

Prepared by Property and Fund Management Office
This replaces Administrative Procedure A8.554 dated May 2002.

A8.554

A8.550 CAPITALIZATION

May 2003

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A8.554 Accountability of Capital Assets

1. Financial Reporting

The University is responsible for presenting fairly, the assets of the University of Hawaii system in its annual financial report. The financial report shall include the cost of its capital assets, the accumulated depreciation, and the net book value of the capital assets. Federally titled capital assets will not be included in the annual report.

2. Depreciation

Depreciation will be recorded on a straight-line basis with no salvage value using the useful lives shown in Attachment A of this procedure. Alternate depreciation policies may be applied, where supportable, based on operating experience or where required by the federal indirect cost agreement negotiated with the institution's federal cognizant agency. Depreciation shall be calculated in the year of acquisition and prorated in the first year depending on the month in which the capital asset was acquired or placed in service. Depreciation will not be assessed against property meeting the definition of controlled property as defined in APM A8.550, Capitalization.

Depreciation will not be assessed while the equipment fabrication or building/land improvement/infrastructure asset is in-progress. Fiscal officers and custodians shall monitor in-progress construction and notify the Inventory Management Section when completed. Notification shall be submitted via a memorandum that provides the in-service date and total cost of the asset(s).

ATTACHMENT A

CAPITAL ASSET USEFUL LIFE/DEPRECIATION SCHEDULE

CLASS	DESCRIPTION	USEFUL LIFE	METHOD
000001	LAND	0	Straight Line
000300	BLDG - INITIAL ACQUISITION	39	Straight Line
000301	BLDG - HEAT/VENT/AC (HVAC)	23	Straight Line
000302	BLDG - BETTERMENT	39	Straight Line
000303	BLDG - LIGHTING/ELECTRICAL SERVICE	23	Straight Line
000304	BLDG - ELEVATORS	39	Straight Line
000305	BLDG - SITE PREPARATION	100	Straight Line
000306	BLDG - PIPING & PLUMBING	23	Straight Line
000307	BLDG - ROOF	20	Straight Line
000308	BLDG - ROOF STRUCTURE	39	Straight Line
000309	BLDG - FOUNDATION	100	Straight Line
000310	BLDG - FRAME	39	Straight Line
000311	BLDG - CONSTRUCTION EXTERIOR	39	Straight Line
000312	BLDG - CONSTRUCTION INTERIOR	20	Straight Line
000313	BLDG - FIXED EQUIPMENT	15	Straight Line
000314	BLDG - FLOOR COVER	15	Straight Line
000315	BLDG - FIRE PROTECTION	23	Straight Line
000316	BLDG - FLOOR STRUCTURE	39	Straight Line
000701	IMPVT - NOT BLDS - PARKING LOTS	20	Straight Line
000704	IMPVT - NOT BLDS - FENCES	20	Straight Line
000705	IMPVT - NOT BLDS - LANDSCAPING	20	Straight Line
000706	IMPVT - NOT BLDS - OTHER STRUCTURES	20	Straight Line
000707	IMPVT - NOT BLDS - NO DEPR	0	Straight Line
000800	INFRA - STREETS/ROADS/WALKS	12	Straight Line
000801	INFRA - SEWER/WATER SYSTEMS	23	Straight Line
000802	INFRA - STREET/WALKWAY LIGHTING	23	Straight Line
000803	INFRA - UTILITY SYSTEMS	23	Straight Line
000804	INFRA - UNDERGROUND TUNNELS	30	Straight Line
000900	CONST IN PROG - IMPVT NOT BLDG	0	Straight Line
000901	CONST IN PROG - BUILDING	0	Straight Line
000902	CONST IN PROG - EQUIPMENT	0	Straight Line
000903	CONST IN PROG - OTHERS	0	Straight Line
101000	EQ - OFFICE MACHINES	5	Straight Line
101001	EQ - PHOTOCOPYING, DUPLICATING	5	Straight Line
101002	EQ - FAX MACHINES	10	Straight Line
101003	EQ - AIR CONDITIONERS	10	Straight Line
101004	EQ - SHELVINGS, FILES	10	Straight Line
101005	EQ - CASH REGISTERS	10	Straight Line
101006	EQ - MAIL SERVICES	10	Straight Line
120999	EQ - OFFICE EQ - OTHRS	5	Straight Line
221000	EQ - MEDICAL	10	Straight Line

221001	EQ - STEREO SYSTEMS	10	Straight Line
221002	EQ - OTHR SOUND SYS	10	Straight Line
221003	EQ - CAMERAS	10	Straight Line
221004	EQ - VCR & TELEVISIONS	10	Straight Line
221005	EQ - OTHR AUDIO VISUAL	10	Straight Line
221006	EQ - PROJECTORS	10	Straight Line
221007	EQ - ATHLETIC/RECREATIONAL	10	Straight Line
221008	EQ - PHOTOGRAPHIC ACCESSORIES	10	Straight Line
221009	EQ - MUSICAL INSTRUMENTS	10	Straight Line
221010	EQ - READERS & VIEWERS	10	Straight Line
239999	EQ - EDUC EQUIP - OTHRS	10	Straight Line
340000	EQ - LAB	10	Straight Line
340001	EQ - MICROSCOPES	10	Straight Line
340002	EQ - REFRIG/FREEZERS/ICE MACHINES	10	Straight Line
340003	EQ - SCALES & BALANCES	10	Straight Line
340004	EQ - OVENS/INCUBATORS/HOT PLATES	10	Straight Line
340005	EQ - CHAMBERS	10	Straight Line
340006	EQ - TELESCOPES	25	Straight Line
340007	EQ - TESTERS	10	Straight Line
340008	EQ - AMPLIFIERS	10	Straight Line
340009	EQ - MEASURING INSTRU, METERS	10	Straight Line
340010	EQ - MARINE EQUIP	10	Straight Line
359999	EQ - SCIENT EQUIP - OTHRS	10	Straight Line
460000	EQ - COMPUTER - PERSONAL	3	Straight Line
460001	EQ - COMPUTER - MINI	3	Straight Line
460002	EQ - COMPUTER - MAINFRAME	6	Straight Line
460003	EQ - COMPUTER - WORKSTATION	3	Straight Line
460004	EQ - COMPUTER - PERIPHERAL EQUIP	3	Straight Line
460013	EQ - SCANNERS	3	Straight Line
460014	EQ - MONITORS/TERMINALS	6	Straight Line
460015	EQ - PRINTERS	6	Straight Line
460025	EQ - POWER SUPPLIES	10	Straight Line
460026	EQ - FOOD SERVICE	10	Straight Line
460027	EQ - FURNITURE	7	Straight Line
460028	EQ - BLDG MAINT/JANITORIAL	10	Straight Line
460029	EQ - MOTORS, GENERATORS	10	Straight Line
460030	EQ - SHOP MACHINERY	10	Straight Line
460031	EQ - COMMUNICATION	10	Straight Line
460032	EQ - GROUND/AGRICUL MAINT	10	Straight Line
460033	EQ - HEALTH, SAFETY, SECURITY	10	Straight Line
460034	EQ - PUMPS	10	Straight Line
460035	EQ - PRESS (PRINTING)	10	Straight Line
460036	EQ - STORAGE CONTAINERS	10	Straight Line
460135	EQ - WORKS OF ART & COLLECT	100	Straight Line
460136	EQ - ARTIFACTS	100	Straight Line
460137	EQ - WEAPONS/FIREARMS	100	Straight Line

460200	EQ - SATELLITES	10	Straight Line
460201	EQ - TELEPHONE SYSTEM	45	Straight Line
460202	EQ - SECURITY SYSTEM	20	Straight Line
460203	EQ - STUDENT INFO SYSTEM	20	Straight Line
460204	EQ - SOFTWARE	10	Straight Line
460270	EQ - OTHR INFO SYSTEMS	20	Straight Line
460271	EQ - VEHICLES	10	Straight Line
460272	EQ - VEHICLES, TRAILERS	10	Straight Line
460273	EQ - VEHICLES, BUSES	10	Straight Line
460283	EQ - BOATS	18	Straight Line
460284	EQ - BOATS - RESEARCH VESSELS	25	Straight Line
460294	EQ - AIRCRAFT - JET	7	Straight Line
460295	EQ - AIRCRAFT - PROPELLER	7	Straight Line
460296	EQ - AIRCRAFT - HELICOPTER	7	Straight Line
460299	EQ - AIRCRAFT - OTHRS	7	Straight Line
480003	LEASE PURCHASES 3 YR	3	Straight Line
480005	LEASE PURCHASES 5 YR	5	Straight Line
480006	LEASE PURCHASES 6 YR	6	Straight Line
480007	LEASE PURCHASES 7 YR	7	Straight Line
480010	LEASE PURCHASES 10 YR	10	Straight Line