



## 30.10

# About the Capital Asset Policies

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### 30.10.10

July 1, 2001

#### Policies in this chapter are minimum standards

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

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

### 30.10.15

July 1, 2012

#### Definition of a capital asset

Capital assets are tangible or intangible assets held and used in state operations, which have a service life of more than one year and meet the state's capitalization policy. Refer to Subsections 75.40.20 and 85.60.10.

### 30.10.20

July 1, 2001

#### Authority for these policies

- 30.10.20.a The Office of Financial Management (OFM) is required by the Budget and Accounting Act (RCW 43.88.160 (1)) to establish a Generally Accepted Accounting Principles (GAAP) based accounting system and procedures to ensure the state's assets, including capital assets, are properly accounted for.
- 30.10.20.b RCW 43.19.1917 requires OFM to develop a standard method of maintaining records for state owned equipment that state agencies must follow.
- 30.10.20.c RCW 43.41.150 requires OFM to provide for the maintenance of an inventory of state owned or controlled land resources by state agencies.

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**30.10.30**

July 1, 2001

**Applicability**

30.10.30.a

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

30.10.30.b

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

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**30.10.40**

July 1, 2001

**Agency responsibilities**

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

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**30.10.50**

July 1, 2001

**Policies differ in cases of absolute title and residual title**

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, if inventoriable.

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

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

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**30.10.60**

July 1, 2001

**Assets in use by subtenant agencies**

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