



Chapter 30

Capital Asset Policies



30.10 About the Capital Asset Policies

Section	Title	Effective Date	Page Number
30.10.10	Purpose of these policies	July 1, 2001	222
30.10.20	Authority for these policies	June 1, 2016	222
30.10.30	Applicability of these policies	June 1, 2016	222
30.10.40	Responsibilities of the State Agency	June 1, 2016	222
30.10.50	Policies differ in cases of absolute title and residual title	July 1, 2023	223
30.10.60	Assets in use by subtenant agencies	July 1, 2001	223

30.10.10 Purpose of these policies

July 1, 2001

The purpose of these policies is to establish the minimum requirements for a [capital assets](#) inventory system.

30.10.20 Authority for these policies

June 1, 2016

The authority for these policies is [RCW 43.88.160 \(1\)](#), [RCW 43.19.1917](#), and [RCW 43.41.150](#).

30.10.30 Applicability of these policies

June 1, 2016

This chapter is applicable to all agencies of the state of Washington as defined in [RCW 43.88.020 \(4\)](#), unless otherwise exempted by statute or rule.

30.10.40 Responsibilities of the State Agency

June 1, 2016

Establish a capital asset inventory system (refer to [Subsection 30.40.30](#)) that:

- Provides control and accountability over [capital assets](#), and



State Administrative and Accounting Manual

- Gathers and maintains information needed for the preparation of financial statements.
- 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 Policies differ in cases of absolute title and residual title

July 1, 2023

When the agency has [absolute title](#) to 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 or DebtBook, 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 or DebtBook, 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 Assets in use by subtenant agencies

July 1, 2001

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, Depreciating and Reconciling Capital Assets

Section	Title	Effective Date	Page Number
30.20.10	How to value capital assets	July 1, 2022	224
30.20.20	When to capitalize assets	Oct 1, 2024	228
30.20.22	Assets not capitalized	July 1, 2001	230
30.20.30	Definition of a lease	July 1, 2022	231
30.20.35	Accounting for right-to-use lease agreements	July 1, 2021	232
30.20.40	Accounting for lease-to-own agreements	July 1, 2021	234
30.20.45	Subscription-based information technology arrangements	July 1, 2022	234
30.20.47	Definitions of public-private and public-public partnerships and availability payment arrangements	July 1, 2022	236
30.20.48	Accounting for public-private and public-public partnerships and availability payment arrangements	July 1, 2022	238
30.20.50	Capital assets acquired through Certificates of Participation (COP)	July 1, 2009	239
30.20.60	Accounting for infrastructure	June 1, 2012	239
30.20.70	Depreciation and amortization policy	July 1, 2022	240
30.20.80	Non-depreciable transportation-related infrastructure assets reported using the modified approach	June 1, 2002	241
30.20.90	Impairment of capital assets and related insurance recoveries	July 1, 2005	242
30.20.95	Reconciliation of capital assets	July 1, 2023	242

30.20.10 How to value capital assets

July 1, 2022

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



State Administrative and Accounting Manual

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. 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 that do not meet the definition of an investment 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 Budget instructions](#) for discussion of maximum percentage limitations.

Once identifiable, as defined in [Subsection 30.20.20](#), costs incurred for the development of internally generated intangible assets and implementation of [subscription-based information technology arrangements \(SBITAs\)](#) 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.



State Administrative and Accounting Manual

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 enter into a SBITA contract or to complete or continue development of the intangible asset, in the case of a multiyear internally-developed software project.

Specifically with respect to developing and installing [internally developed computer software](#) and implementing SBITAs, there are three stages involved:

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 or SBITA. Costs associated with this stage are not capitalized.
2. **Application development stage or initial implementation 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, at least for the current year in the case of a multiyear project.

For internally developed software, capitalization of costs should cease when the computer software is substantially complete and operational.

For a SBITA implementation, capitalization of costs should cease when the subscription asset is placed into service. If a SBITA has more than one module, the asset is considered placed into service when initial implementation is completed for the first independently functional module or for the first set of interdependent modules. Remaining modules should be considered subsequent implementation outlays and should be capitalized if they would be considered a betterment or improvement per [Subsection 30.20.20.c](#).

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

Training costs, regardless of the stage they occur in, cannot be capitalized and should be recorded as a current period expenditure/expense.

Computer software should be considered “internally developed” if developed in-house or by a third party contractor on behalf of the government. Commercially available software that is purchased or licensed and modified using more than minimal incremental effort before being put into operation is considered internally generated.

For accounting for the construction of capital assets, refer to [Subsection 85.60.90](#).



State Administrative and Accounting Manual

30.20.10.c

Ancillary costs. Normally, ancillary costs should be included in the cost of a capital asset. [Ancillary costs](#) are normal or necessary costs required to place the asset in its intended location and condition for use. 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
- Costs related to demolition of unwanted structures

For infrastructure:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc
- Survey fees
- [Appraisal](#) and negotiation fees
- Damage payments
- Site preparation costs
- 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 and related costs incurred during construction
- 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



State Administrative and Accounting Manual

- Warranties
- Any other normal or necessary costs required to place the asset in its intended location and condition for use

30.20.10.d Donated capital assets, works of art and historical treasures.

Donated capital assets, works of art and historical treasures are valued at their estimated acquisition value on the date of donation, plus all appropriate ancillary costs.

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 When to capitalize assets

Oct 1, 2024

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, improvements other than buildings, and leasehold improvements with a cost of \$100,000 or greater.
- Intangible assets other than lease assets and subscription-based information technology arrangements, such as internally developed 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.
- Lease assets with total payments over the lease term of \$500,000 or greater.
- Subscription-based information technology arrangements with total payments over the subscription term plus capitalizable implementation costs of \$1,000,000 or greater.
- All other capital assets with a unit cost (including [ancillary costs](#)) of \$10,000 or greater, or collections with a total cost of \$10,000 or greater, unless otherwise noted.
- All capital assets acquired with Certificates of Participation (COP).



State Administrative and Accounting Manual

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 fiduciary 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 when the cost of the addition meets 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 the outlays 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 building and improvements other than buildings, 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.



State Administrative and Accounting Manual

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 \$10,000 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. Refer to [Subsection 30.20.50](#).

30.20.20.f Collection.

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 Assets not capitalized

July 1, 2001

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.



State Administrative and Accounting Manual

- 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 cataloged per [Subsection 30.40.10](#).

30.20.30 Definition of a lease

July 1, 2022

30.20.30.a

Right-to-use Lease Agreements. A lease is a contract that conveys control of the right to use another entity's capital asset for a specific period of time in an exchange or exchange-like transaction.

A contract conveys control of the right to use the asset if the lessee has both of the following:

- The right to obtain the present service capacity from use of the asset.
- The right to determine the nature and manner of use of the asset.

Extraordinary repairs, [betterments](#), or [improvements](#) to a leased asset are considered leasehold improvements. Refer to [Subsection 30.20.20.c](#).

30.20.30.b

Lease-to-own Agreements. A contract that transfers ownership of the underlying asset to the lessee by the end of the contract and does not contain termination options, should be reported as a financed purchase of the underlying asset by the lessee and a sale of the asset by the lessor. Refer to [Subsection 30.20.40](#).

30.20.30.c

Short-term Leases. Any lease with a maximum possible lease term of 12 months or less cannot be capitalized. Record these lease payments as a current period expenditure/expense when the state is the lessee or revenue when the state is the lessor.

Rolling month-to-month leases and leases that continue into a holdover period until a new lease contract is signed should be treated as short-term leases.

30.20.30.d

Lease Term. The lease term is the period during which a lessee has a noncancelable right to use an underlying asset, including any periods covered by:

- The option to extend the lease if it is reasonably certain that option will be exercised.



State Administrative and Accounting Manual

- The option to terminate the lease if it is reasonably certain that option will not be exercised.

Periods for which both the lessee and the lessor have an option to terminate the lease without permission from the other party (or if both parties have to agree to extend) are cancelable periods and are excluded from the lease term, regardless of whether it is reasonably certain that option will be exercised. For example, if the lease contains a clause that allows both the lessee or the lessor to cancel with 60 days notice, then the maximum term is 60 days and the lease should be accounted for as a short-term lease.

Fiscal funding or cancellation clauses should be ignored. These clauses allow lessees to cancel a lease, typically on an annual basis, if the government does not appropriate funds for the lease payments.

30.20.35 Accounting for right-to-use lease agreements

July 1, 2021

30.20.35.a

Leased assets that meet the state's capitalization policy (refer to [Subsection 30.20.20](#)) that are leased from (state is lessee) or to (state is lessor) individuals or organizations external to the state must be capitalized (refer to [Subsections 30.20.35.b](#) for lessee accounting and [30.20.35.c](#) for lessor accounting).

Leases between state agencies and leases that do not meet the capitalization threshold should be recognized as a current period expenditure/expense by the lessee and/or revenue by the lessor.

30.20.35.b

Lessees should account for a lease as an acquisition of a lease asset and the incurrence of a liability.

At the commencement of the lease term, the lease liability should be recorded at the present value of payments expected to be made during the lease term, including the following:

- Fixed payments
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market rate), measured using the index or rate as of the commencement of the lease term
- Variable payments that are fixed in substance
- Amounts that are reasonably certain to be paid under [residual value guarantees](#)
- The exercise price of a purchase option if reasonably certain that the option will be exercised
- Payments for termination penalties if it is reasonably certain that option will be exercised
- Any lease incentives receivable from the lessor
- Any other payments that are reasonably certain of being required

The future lease payments should be discounted using the interest rate the lessor charges the lessee. If the rate is not readily determinable, the lessee's incremental borrowing rate should be used, that is the interest rate the state would be charged to finance a similar asset.

Variable payments based on future performance of the lessee or usage of the underlying asset, such as charges based on hours equipment was used, should not be included in the measurement of the lease



State Administrative and Accounting Manual

liability. Rather, those variable payments should be recognized as an expenditure/expense in the period in which the obligation for those payments is incurred.

The intangible right-to-use lease asset should be recorded at the sum of the lease liability, any ancillary charges, and lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term.

Refer to [Subsections 85.60.65](#) and [85.72.25](#) for more details on how to account for leases.

30.20.35.c

Lessors should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lessor should continue to recognize the capital asset.

At the commencement of the lease term, the lease receivable should be recorded at the present value of payments expected to be received during the lease term, including the following:

- Fixed payments
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market rate), measured using the index or rate as of the commencement of the lease term
- Variable payments that are fixed in substance
- Residual value guarantee payments that are fixed in substance
- Less any lease incentives payable to the lessee

The future lease payments should be discounted using the interest rate the lessor charges the lessee, which may be the interest rate implicit in the lease. If the rate is not readily determinable, the lessee's incremental borrowing rate should be used, that is the interest rate the state would be charged to finance a similar asset.

Variable payments based on future performance of the lessee or usage of the underlying asset should not be included in the measurement of the lease receivable. Rather, those variable payments should be recognized as revenue in the period to which those payments relate.

The deferred inflow of resources is equal to the sum of the lease receivable, lease payments received from the lessee at or before the commencement of the lease term that relate to future periods (for example, the final month's rent), less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

The lease receivable and deferred inflow of resources should be reduced by any provision for estimated uncollectible amounts.

Refer to [Subsections 85.54.41](#) and [85.65.37](#) for more details on how to account for leases.

30.20.35.d

Contracts with Multiple Assets or Components and Multiple Contracts. In general, the capitalization threshold should be applied to each lease contract (rather than each asset within the contract). Lease contracts entered into under a master vendor agreement are separate contracts. However, if multiple



State Administrative and Accounting Manual

contracts are entered into at or near the same time with the same party and are negotiated as a package with a single objective, then the contracts should be combined and considered a single contract.

If a contract contains both a lease component (such as the right to use a building) and a nonlease component (such as maintenance services for the building), the lease and nonlease components should be treated as separate contracts. The lease component is subject to all SAAM requirements for leases. Whereas, the nonlease component should be recognized as a current period expenditure/expense by the lessee and/or revenue by the lessor.

If a lease involves multiple underlying assets with different lease terms, each asset or group of assets with a different lease term should be treated as a separate contract. If a lease involves multiple underlying assets that are in different major classes (i.e., building and land), each asset class should be treated as a separate lease contract.

If a contract does not include prices for individual components or assets, an estimate should be used to allocate the contract price to those components. However, if a reasonable estimate cannot be determined, then the contract should be treated as a single lease contract.

30.20.40 Accounting for lease-to-own agreements

July 1, 2021

30.20.40.a

A contract that transfers ownership of the underlying asset to the state by the end of the contract and does not contain termination options should be recorded as a financed purchase.

When the state's capitalization policy (refer to [Subsection 30.20.20](#)) is met, account for a lease that transfers ownership 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 capitalizable if its fair value meets the state's capitalization threshold. Refer to Subsections [85.60.70](#) and [85.72.30](#).

30.20.40.b

Record a lease-to-own agreement 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 lease-to-own agreement (record the acquisition of a capital asset and the incurrence of a liability).

30.20.40.c

Lease-to-own agreements are to be used only to acquire capital assets. Refer to [Subsection 30.20.20](#).

30.20.45 Subscription-based information technology arrangements

July 1, 2022



State Administrative and Accounting Manual

30.20.45.a

Subscription-based information technology arrangements (SBITAs) are contracts that convey control of the right to use another party's (SBITA vendor's) IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

30.20.45.b

Short-term SBITAs. Any SBITA with a maximum possible subscription term of 12 months or less cannot be capitalized. Record these payments as a current period expenditure/expense.

30.20.45.c

Subscription Term. The subscription term is the period during which the agency has a noncancelable right to use an underlying IT asset, including any periods covered by:

- The option to extend the lease if it is reasonably certain that option will be exercised.
- The option to terminate the lease if it is reasonably certain that option will not be exercised.

Periods for which both the agency and the vendor have an option to terminate the contract without permission from the other party (or if both parties have to agree to extend) are cancelable periods and are excluded from the subscription term, regardless of whether it is reasonably certain that option will be exercised. For example, if the contract contains a clause that allows both the agency and the vendor to cancel with 60 days notice, then the maximum subscription term is 60 days and the contract should be accounted for as a short-term SBITA.

Fiscal funding or cancellation clauses should be ignored. These clauses allow agencies to cancel a contract, typically on an annual basis, if the government does not appropriate funds for the payments.

30.20.45.d

Accounting for SBITAs. SBITAs that meet the state's capitalization policy (refer to [Subsection 30.20.20](#)) must be recorded as an acquisition of a capital asset and the incurrence of a liability.

At the commencement of the subscription term, the subscription liability should be recorded at the present value of the subscription payments expected to be made during the subscription term, including the following:

- Fixed payments
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), measured using the index or rate as of the commencement of the subscription term
- Variable payments that are fixed in substance
- Payments for termination penalties if it is reasonably certain that option will be exercised
- Any subscription contract incentives receivable from the vendor



- Any other payments that are reasonably certain of being required

The future subscription payments should be discounted using the interest rate the vendor charges the agency. If the rate is not readily determinable, the state's incremental borrowing rate should be used, that is the interest rate the state would be charged to finance a similar asset.

Variable payments based on future performance of the agency or usage of the underlying IT assets, such as charges based on number of users, should not be included in the measurement of the subscription liability. Rather, those variable payments should be recognized as an expenditure/expense in the period in which the obligation for those payments is incurred.

The intangible subscription asset should be recorded as the sum of the subscription liability, any payments made to the vendor at or before the commencement of the lease term, and any capitalizable initial implementation costs (refer to [Subsection 30.20.10.b](#)), less any lease incentives received from the vendor at or before the commencement of the subscription term.

SBITAs that do not meet the capitalization threshold should be recognized as a current period expenditure/expense by the lessee and/or revenue by the lessor.

Refer to Subsections [85.60.65](#) and [85.72.25](#) for more details on how to account for SBITAs.

30.20.45.e

Contracts with Multiple Assets or Components and Multiple Contracts. In general, the capitalization threshold should be applied to each contract (rather than each asset within the contract). SBITAs that are entered into under a master vendor agreement are separate contracts. However, if multiple contracts are entered into at or near the same time with the same vendor, negotiated as a package with a single objective, and the amount to be paid in one contract depends on the price or performance of the other contract, then the contracts should be combined and considered a single contract.

If a contract contains both a subscription component (such as the right to use IT assets) and a nonsubscription component (such as maintenance services), then the subscription and nonsubscription components should be treated as separate contracts. The subscription component is subject to all SAAM requirements for SBITAs; whereas, the nonsubscription component should be recognized as a current period expenditure/expense.

If a contract involves multiple underlying assets with different lease terms, each asset or group of assets with a different lease term should be treated as a separate contract.

If a contract does not include prices for individual components or assets, an estimate should be used to allocate the contract price to those components. However, if a reasonable estimate cannot be determined, then the contract should be treated as a single lease contract.

30.20.47 Definitions of public-private and public-public partnerships and availability payment arrangements

July 1, 2022



30.20.47.a

Public-private and public-public partnerships. Public-private and public-public partnerships (referred to as PPPs) are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange-like transaction. Some PPPs are **service concession arrangements (SCAs)**. An SCA is a PPP arrangement between a transferor and an operator in which **all** the following criteria are met:

- a. The government (transferor) conveys to the operator the right and related obligation to provide public services through the use and operation of an underlying PPP asset in exchange for significant consideration, such as an upfront payment, installment payments, a new facility, or improvements to an existing facility.
- b. The operator collects and is compensated by fees from third parties.
- c. The transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.
- d. The transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

Availability payment arrangements. Availability payment arrangements (APAs) are arrangements in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The payments by the government are based entirely on the asset's availability for use rather than on tolls, fees, or similar revenues or other measures of demand.

In an APA, a government procures a capital asset or service rather than receiving compensation to allow another entity to provide public services. In contrast to a PPP, the other party to an APA is receiving compensation from the government based entirely on availability to perform and not the actual performance of a public service.

30.20.47.b

PPP Term. The PPP term is the period during which an operator has a noncancelable right to use an underlying PPP asset, including any periods covered by:

- The option to extend the PPP if it is reasonably certain that option will be exercised.
- The option to terminate the PPP if it is reasonably certain that option will not be exercised.

Periods for which both the operator and the transferor have an option to terminate the PPP without permission from the other party (or if both parties have to agree to extend) are cancelable periods and are excluded from the PPP term. Provisions that allow for termination of a PPP due to either payment of all sums due or default on payments are not considered termination options.



30.20.48 Accounting for public-private and public-public partnerships and availability payment arrangements

July 1, 2022

30.20.48.a

PPPs that are a lease. If a PPP meets the definition of a right-to-use lease (refer to [Subsection 30.20.30](#)), and **if all** the following criteria are met, account for the PPP as a right-to-use lease (refer to [Subsection 30.20.35](#)):

- a. existing assets of the transferor are the only underlying PPP assets
- b. improvements to those existing assets are not required to be made by the operator as part of the PPP arrangement
- c. the PPP does not meet the definition of a service concession arrangement (SCA)

Refer to [Subsection 85.60.65](#) and [Subsection 85.72.25](#) for more details on how to account for right-to-use leases.

30.20.48.b

PPPs that are not a lease and not an SCA. The **transferor** accounts for a PPP that does not meet the definition of a right-to-use lease (refer to [Subsection 30.20.30](#)) and is not a service concession arrangement (SCA) (refer to [Subsection 30.20.47](#)), as follows:

1. If an underlying PPP asset is an existing asset of the transferor, at the commencement of the PPP term,
 - a. Continue to recognize the underlying PPP asset at its carrying value.
 - b. Record a receivable for installment payments, if any, to be received in relation to the PPP and a deferred inflow of resources.
 - c. In addition, if improvements to the asset that meet the state's capitalization policy (refer to [Subsection 30.20.20](#)) are required to be made by the operator, when the improvements are placed into service, record an asset for the improvements at acquisition value and a deferred inflow of resources.
 - d. Apply all other accounting and financial reporting requirements relevant to the underlying PPP asset, including depreciation and impairment. However, if the PPP arrangement requires the operator to return the underlying PPP asset in its original condition, the transferor should not depreciate the asset during the PPP term.
2. If the underlying PPP asset is a new asset purchased or constructed by the operator, when the asset is placed into service, record:
 - a. A receivable for the underlying PPP asset based on the operator's estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership from the operator and a deferred inflow of resources.



State Administrative and Accounting Manual

- b. A receivable for installment payments, if any, to be received in relation to the PPP and a deferred inflow of resources.

Refer to [Subsection 85.54.43](#) and [Subsection 85.60.67](#) for more details on how to account for PPPs.

30.20.48.c

PPPs that are not a lease but are an SCA. If a PPP meets the definition of an SCA and the underlying PPP asset is a new asset purchased or constructed by the operator, when the asset is placed into service, the **transferor** records an asset at acquisition value for the purchased or constructed underlying PPP asset and a deferred inflow of resources. In addition, at the commencement of the PPP term, the transferor records a receivable for installment payments, if any, to be received in relation to the PPP and a deferred inflow of resources.

Refer to [Subsection 85.54.43](#) and [Subsection 85.60.67](#) for more details on how to account for PPPs.

30.20.48.d

APAs. An APA or components of an APA that are related to the design, construction, or financing of a nonfinancial asset in which ownership of the asset transfers to the state by the end of the contract, should be recorded as a financed purchase of a capital asset.

An APA or components of an APA that are related to providing services for the operation or maintenance of a nonfinancial asset should be expensed in the period to which the payments relate.

An APA that contains both (a) a component related to the design, construction, or financing of a nonfinancial asset and (b) a component related to providing services for the operation or maintenance of a nonfinancial asset should generally be accounted for as separate contracts.

Refer to [Subsection 85.72.35](#) for more details on how to account for APAs.

30.20.50 Capital assets acquired through Certificates of Participation (COP)

July 1, 2009

Capital assets acquired through OST's Certificate of Participation (COP) program are to be capitalized. Refer to [Subsections 30.20.20.e, 85.60.80, and 85.72.40](#).

30.20.60 Accounting for infrastructure

June 1, 2012

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 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 Depreciation and amortization policy

July 1, 2022

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
- 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**:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

Salvage value is an estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

- 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



State Administrative and Accounting Manual

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

Amortization on right-to-use lease and subscription assets begins on the lease start date. Amortization must be calculated using the straight-line method, by dividing the value of the asset by the lesser of the lease/subscription term or the asset's useful life. If it is reasonably certain that a purchase option will be exercised, the asset's useful life must be used.

30.20.70.d

Useful life for capital assets – Agencies are required to use the useful life shown in Schedule A, Capital Asset Class Code List 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 Non-depreciable transportation-related infrastructure assets reported using the modified approach

June 1, 2002



State Administrative and Accounting Manual

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 Impairment of capital assets and related insurance recoveries

July 1, 2005

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. Agencies should contact their assigned OFM Statewide Accountant when they have a material impairment.

30.20.95 Reconciliation of capital assets

July 1, 2023

Agencies are to reconcile the balance in GL Code Series 2XXX "Capital Assets" to the balance of the detail listing of capital assets in the agency's authorized capital asset management system and the leases and subscription-based IT arrangements (SBITAs) in DebtBook, as applicable. Agencies using the state's Capital Asset Management System (CAMS) have available capital asset reports for both cost and depreciation showing beginning balances, additions, deletions, and ending balances. Agencies not using CAMS are to develop similar capital asset reports. Refer to [Subsection 85.60.60](#).

ER reports to use: Financial Reports/Accounting/Capital Asset Management.



30.30 Marking and Identifying Capital Assets

Section	Title	Effective Date	Page Number
30.30.10	Mark all inventoriable capital assets	July 1, 2001	243
30.30.20	How capital assets should be marked	July 1, 2001	243
30.30.30	When it is OK not to mark a capital asset	July 1, 2009	244
30.30.40	Capital asset inventory tags	July 1, 2015	244
30.30.50	Capital asset inventory tags and control numbers need to be controlled	July 1, 2001	244

30.30.10 Mark all inventoriable capital assets

July 1, 2001

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 How capital assets should be marked

July 1, 2001

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 When it is OK not to mark a capital asset

July 1, 2009

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 or lease contract 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 Capital asset inventory tags

July 1, 2015

Agencies are required to use tags that include the format detailed in [Subsection 30.30.20.a](#). For ease of inventory control, agencies may use tags bearing a bar code.

30.30.50 Capital asset inventory tags and control numbers need to be controlled

July 1, 2001

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

Section	Title	Effective Date	Page Number
30.40.10	Which assets need to be inventoried or cataloged?	Oct 1, 2024	245
30.40.20	Small and attractive assets	June 6, 2024	245
30.40.30	Capital asset inventory system requirements	June 6, 2024	246
30.40.40	Adding capital assets to the inventory	July 1, 2023	248
30.40.45	Removing capital assets from the inventory	June 6, 2024	248
30.40.50	Department of Enterprise Services requires information about surplus property	Jan. 1, 2012	249
30.40.80	Lost or stolen property	July 1, 2008	249

30.40.10 Which assets need to be inventoried or cataloged?

Oct 1, 2024

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 \$10,000 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 Small and attractive assets

June 6, 2024

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. Operational risks include risks associated with data security on mobile or portable computing devices that store or have access to state



State Administrative and Accounting Manual

data. 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. Internal policies should take into consideration the Washington Technology Solutions (WTS) Securing Information Technology Assets Standard SEC-01, sections SEC-04-06-S Mobile Device Security Standard and SEC-04-02-S Media Sanitization and Disposal Standard at [WTS Policies](#).

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 except as noted in this section. 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:

- 7013 Laptops and Notebook Computers
- 7014 Tablets and Smart Phones

Agencies must also include the following assets with unit costs of \$1,000 or more:

- 6651 Optical Devices, Binoculars, Telescopes, Infrared Viewers and Rangefinders
- 6710-6730 Cameras and Photographic Projection Equipment
- 7012 Desktop Computers (PCs)
- 7730 Television Sets, DVD Players, Blu-ray Players, and Video Cameras (home type)

30.40.30 Capital asset inventory system requirements

June 6, 2024

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

For all owned assets and lease-to-own agreements that meet the state's capitalization policy, agencies are to use the Capital Asset Management System (CAMS). Agencies may use an alternate in-house system provided written approval from the WTS is obtained prior to initiating acquisition or development of the system. Refer to [Subsection 80.30.88](#).

For all right-to-use lease agreements and subscription-based IT arrangements (SBITAs) that meet the state's capitalization policy, agencies are to use DebtBook. This includes leases where the agency is the lessee or the lessor.

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



State Administrative and Accounting Manual

- **Account** - For proprietary and fiduciary 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 Codes 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 Office of the Chief Information Officer/Technology Services Board (for information technology related equipment and proprietary software) or the Department of Enterprise Services (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 not applicable to small and attractive assets.



State Administrative and Accounting Manual

- **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 or months. Refer to [Subsection 30.50.10](#) for Schedule A - Capital Asset Class Codes and Useful Life Schedule. This element is not applicable to small and attractive assets.

30.40.40 Adding capital assets to the inventory

July 1, 2023

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 or DebtBook, as applicable.

30.40.45 Removing capital assets from the inventory

June 6, 2024

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 available online at: [Dispose of Surplus](#).

Agencies are responsible to cleanse assets of any sensitive information prior to surplus, disposal, or returning the asset to the lessor.

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:

- The Department of Enterprise Services, Surplus Programs for all capital assets, except those listed below (refer to [RCW 43.19.1919](#).)



State Administrative and Accounting Manual

- The WTS/Technology Services Board for information technology related equipment and proprietary software (refer to [Chapter 43.105 RCW](#)). WTS policies identify the threshold at which these assets are required to be reported to WTS. Refer to the IT Investments - Approval and Oversight Policy PM-01, available online at: [WTS Policies](#).

Although agencies are not required to report assets under the WTS threshold to Surplus Program 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.

- Other specific statutory authority.

The cost and related accumulated depreciation/amortization of capital assets disposed of are also removed from the applicable general ledger codes.

30.40.50 Department of Enterprise Services requires information about surplus property

Jan. 1, 2012

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

30.40.80 Lost or stolen property

July 1, 2008

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 70.75](#).
- 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

Section	Title	Effective Date	Page Number
30.45.10	Physical inventory frequency	July 1, 2009	250
30.45.20	Who should conduct and verify the physical inventory?	July 1, 2001	251
30.45.30	Physical inventory instructions	July 1, 2001	251
30.45.40	Physical inventory reconciliations	July 1, 2001	251
30.45.50	Retaining physical inventory records	July 1, 2001	252

30.45.10 Physical inventory frequency

July 1, 2009

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 sent 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).



State Administrative and Accounting Manual

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 Who should conduct and verify the physical inventory?

July 1, 2001

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 Physical inventory instructions

July 1, 2001

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 Physical inventory reconciliations

July 1, 2001

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:



State Administrative and Accounting Manual

- 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 Retaining physical inventory records

July 1, 2001

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

Section	Title	Effective Date	Page Number
30.50.10	Schedule A - Capital asset class codes and useful life schedule	July 1, 2021	253
30.50.20	Schedule B - Location (county) codes	July 1, 2001	273

30.50.10 Schedule A - Capital asset class codes and useful life schedule

July 1, 2021

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	
01		Transportation Infrastructure (Modified Approach) Operated by the Department of Transportation	Not Calculated
	0110	State Highway System	
02		Construction In Progress	Not Calculated
03		Art Collections, Library Reserve Collections, Museum and Historical Collections (Inexhaustible), and Intangible Assets with Indefinite Useful Lives	Not Calculated
	0300	Art Collections, Library Reserve Collections, and Museum and Historical Collections (Inexhaustible)	
	0310	Intangible Assets with Indefinite Useful Lives (e.g. easements, mineral, timber, and water rights acquired separately from land, that have indefinite useful lives)	



State Administrative and Accounting Manual

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
		0550	Having a Useful Life of:

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



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	0680	Having a Useful Life of:	50 Years
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	



State Administrative and Accounting Manual

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	
18		Unmanned Aerial Vehicles (UAV), Drones	
	1810	Unmanned Aerial Vehicles (UAV), Drones	5 Years
19		Marine Vessels, Barges, and Docks (All, except otherwise indicated)	
	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)	60 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	40 Years
	1925	Vessels, Special Service (Tugs, Fire Boats, Tenders)	40 Years
	1930	Barges, Cargo	40 Years
	1935	Barges and Lighters, Special Purpose	40 Years
	1940	Small Craft, Powered and Unpowered	6 Years
	1945	Pontoons and Floating Docks	40 Years
	1950	Floating Dry Docks	40 Years



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	1990	Miscellaneous Vessels	40 Years
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, Cycles and Combat Vehicles (All, except otherwise indicated)	
		<u>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:</u>	
	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
		<u>Vehicles, Medium and Heavy Duty (Trucks, Buses, and Special Purpose Vehicles) 10,000 lbs. GVW and over. Life is a function of the type of vehicle and the nature of the vehicle use:</u>	
	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
	2325	Having a Useful Life of:	15 Years
	2326	Having a Useful Life of:	20 Years



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
		<u>Trailers, Cycles and Combat Vehicles</u>	5 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	
29		Engine Components and Accessories	5 Years



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	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	
	3320	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	
	3438	Miscellaneous Welding Equipment and Accessories	



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
-------------	------------	-------------------	-------------

- | | | | |
|--|------|---|--|
| | 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, Packaging, etc	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, Textile, etc.	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 | |



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
37		Agricultural Machinery and Equipment – Farm, Fishery, Pest Control, Garden, Irrigation, etc.	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	



State Administrative and Accounting Manual

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	



State Administrative and Accounting Manual

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	



State Administrative and Accounting Manual

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	
	5827	Global Navigation Satellite Systems (GPS – Global Positioning Systems)	
	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, VHS, DVD, and Blu-ray Recorders; Video Cameras)	



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	5840	Radar Equipment	
	5845	Underwater Sound Equipment and Accessories	
	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	



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	6290	Portable Electric Lighting Equipment	
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	
		Automatic Pilot Mechanisms and Airborne Gyro Components	
	6615		
	6620	Engine Instruments	
		Electrical Measuring and Testing Instruments (Ammeters, Voltmeters, etc.)	
	6625		
	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	
		Time Measuring Instruments (Clocks, Watches, and Movements)	
	6645		
	6650	Optical Instruments, Laboratory	



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	6651	Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders	
	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, DVDs, Blu-rays, Training	
	6925	Targets	



State Administrative and Accounting Manual

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	
	7010	Main Frame Computer Systems	5 Years
	7011	Servers	5 Years
	7012	Desktop Computers (PCs)	4 Years
	7013	Laptops and Notebook Computers	4 Years
	7014	Tablets and Smart Phones	2 Years
	7015	Front End Communications Processors	7 Years
	7016	Data Processing Terminals	6 Years
	7017	Data Communications Equipment (Multiplexers, Modems, Routers, Hubs, and Switches)	6 Years
	7025	Input/Output and Storage Devices - Tape	6 Years
	7026	Input/Output and Storage Devices - Disk (Laser and Magnetic)	6 Years
	7027	Input/Output and Storage Devices - Other	5 Years
	7033	Multifunction Devices (Copier, Fax, Scanner, Printer)	5 Years
	7034	Plotters	5 Years
	7035	Other IT Accessorial Equipment and Components (Scanners, Data Displays, etc.)	5 Years
	7037	Monitors	5 Years
	7038	Laser Printers	6 Years
	7039	Impact and Other Printers	6 Years
	7042	Mini/Microcomputer Systems (Used primarily to control larger systems such as heating, A/C, etc.)	5 Years
	7060	Test and Monitor Equipment	5 Years
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.)	
	7120	Furniture Fabrication and Repair Supplies	



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	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.)	
77		Musical Instruments, Televisions, and Household Recordings	5 Years



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	7710	Musical Instruments	
	7720	Musical Instrument Parts and Accessories	
	7730	Television Sets, DVD Players, Blu-ray Players, and Video Cameras, (home type)	
	7740	Recordings, Entertainment	
	7742	Video Tapes, DVDs, Blu-rays, 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
		<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



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
	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	
	8345	Flags and Pennants	
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, steam	20 Years



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
		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 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 Circulators, Nonindustrial</u>	
		Fans: centrifugal	25 Years
		Fans: axial	20 Years
		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



State Administrative and Accounting Manual

Major Group	Class Code	Descriptive Title	Useful Life
		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

30.50.20 Schedule B - Location (county) codes

July 1, 2001

County	Code
Adams	01
Asotin	02
Benton	03
Chelan	04
Clallam	05
Clark	06
Columbia	07



State Administrative and Accounting Manual

County	Code
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