



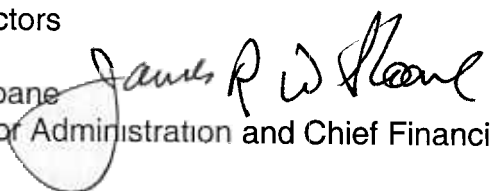
UNIVERSITY OF HAWAII

VICE PRESIDENT FOR ADMINISTRATION
AND CHIEF FINANCIAL OFFICER

May 13, 2003

ADMINISTRATIVE PROCEDURES MEMORANDUM NO. 03-06

TO: Senior Vice Presidents and Chancellors
Vice Presidents
Secretary of the Board of Regents
State Director for Career and Technical Education
Deans and Directors

FROM: James R. W. Sloane 
Vice President for Administration and Chief Financial Officer

SUBJECT: **SYSTEMWIDE ADMINISTRATIVE PROCEDURES**

Please update your Administrative Procedures Manual concerning inventory management as follows:

1. A8.515, Physical Inventory
2. A8.550, Capitalization
3. A8.551, Non-Expendable Personal Property
4. A8.552, Real Property
5. A8.554, Accountability of Capital Assets

A8.515, Physical Inventory, was revised to provide valuation guidelines for the library collection at year-end since library books are one of the most valuable recorded asset of the University.

A8.550, Capitalization, and A8.552, Real Property, and A8.554, Accountability of Capital Assets, were primarily revised to respond to the recently issued Governmental Accounting Standards Board's (GASB) Statement 34 and 35 which now require the reporting of a new balance sheet category called infrastructure assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, and dams acquired by the University. A8.550, Capitalization, was also revised to provide guidelines for capitalizing purchased software or software developed for internal use. A8.552, Real Property, provides guidance in capitalizing and coding of construction payments.

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A8.551, Non-Expendable Personal Property, was revised to delete references to library books and livestock.

We believe these revisions will increase fiscal administrators understanding of purchased or internally developed software, library book valuation, construction payments, and the new balance sheet category called infrastructure assets.

Administrative officers were notified of the availability of these administrative procedures via the fiscal officer listserv. The revised administrative procedures are available on the Internet at <http://www.hawaii.edu/svpa/apm/sysap.html>. Should you have any questions, please call the Inventory Management Section at 956-8735.