

## UNIVERSITY OF WEST FLORIDA BUSINESS ENTERPRISES, INC. (BEI)

**POLICY #:** BEI 1.09 – 8/13

**EFFECTIVE DATE:** AUGUST 23, 2013

**RESPONSIBLE OFFICE:** BEI

**PURPOSE/PURPOSE:** **ESTABLISH CAPITALIZATION THRESHOLDS FOR CAPITAL ASSETS** - provide guidance for the proper accounting and reporting of payments made for the acquisition of property.

### 1. APPLICABILITY BEI ASSET CAPITALIZATION

### 2. POLICY

Florida Chief Financial Officer Memorandum No. 5 (2011-2012) establishes specific guidance for state agencies related to the accounting and reporting of capital assets for financial reporting purposes. Capital asset reporting thresholds in this memorandum may be higher than thresholds for property control due to differing objectives. Therefore, agencies are authorized to establish thresholds for property control that are lower than the thresholds established in the memorandum. The threshold for tangible personal property is \$1,000. However, Florida Board of Governors Regulation 9.002(1) established a threshold of \$5,000 for this class of assets for state universities, and the University of West Florida has adopted this increased threshold.

In accordance with applicable guidelines and regulations as outlined above, the following thresholds are established for the capitalization of assets procured by BEI.

Capital Asset Category	Financial Statement Capitalization Threshold
Land and Land Improvements	Capitalize all
Intangible Assets	\$4,000,000
Buildings and Building Improvements	\$50,000
Infrastructure and Infrastructure Improvements	\$50,000
Leasehold Improvements	\$50,000
Property Under Capital Lease	Depending on the asset, use the threshold for the appropriate asset category
Construction Work in Progress	Accumulate all costs and capitalize if over \$50,000 when completed (internally generated computer software projects are not included in this category)
Furniture and Equipment	\$5,000
Works of Art and Historical Treasures	\$5,000
Other Capital Assets	\$5,000