name of either the manufacturer or the commonly accepted trade name; if none, then vendor name.

Order Number - The number of the purchasing document used for the acquisition of the asset.

Ownership Status - An indication as to possible claims against the asset by outside parties (e.g., federal government).

Parcel Location Identifier (For Land Only) - The county assessor's parcel number of the land, or other code used by the agency to specifically identify the location of the land. If a county where the state land is located does not use a parcel numbering system for exempt land, use an alternative numbering system. This element is not applicable to small and attractive assets.

Quantity - The physical count of the inventoriable items. For equipment, this number is to be expressed as whole units; for buildings, as square feet; for land, in acres to the nearest tenth, except for tidelands and shorelands which are to be expressed in front footage; and for construction in progress, as number of capital projects under construction.

Salvage Value - The estimated portion of a capital asset's cost that is recovered at the end of its service life less any disposal costs. This element is not applicable to small and attractive assets.

Serial Number - The sequential identification number assigned by the manufacturer. Do not confuse this number with the model number.

Useful Life - The estimated useful life of the capital asset in years. Refer to Subsection 30.50.10 for Schedule A - Capital Asset Class Code List and Useful Life Schedule. This element is not applicable to small and attractive assets.

30.40.40

July 1, 2001

Adding capital assets to the inventory

Upon receipt and acceptance of an inventoriable asset, the agency inventory officer is responsible for supervising the addition of the asset to the inventory system. This includes assigning tagging responsibilities to specific individuals as well as developing and implementing procedures to ensure that the necessary information is entered into the agency's capital asset inventory system.

30.40.45

July 1, 2008

Removing capital assets from the inventory

Agencies are to adopt internal policies and procedures regarding the timely removal of capital assets from inventory, including procedures for the proper approval of disposal requests.

Capital assets are to be removed from active inventory based on the completion and submission of a Property Disposal Request using the Property Disposal Request System located on the General Administration's webpage at: <http://www.ga.wa.gov/surplus>.

Agencies are responsible to cleanse assets of any sensitive information prior to surplus or disposal.

Agencies are to maintain records of capital asset dispositions in accordance with approved agency records retention schedules.

When disposing of and removing capital assets from inventory, agencies are to follow policies and guidelines, as appropriate, that are issued by:

- Surplus Programs, Department of General Administration, for all capital assets, except those listed below (refer to RCW 43.19.1919),
- The Information Services Board (ISB) at the Department of Information Services (DIS) for information technology related equipment and proprietary software (refer to RCW 43.105.041). DIS policies identify the threshold at which these assets are required to be reported to DIS. Refer to the following DIS-ISB web link: <http://www.isb.wa.gov/policies/portfolio/201S.doc>.

Although agencies are not required to report assets under the DIS threshold to Surplus Programs, as public agencies, they are encouraged to make these assets available to other state agencies, school districts, and nonprofit organizations prior to being offered to the general public. To accomplish this, agencies are urged to use the services of Surplus Programs for disposing of these assets, or

- Other specific statutory authority.

30.40.50

July 1, 2008

Department of General Administration requires information about surplus property

Agencies must report all capital assets classified as surplus (excluding information technology related equipment and proprietary software) to Surplus Programs at the Department of General Administration (GA) in the format and manner specified by GA. Refer to Subsection 30.40.45 and RCW 43.19.1917.

30.40.80

July 1, 2008

Lost or stolen property

When suspected or known losses of inventoriable assets occur, agencies should conduct a search for the missing property. The search should include transfers to other divisions or agencies, storage, scrapping, conversion to another asset, etc. If the missing property is not found:

- Follow the loss procedures in Section 20.30.
- Remove the lost or stolen property from the agency's inventory and accounting records where applicable (refer to Subsection 85.60.50).
- Maintain records for losses of inventoriable assets in accordance with approved agency records retention schedules.



30.45

Capital Asset Physical Inventory Policy

30.45.10

July 1, 2009

Physical inventory frequency

Conduct physical inventories at least once every other fiscal year for all inventoriable assets except as noted below.

Due to the stationary nature of certain assets (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements), performing a physical inventory every other fiscal year is not required. However, consideration must be given to the requirements of Subsection 85.60.45, which requires adjusting the carrying value of assets that have been impaired.

Agencies may conduct their capital assets inventory on a revolving basis if the following conditions are met:

- Every item is subject to a physical count or verification at least once every other fiscal year.
- The inventory program is documented and active.

As an alternative to conducting a physical inventory of every inventoriable asset at least once every other year, an agency may, pursuant to Subsection 1.10.50, request OFM approval for a risk based sampling approach to a physical inventory. Requests for approval and the agency's capital asset risk assessment are to be mailed to the OFM Accounting Division.

Documents submitted to OFM for approval should include:

- A capital asset risk assessment that identifies the objectives and risks of the capital asset cycle;
- Analysis of the control policies and procedures surrounding agency capital asset purchases, dispositions, impairments, inventorying and financial reporting; and
- The impact of the risk assessment on the sampling approach (i.e. which assets are high risk and therefore should be tested).

For art collections, library reserve collections, library resources, and museum and historical collections (which are safeguarded and maintained through a perpetual or cataloging system), agencies are to perform a physical inventory of these assets at least once every other fiscal year if practical. If not, they are to be periodically sampled on a revolving basis or physically inventoried via accepted industry standards.

30.45.20

July 1, 2001

Who should conduct and verify the physical inventory?

In order to ensure objective reporting of inventory items, a physical inventory should be performed by personnel having no direct responsibility (custody and receipt/issue authority) for assets subject to the inventory count. If it is not feasible to use such personnel for any part of the inventory, then those portions are, at least, to be tested and verified by a person with neither direct responsibility for that portion of the inventory nor supervised by the person directly responsible.

30.45.30

July 1, 2001

Physical inventory instructions

Written physical inventory instructions must be documented and distributed to each person participating in the inventory process. The instructions should describe:

- How and where to record each item,
- What information to record,
- What to do when they have a question,
- What procedures to follow when they finish their assignments,
- What procedures to follow when equipment is located but not listed,
- The procedure by which the person counting the assets attests to the accuracy of the count, such as by signing his or her name at the bottom of each inventory page, or signing a cover page for a group of pages sorted by another method (batches, location, equipment type, etc.), and

- How to record assets not being used or in an obviously unserviceable condition. Such information is to be used to schedule repair or disposition of such assets. Also refer to Subsection 30.40.45.

30.45.40

July 1, 2001

Physical inventory reconciliations

After the physical inventory count is completed, the agency inventory officer is to conduct the reconciliation process. When all differences have been identified and explained, the inventory is considered reconciled. Refer to Subsection 85.60.60.

Agencies should conduct the following steps during the reconciliation process:

- Search the inventory lists to determine whether inventory noted during the count as unrecorded is, in fact, listed on another portion of the inventory.
- Enter unrecorded assets into the inventory system as soon as possible after discovery.
- If a significant number of unrecorded assets are located, indicating a major problem with the asset recording procedures, the agency inventory officer is to determine why the problem is occurring and correct it.
- Conduct a search in an effort to locate missing assets. For those assets not located, inventory officers are to follow procedures outlined in Subsection 30.40.80.

After the inventory is reconciled, the agency inventory officer is to certify the reconciliation with a statement and signature that it is correct and report this to the supervisor. If the certification cannot be made, the inventory officer is to disclose that fact and the supervisor is to determine the appropriate course of action.

30.45.50

July 1, 2001

Retaining physical inventory records

The certification, together with the reconciliation and the inventory listing, serves as the support for the inventory balance and for accounting adjustments, if any, and must be retained by the agency. The agency should retain this documentation in accordance with the approved agency records retention schedules.



30.50

Capital Asset Class and Location Code Tables

30.50.10

February 1, 2011

Capital asset class codes and useful life schedule

30.50.10.a

Schedule A

This following schedule is for capital assets acquired in new condition. Refer to the Addendum to Schedule A (Subsection 30.50.10.b) for energy efficiency equipment and products.

Major Group	Class Code	Descriptive Title	Useful Life
A0		Land	Not Calculated
	A100	Uplands	
	A200	Beds of Navigable Water	
	A300	Shorelands	
	A400	Tidelands	
	A500	Harbor Areas	
	A600	Intangible Land Use Rights (e.g. easements, mineral, timber, and water rights) acquired separately from land, that have indefinite useful lives	
01		Transportation Infrastructure (Modified Approach) Operated by the Department of Transportation	Not Calculated
	0110	State Highway System	
	0120	Emergency Airfields	
02	0200	Construction In Progress	Not Calculated
03		Art Collections, Library Reserve Collections, Museum and Historical Collections (Inexhaustible), and Intangible Assets (Non-land use) with Indefinite Useful Lives	Not Calculated
	0300	Art Collections, Library Reserve Collections, and Museum and Historical Collections (Inexhaustible)	
	0310	Intangible Assets (Non-land use) with Indefinite Useful Live	

Major Group	Class Code	Descriptive Title	Useful Life
04		Infrastructure (Depreciable)	
	0420	Having a Useful Life of	20 Years
	0425	Having a Useful Life of:	25 Years
	0430	Having a Useful Life of:	30 Years
	0435	Having a Useful Life of:	35 Years
	0440	Having a Useful Life of:	40 Years
	0445	Having a Useful Life of:	45 Years
	0450	Having a Useful Life of:	50 Years
05		Buildings/Components	
	0505	Having a Useful Life of:	5 Years
	0510	Having a Useful Life of:	10 Years
	0515	Having a Useful Life of:	15 Years
	0520	Having a Useful Life of:	20 Years
	0524	Having a Useful Life of:	24 Years
	0525	Having a Useful Life of:	25 Years
	0527	Having a Useful Life of:	27 Years
	0530	Having a Useful Life of:	30 Years
	0535	Having a Useful Life of:	35 Years
	0540	Having a Useful Life of:	40 Years
	0545	Having a Useful Life of:	45 Years
	0500	Having a Useful Life of:	50 Years
06		Improvements - Other Than Buildings (Includes Leasehold Improvements)	
	0610	Having a Useful Life of:	3 Years
	0620	Having a Useful Life of:	5 Years
	0625	Having a Useful Life of:	8 Years
	0630	Having a Useful Life of:	10 Years
	0640	Having a Useful Life of:	15 Years
	0650	Having a Useful Life of:	20 Years
	0655	Having a Useful Life of:	25 Years
	0660	Having a Useful Life of:	30 Years
	0665	Having a Useful Life of:	35 Years
	0670	Having a Useful Life of:	40 Years
	0675	Having a Useful Life of:	45 Years
	0680	Having a Useful Life of:	50 Years

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Capital Assets

30.50.10

Major Group	Class Code	Descriptive Title	Useful Life
07		Art Collections, Library Reserve Collections, and Museum and Historical Collections (Exhaustible) and Library Resources	
	0703	Having a Useful Life of:	3 Years
	0705	Having a Useful Life of:	5 Years
	0708	Having a Useful Life of:	8 Years
	0710	Having a Useful Life of:	10 Years
	0715	Having a Useful Life of:	15 Years
	0720	Having a Useful Life of:	20 Years
	0725	Having a Useful Life of:	25 Years
	0730	Having a Useful Life of:	30 Years
	0735	Having a Useful Life of:	35 Years
	0740	Having a Useful Life of:	40 Years
	0745	Having a Useful Life of:	45 Years
	0750	Having a Useful Life of:	50 Years
10		Weapons, Firearms, Signal Guns, and Accessories	5 Years
	1005	Firearms and Accessories	
	1040	Chemical Weapons and Equipment	
	1095	Weapons, Miscellaneous (Signal Guns, Line-Throwing Equipment, Animal Control Devices, etc.)	
13		Ammunition and Explosives Equipment	5 Years
	1305	Ammunition Reloading and Gunsmithing Equipment	
	1350	Bomb Handling and Cryogenic Equipment	
	1375	Detonating Equipment	
15		Aircraft, Fixed and Rotary Winged	6 Years
	1510	Aircraft, Fixed Wing	
	1520	Aircraft, Rotary Winged	
16		Aircraft Components and Accessories	5 Years
	1680	Miscellaneous Aircraft Accessories and Components	

Major Group	Class Code	Descriptive Title	Useful Life
17		Aircraft Support Equipment	5 Years
	1730	Aircraft Ground Servicing Equipment	
	1740	Airfield Specialized Trucks, Trailers, and Lighting Equipment	
19		Marine Vessels, Barges, and Docks (All, except otherwise indicated)	40 Years
	1901	Passenger Only Vessels (Ferry Boats)	25 Years
		<u>Passenger Vessel Components:</u>	
	1902	Having a Useful Life of:	20 Years
	1903	Having a Useful Life of:	15 Years
	1904	Having a Useful Life of:	10 Years
	1905	Having a Useful Life of:	5 Years
	1906	Having a Useful Life of:	3 Years
	1910	Vehicle/Passenger Vessels (Ferry Boats)	40 Years
		<u>Vehicle/Passenger Vessel Components:</u>	
	1911	Having a Useful Life of:	30 Years
	1912	Having a Useful Life of:	25 Years
	1913	Having a Useful Life of:	20 Years
	1914	Having a Useful Life of:	15 Years
	1915	Having a Useful Life of:	12 Years
	1916	Having a Useful Life of:	10 Years
	1917	Having a Useful Life of:	5 Years
	1920	Fishing Vessels	
	1925	Vessels, Special Service (Tugs, Fire Boats, Tenders)	
	1930	Barges, Cargo	
	1935	Barges and Lighters, Special Purpose	
	1940	Small Craft, Powered and Unpowered	6 Years
	1945	Pontoons and Floating Docks	
	1950	Floating Dry Docks	
	1990	Miscellaneous Vessels	

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Capital Assets

30.50.10

Major Group	Class Code	Descriptive Title	Useful Life
20		Marine and Ship Equipment	5 Years
	2010	Ship and Boat Propulsion Equipment	
	2030	Deck Winches, Hoists, etc.	
	2050	Buoys	
	2060	Commercial Fishing Equipment	
	2090	Marine and Ship Furnishings, Equipment, and Miscellaneous	
22		Railroad Equipment	40 Years
	2240	Railroad Boxcars - Grain	
	2245	Railroad Passenger and Power Cars	
23		Motor Vehicles, Trailers, and Cycles (All, except otherwise indicated)	5 Years
		Vehicles (Autos, Vans, and Light Trucks) up to 10,000 lbs. GVW. Life is a function of the type of vehicle and the nature of vehicle use:	
	2308	Having a Useful Life of:	3 Years
	2309	Having a Useful Life of:	4 Years
	2310	Having a Useful Life of:	5 Years
	2311	Having a Useful Life of:	6 Years
	2312	Having a Useful Life of:	7 Years
	2313	Having a Useful Life of:	8 Years
	2314	Having a Useful Life of:	9 Years
	2315	Having a Useful Life of:	10 Years
		Vehicles, Medium and Heavy Duty (Trucks, Buses, and Special Purpose Vehicles as defined in Subsection 12.20.30.c) 10,000 lbs. GVW and over. Life is a function of the type of vehicle and the nature of the vehicle use:	
	2320	Having a Useful Life of:	10 years
	2321	Having a Useful Life of:	11 years
	2322	Having a Useful Life of:	12 Years
	2323	Having a Useful Life of:	13 Years
	2324	Having a Useful Life of:	14 Years

Major Group	Class Code	Descriptive Title	Useful Life
	2325	Having a Useful Life of:	15 Years
	2326	Having a Useful Life of:	20 Years
	2330	Trailers, Cargo and Utility Including Semitrailers	
	2331	Trailers, Boat	
	2332	Trailers, Camp, Office, Mobile Home, etc.	
	2340	Motorcycles and Scooters	
	2350	Combat Vehicles, Tracked	
24		Tractors: Crawler, Wheeled, and Track-Laying	10 Years
	2410	Tractors, Crawler	
	2420	Tractors, Wheeled, Industrial	
	2421	Tractors, Wheeled, Farm-Type	
	2430	Tractors, Track-Laying (Snowcat, Snowmobile, Weasel, etc.)	
25		Vehicular Equipment and Components	10 Years
	2510	Cab, Body, and Frame Components	
	2530	Brake, Steering, Axle, and Wheel Assemblies	
	2540	Accessories (Canopies, Tool Boxes, Light Bars, etc.)	
	2590	Modifications (Cranes, Lifts, etc.)	
28		Engines, Turbines, and Components	5 Years
	2805	Engines, Gas, Automotive	
	2806	Engines, Gas, Marine	
	2807	Engines, Gas, Small Implement	
	2810	Engines, Aircraft	
	2815	Engines, Diesel, Automotive	
	2816	Engines, Diesel, Marine	
	2817	Engines, Diesel, Industrial	
	2830	Water Turbines/Water Wheels and Components	
	2835	Turbines, Jet Engines, Nonaircraft	
	2840	Turbines, Jet Engines, Aircraft	
	2850	Engines, Rotary, Gas and Components	
	2895	Engines, Miscellaneous and Components	

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Capital Assets

30.50.10

Major Group	Class Code	Descriptive Title	Useful Life
29		Engine Components and Accessories	5 Years
	2910	Fuel System Components, Gas	
	2940	Cleaners, Filters, and Strainers	
	2960	Engine Accessories, Diesel Heavy Equipment	
	2990	Engine Accessories, Nonaircraft Miscellaneous	
	2995	Engine Accessories, Aircraft Miscellaneous	
30		Mechanically Powered Transmission Equipment	5 Years
	3010	Torque Converters	
	3020	Gears, Pulleys, and Sprockets	
	3040	Power Transmission Equipment	
	3050	Hydraulic System Components	
32		Woodworking Machinery and Equipment	5 Years
	3210	Sawmill and Planing Mill Equipment	
	3220	Woodworking Machines	
	3230	Tools and Attachments for Woodworking Machinery	
34		Metalworking Machinery and Welding Equipment	10 Years
	3405	Saw and Filing Machines	
	3408	Machining Centers and Way-Type Machines	
	3410	Electrical and Ultrasonic Erosion Machines	
	3411	Boring and Broaching Machines	
	3413	Drilling and Tapping Machines	
	3414	Gear Cutting and Finishing Machines	
	3415	Grinding and Finishing Machines	
	3416	Lathes, Metalworking	
	3417	Milling Machines	
	3418	Planers and Shapers	
	3419	Miscellaneous Machine Tools and Accessories	
	3422	Rolling Mills and Drawing Machines	
	3424	Metal Heat Treating and Nonthermal Treating Equipment	
	3426	Metal Finishing Equipment	
	3431	Electric Welding Equipment and Accessories	
	3432	Welding Equipment, Engine Driven	
	3433	Gas Welding, Heat Cutting, and Metalizing Equipment	

Major Group	Class Code	Descriptive Title	Useful Life
	3438	Miscellaneous Welding Equipment and Accessories	
	3439	Miscellaneous Welding, Soldering, and Brazing Equipment	
	3441	Bending and Forming Machines	
	3442	Hydraulic, Pneumatic, and Mechanical Presses – Power and Manual	
	3445	Punching and Shearing Machines	
	3446	Forging Machinery and Hammers	
	3447	Wire and Metal Ribbon Forming Machines	
	3448	Riveting Machines, Power Operated	
	3450	Machine Tools, Portable and Secondary	
	3455	Cutting Tools, for Machine Tools	
	3460	Machine Tool Accessories	
	3465	Production Jigs, Fixtures, and Templates	
	3470	Machine Shop Sets, Kits and Outfits	
35		Services and Trade Equipment – Laundry, Shoe, Sewing, and Packaging	5 Years
	3510	Laundry and Dry Cleaning Equipment	
	3520	Shoe Repair Equipment	
	3530	Industrial Sewing Machine	
	3540	Wrapping and Packaging Machinery	
	3550	Vending Machines	
	3551	Parking Meters, Turnstiles, and Fare Recording Devices	
	3590	Beauty and Barber Shop Equipment	
	3591	Plastic Laminating Presses	
	3595	Specialized Plastic Working Machines	
36		Special Industrial Machinery – Food, Printing, Logging, and Textile	6 Years
	3605	Food Cannery Machinery and Equipment	
	3610	Printing Equipment	
	3611	Duplicating Equipment/Copy Equipment	
	3612	Binding Equipment	
	3625	Textile Industries Machinery	
	3655	Gas Generating Aero Dispensing Systems, Fixed or Mobile	
	3680	Foundry Machinery and Related Equipment	
	3694	Clean Work Station, Controlled Environment Equipment	
	3695	Specialized Logging Equipment	

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Capital Assets

30.50.10

Major Group	Class Code	Descriptive Title	Useful Life
37		Agricultural Machinery and Equipment – Farm, Fishery, Pest Control, Garden, and Irrigation	12 Years
	3710	Soil Preparation Equipment	
	3720	Harvesting Equipment	
	3730	Dairy and Livestock Equipment	
	3731	Poultry Equipment	
	3732	Fish Hatchery Equipment	
	3740	Pest, Disease, and Frost Control Equipment	
	3750	Garden Implements (Mowers, Hedgers, etc.)	
	3751	Gardening Tools	
	3752	Irrigation Equipment – Sprinklers, Pipe, and Accessories	
	3755	Forestry Planting Tools	
	3770	Animal Furnishings and Equipment – Saddles, etc.	
38		Construction, Mining, and Highway Maintenance Equipment	6 Years
	3805	Earth Moving and Excavating Equipment	
	3810	Cranes and Crane Shovels	
	3815	Crane and Crane Shovel Attachments	
	3820	Mining, Quarrying, and Rock Drilling Equipment	
	3821	Rock Crushing Equipment	
	3825	Road Clearing and Cleaning Equipment	
	3826	Traffic Safety Devices	
	3827	Pavement Marking Equipment and Accessories	
	3828	Weed Burners and Brush Control Equipment	
	3830	Construction and Maintenance Equipment Attachments	
	3895	Miscellaneous Construction Equipment	
39		Materials Handling Equipment	5 Years
	3910	Conveyors	
	3920	Materials Handling Equipment, Not self-propelled	
	3930	Materials Handling Equipment, Warehouse Type, Self-Propelled	
	3940	Blocks, Tackle, Rigging, and Slings	
	3950	Winches, Hoists, Cranes, and Derricks	
	3960	Elevators and Escalators	
	3990	Miscellaneous Materials Handling Equipment	

Major Group	Class Code	Descriptive Title	Useful Life
41		Refrigeration and Air Conditioning Equipment, Components and Accessories	13 Years
	4110	Refrigeration Units and Accessories, Commercial	
	4111	Refrigeration Units and Accessories, Scientific	
	4112	Refrigeration Units and Accessories, Household	
	4119	Air Conditioning, Heating, and Ventilation Systems, Commercial	
	4120	Air Conditioning Units and Accessories, Commercial and Industrial	
	4121	Air Conditioning Units and Accessories, Household	
	4123	Air Conditioning Units and Accessories, Marine	
	4130	Refrigeration and Air Conditioning Plants and Components	
	4140	Fans and Air Circulators, Nonindustrial	
	4141	Industrial Fan and Blower Equipment	
42		Fire Fighting Tools and Equipment	5 Years
	4210	Fire Fighting Tools and Equipment	
	4211	Fire Extinguishers and Accessories	
	4220	Marine Life Saving Equipment	
	4221	Marine Diving and Salvage Apparatus and Equipment	
	4240	Safety and Rescue Equipment (Excluding Eye and Face Protection and Clothing)	
	4241	Safety and Rescue Equipment – Breathing Apparatus	
	4242	Safety and Rescue Equipment, Eye and Face Protectors	
43		Pumps and Compressors	5 Years
	4310	Compressors, Mounted and Unmounted	
	4320	Power and Hand Pumps	
	4330	Centrifugals, Separators, and Pressure and Vacuum Filters (Non-laboratory)	
44		Furnaces, Steam Plants, Driers, and Air Purification Equipment	13 Years
	4410	Industrial Boilers	
	4420	Heat Exchangers and Steam Condensers	
	4430	Industrial Furnaces, Kilns, Lehrs, and Ovens	

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Capital Assets

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Major Group	Class Code	Descriptive Title	Useful Life
	4440	Driers, Dehydrators, and Anhydrators	
	4460	Air Purification Equipment	
	4465	Industrial Controls	
45		Plumbing, Heating, and Sanitation Equipment	5 Years
	4510	Plumbing Fixtures and Accessories	
	4515	Dispensers, All Types	
	4520	Space Heaters, Nonportable	
	4521	Space Heaters, Portable	
	4525	Water Heaters	
	4530	Fuel Burning Units and Accessories	
	4540	Miscellaneous Plumbing, Heating, and Sanitation Equipment	
46		Water Purification and Sewage Treatment Equipment	5 Years
	4610	Water Purification Equipment	
	4620	Water Distillation Equipment	
	4630	Sewage Treatment Equipment	
49		Specialized Maintenance and Repair Shop Equipment	5 Years
	4910	Motor Vehicle Maintenance and Repair Shop Equipment	
	4920	Aircraft Maintenance and Repair Shop Equipment	
	4925	Marine Maintenance and Repair Shop Specialized Equip.	
	4930	Lubrication Equipment and Accessories	
	4931	Fuel Dispensing Equipment and Accessories	
	4940	Miscellaneous Maintenance and Repair Shop Equipment	
51		Hand Tools, Powered and Nonpowered	5 Years
	5110	Hand Tools, Edged, Nonpowered	
	5120	Hand Tools, Nonedged, Nonpowered	
	5130	Hand Tools, Power Driven, Attachments	
	5136	Taps, Dies, and Collets – Hand and Machine	
	5140	Tool and Hardware Boxes	
	5180	Sets, Kits, and Outfits of Hand Tools	

Major Group	Class Code	Descriptive Title	Useful Life
52		Measuring Tools and Gauges	5 Years
	5210	Measuring Tools, Craftsmen's	
	5220	Inspection Gauges and Precision Layout Tools	
53		Hardware, Abrasives, Locks and Packing	5 Years
	5335	Screening	
	5340	Key-Duplicating Machines	
54		Prefabricated, Portable Structures, Buildings and Scaffolding	50 Years
	5410	Prefabricated, Portable Structures, and Buildings	
	5420	Bridges, Fixed and Floating	
	5430	Storage Tanks	
	5440	Scaffolding Equipment and Ladders	
	5445	Prefabricated Tower Structures	
	5450	Miscellaneous Prefabricated Structures	
58		Communication, Recording, Reproducing, and Detection Equipment	7 Years
	5805	Telephone and Telegraph Equipment, and Cell Phones	
	5810	Communications Security Equipment and Components	
	5815	Teletype and Facsimile Equipment	
	5820	Communications Equipment, Industrial and Commercial	
	5821	Radio and Television Communications Equipment, Airborne	
	5822	Communications Equipment, Public Safety: Audio and Video	
	5825	Radio Navigation Equipment, Nonairborne	
	5826	Radio Navigation Equipment, Airborne	
	5830	Intercommunications and Public Address Systems, Nonairborne	
	5831	Intercommunications and Public Address Systems, Airborne	
	5835	Sound Recording and Reproduction Equipment, Industrial and Professional (includes BETA and VHS Recorders; Video Cameras)	
	5840	Radar Equipment	
	5845	Underwater Sound Equipment and Accessories	

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Capital Assets

30.50.10

Major Group	Class Code	Descriptive Title	Useful Life
	5850	Audio Tape, Industrial and Professional	
	5851	Video Tape, Industrial and Professional	
	5855	Night Vision Equipment	
	5860	Stimulated Coherent Radiation Devices (Laser and Taser)	
	5865	Headsets, Handsets, Microphones, Speakers, etc.	
59		Electrical and Electronic Components	5 Years
	5940	Lugs, Terminals, and Terminal Strips, Electrical	
	5941	Boards, Terminal, Multi-application, Electronic	
60		Fiber Optics Materials, Components, Assemblies, and Accessories	5 Years
	6010	Fiber Optic Conductors	
	6030	Fiber Optic Devices	
	6070	Fiber Optic Accessories	
61		Electric Wire, Power, and Distribution Equipment, Batteries, and Generators	5 Years
	6105	Motors, Electrical	
	6110	Electrical Control Equipment Switchgear, Servomechanisms, etc.	
	6115	Generators and Generator Sets, Electrical	
	6118	Solar, Thermal, and Nuclear Power Equipment	
	6120	Transformers, Distribution and Power Station	
	6125	Converters, Electrical, Rotating	
	6130	Converters, Electrical, Nonrotating	
	6135	Batteries, Dry Cell	
	6141	Batteries, Wet Cell, Industrial and Electric Vehicles	
	6150	Miscellaneous Electric Power and Distribution Equipment	
62		Lighting Fixtures and Lamps	5 Years
	6210	Lighting Fixtures, Indoor	
	6211	Lighting Fixtures, Outdoor	
	6230	Portable Electric Lighting Equipment	
	6290	Flying Insect Control	

Major Group	Class Code	Descriptive Title	Useful Life
63		Alarm and Signal Systems	10 Years
	6310	Traffic and Transit Signal Systems	
	6350	Alarm and Signal Systems, Commercial	
65		Medical, Dental, and Veterinary Equipment	12 Years
	6515	Medical and Surgical Instruments and Equipment	
	6516	Orthopedic Equipment	
	6517	Ophthalmological, Refraction, and Audiometry Equipment	
	6518	Veterinary Equipment	
	6520	Dental Instruments and Equipment	
	6525	X-ray Equipment, Medical, Dental, and Veterinary	
	6530	Hospital Equipment	
	6533	Patient Mobilization Aids	
	6534	Stretchers and Litters	
	6535	Sterilizing Equipment and Accessories	
	6540	Opticians Instruments and Equipment	
	6545	Medical Sets, Kits, and Outfits	
66		Instruments and Laboratory Equipment	5 Years
	6605	Navigational Instruments	
	6610	Flight Instruments	
	6615	Automatic Pilot Mechanisms and Airborne Gyro Components	
	6620	Engine Instruments	
	6625	Electrical Measuring and Testing Instruments (Ammeters, Voltmeters, etc.)	
	6626	Electronic Measuring and Testing Instruments	
	6630	Equipment, Instruments, and Devices, Laboratory	
	6635	Physical Properties Testing Equipment	
	6636	Environmental Chambers and Related Equipment	
	6640	Laboratory Supplies	
	6641	Laboratory Furniture	
	6643	Agriculture Laboratory and Field Testing Equipment	
	6645	Time Measuring Instruments (Clocks, Watches, and Movements)	
	6650	Optical Instruments, Laboratory	
	6651	Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders	

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Capital Assets

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Major Group	Class Code	Descriptive Title	Useful Life
	6655	Geophysical and Astronomical Instruments	
	6660	Meteorological Instruments and Apparatus	
	6665	Hazard Detecting Instruments and Apparatus	
	6670	Scales and Balances, Commercial and Household	
	6671	Scales, Postal	
	6672	Scales and Balances, Laboratory	
	6675	Drafting, Surveying, and Mapping Instruments	
	6680	Liquid and Gas Flow, Liquid Level, and Mechanical Motion Measuring Instruments	
	6681	Speedometers and Tachometers	
	6682	Regulators and Gauges, Medical	
	6685	Pressure, Temperature, and Humidity Measuring and Controlling Instruments	
	6695	Combination and Miscellaneous Instruments	
67		Photographic, Projecting, and Microfilm Equipment	6 Years
	6710	Cameras, Motion Picture	
	6720	Cameras, Still Picture	
	6730	Photographic Projection Equipment	
	6740	Photographic Developing and Finishing Equipment	
	6750	Photographic Supplies	
	6760	Photographic Equipment and Accessories	
	6770	Films Processed for Commercial and Industrial Use	
	6780	Film Processing	
	6790	Micrographic Equipment	
	6791	Micrographic Supplies	
	6793	Micrographic Unitizing Equipment and Accessories	
69		Training Aids and Devices	5 Years
	6905	Multimedia Systems	
	6910	Training Aids, Medical	
	6911	Audiotape, Training	
	6914	Slides, Training	
	6918	Flight Training Aids and Devices	
	6920	Overhead Transparencies, Training	
	6921	Videotapes, Training	
	6925	Targets	

Major Group	Class Code	Descriptive Title	Useful Life
	6930	Vehicle Training Aids and Devices	
	6935	Robots for Training	
	6940	Communications Training Devices, For The Handicapped	
	6950	Miscellaneous Training Aids and Devices	
70		Information Technology (IT) Equipment	4 Years
	7010	Main Frame Computer Systems	
	7011	Minicomputer Systems and Servers	
	7012	Nonportable Microcomputer Systems, including desktop personal computers (PC's)	
	7013	Portable Microcomputer Systems, Laptop and Notebook Computers	
	7015	Front End Communications Processors	
	7016	Data Processing Terminals	
	7017	Data Communications Equipment (Multiplexers, Modems, Routers, Hubs, and Switches)	
	7025	Input/Output and Storage Devices - Tape	
	7026	Input/Output and Storage Devices - Disk (Laser and Magnetic)	
	7027	Input/Output and Storage Devices - Other	
	7034	Plotters	
	7035	Other IT Accessorial Equipment and Components (Scanners, Data Displays, etc.)	
	7037	Monitors	
	7038	Laser Printers	
	7039	Impact and Other Printers	
	7040	Punched Card Equipment	
	7042	Mini/Microcomputer Systems (Used primarily to control larger systems such as heating, A/C, etc.)	
	7060	Test and Monitor Equipment	
71		Furniture, Fixtures, and Accessories	10 Years
	7105	Household Furniture	
	7110	Office Furniture, Desk, Chairs, etc.	
	7111	Mail Room Furniture and Equipment	
	7112	School Furniture	
	7115	Hospital Furniture	
	7116	Furniture, Critical Environment (Prisons, etc.)	

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Capital Assets

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Major Group	Class Code	Descriptive Title	Useful Life
	7120	Furniture Fabrication and Repair Supplies	
	7125	Cabinets, Lockers, Bins, and Shelving	
	7126	Auditorium and Theater Furniture	
	7127	Library Furniture	
	7195	Miscellaneous Furniture and Fixtures	
72		Household and Commercial Furnishings and Appliances	7 Years
	7231	Awnings	
	7240	Containers, Utility, Commercial	
	7241	Containers, Utility, Household	
	7290	Miscellaneous Household and Commercial Furnishings and Appliances (Fireplace Sets, Hair Dryers, Washers, Dryers, Compactors, Sewing Machines, Irons, etc.)	
73		Food Preparation and Serving Equipment	5 Years
	7310	Food Cooking, Baking, and Warming Equipment, Commercial	
	7311	Food Cooking, Baking, and Warming Equipment, Household	
	7320	Kitchen Equipment and Appliances, Commercial	
	7321	Kitchen Equipment and Appliances, Household	
	7330	Kitchen Utensils	
	7352	Vacuum Containers and Chests	
74		Office, Visible Record, and Word Processing Equipment	5 Years
	7420	Accounting and Calculating Machines	
	7430	Typewriters and Office Type Composing Machines	
	7435	Word Processing Equipment and Accessories (Includes mini and micro computers specifically designed for Word Processing purposes)	
	7450	Office Type Sound Recording and Reproducing Machines	
	7460	Visible Records Equipment	
	7490	Miscellaneous Office Machines (Coin Counters, Collators, Cash Registers, etc.)	

Major Group	Class Code	Descriptive Title	Useful Life
77		Musical Instruments, Phonographs, Radios, Televisions, and Household Recordings	5 Years
	7710	Musical Instruments	
	7720	Musical Instrument Parts and Accessories	
	7730	Record Players, Radios, Television Sets, Tape Recorders, VCRs, and Video Cameras, Home Type	
	7740	Recordings, Entertainment	
	7742	Video Tapes, Entertainment	
78		Recreational and Athletic Equipment and Toys	5 Years
	7810	Athletic and Sporting Equipment	
	7820	Games, Toys, and Wheeled Goods	
	7830	Gymnastic Equipment	
	7831	Playground Equipment	
	7832	Game Room Equipment, Pool and Billiard Tables, and Bowling Equipment	
79		Cleaning Equipment	5 Years
	7910	Floor Polishers, Scrubbers, and Accessories	
	7912	Vacuum Cleaners, Carpet Sweepers, and Accessories	
80		Computer Software, Land Use Rights, Patents, Trademarks, Copyrights, and Other Intangible Assets with Definite Useful Lives	
		<u>Computer Software</u>	
	8010	Having a Useful Life of:	3 Years
	8011	Having a Useful Life of:	5 Years
	8012	Having a Useful Life of:	12 Years
	8013	Having a Useful Life of	15 Years
		<u>Land Use Rights</u>	
	8020	Having a Useful Life of	3 Years
	8021	Having a Useful Life of	5 Years
	8022	Having a Useful Life of	12 Years

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Capital Assets

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Major Group	Class Code	Descriptive Title	Useful Life
		<u>Patents, Trademarks, Copyrights</u>	
	8030	Having a Useful Life of	3 Years
	8031	Having a Useful Life of	5 Years
	8032	Having a Useful Life of	20 Years
	8033	Having a Useful Life of	25 Years
	8034	Having a Useful Life of	50 Years
		<u>Other Intangible Assets with Definite Useful Lives</u>	
	8040	Having a Useful Life of	3 Years
	8041	Having a Useful Life of	5 Years
	8042	Having a Useful Life of	12 Years
83		Textile, Leather, Tents, and Flags	10 Years
	8340	Tents, Tarpaulins, and Canvases	
99		Signs, Arts and Crafts, and Church Equipment	5 Years
	9905	Advertising Signs and Identification Plates	
	9906	Highway Signs	
	9909	Sign Making Machines and Accessories	
	9910	Arts and Crafts Supplies	
	9915	Collectors' Items	
	9925	Ecclesiastical Equipment	
	9930	Cemetery Equipment	

30.50.10.b

Addendum to Schedule A – Energy Efficiency Equipment and Products

The following schedule is based on the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) and Northwest Power and Conservation Council standards. This separate useful life schedule is for energy efficiency equipment and products only.

Major Group	Class Code	Descriptive Title	Useful Life
41		Refrigeration and Air Conditioning Equipment, Components and Accessories	
	4110	<u>Refrigeration units and accessories, commercial</u>	
		Chiller: reciprocating	20 Years
		Chiller: centrifugal or absorption	23 Years
		Condensers: air-cooled or evaporative	20 Years
	4119	<u>Air conditioning, heating, and ventilation systems, commercial</u>	
		Coils: DX, water, stream	20 Years
		Coils: electric	15 Years
		Cooling tower: wood or galvanized metal	22 Years
		Cooling tower: ceramic	34 Years
		Window unit air conditioner	10 Years
		Residential packaged or split	15 Years
		PTAC	15 Years
		Water cooled air conditioning	15 Years
		Residential air to air heat pump	15 Years
		Commercial air to air heat pump	15 Years
		Commercial water to air heat pump	19 Years
		Roof-top single-zone air conditioners	15 Years
		Roof-top multi-zone air conditioners	15 Years
		Gas or oil furnaces	18 Years
		Unit heaters: gas or electric	13 Years
		Unit heaters: hot water or steam	20 Years
		Radiant heaters: electric	13 Years
		Radiant heaters: hot water or steam	25 Years
		Induction and fan coil units	27 Years
		VAV and double-duct boxes	20 Years
		Ductwork	30 Years
	4140	<u>Fans and air conditioners, nonindustrial</u>	
		Fans: centrifugal	25 Years
		Fans: axial	20 Years

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Capital Assets

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Major Group	Class Code	Descriptive Title	Useful Life
		Fans: propeller	15 Years
		Ventilating: roof mounted	20 Years
43		Pumps and Compressors	
	4320	<u>Power and hand pumps</u>	
		Pumps: base mounted	20 Years
		Pumps: in-line or sump	15 Years
44		Furnaces, Steam Plants, Driers, and Air Purification Equipment	
	4410	<u>Industrial boilers</u>	
		Steel water-tube boiler	24 Years
		Steel fire-tube boiler	25 Years
		Cast iron boiler	35 Years
		Electric boiler	15 Years
		Burners	21 Years
	4420	<u>Heat exchangers and steam condensers</u>	
		HX shell and tube	24 Years
61		Electric Wire, Power, and Distribution Equipment, Batteries, and Generators	
	6105	<u>Motors, electrical</u>	
		Motors, electrical	18 Years
		Motor starters	17 Years
		Controls: pneumatic	20 Years
		Controls: electric	16 Years
		Controls: electronic	15 Years
		Valve actuators	10 Years
62		Lighting Fixtures and Lamps	
	6210	<u>Lighting fixtures, indoor</u>	
		Lighting fixtures, indoor	12 Years
		Lighting indoor controls	12 Years
	6211	<u>Lighting fixtures, outdoor</u>	
		Lighting fixtures, outdoor	12 Years
		Lighting outdoor controls	12 Years

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July 1, 2001

Schedule B - Location (county) codes

<u>County</u>	<u>Code</u>
Adams	01
Asotin	02
Benton	03
Chelan	04
Clallam	05
Clark	06
Columbia	07
Cowlitz	08
Douglas	09
Ferry	10
Franklin	11
Garfield	12
Grant	13
Grays Harbor	14
Island	15
Jefferson	16
King	17
Kitsap	18
Kittitas	19
Klickitat	20
Lewis	21
Lincoln	22
Mason	23
Okanogan	24
Pacific	25
Pend Oreille	26
Pierce	27
San Juan	28
Skagit	29
Skamania	30
Snohomish	31
Spokane	32
Stevens	33
Thurston	34
Wahkiakum	35
Walla Walla	36
Whatcom	37
Whitman	38
Yakima	39
Out-of-State	40