



# Capital Asset Form Training

Capital Assets, Depreciation and Impairment of Assets

*August 8, 2023*



# Agenda

- Importance of completing the form and purpose of the form
- Who completes the form
- Resources available
- SAO policies
- Capitalization thresholds
- TeamWorks reports and queries needed and available to complete the form
- Form details and example
- Contact list & Questions

# Importance and Purpose of the form

- Accumulate note disclosure information for ACFR (Annual Comprehensive Financial Report). Capital Asset information is included in Note 9
- Unqualified opinion
  - Must be in accordance with GAAP (Generally Accepted Accounting Principles)
  - Must be materially correct
- The year-end forms have been designed to capture the information needed for the note disclosures
- Potential audit findings if information is not correct

# Note 9 of ACFR

## State of Georgia



### Notes to the Financial Statements For the Fiscal Year Ended June 30, 2022

#### NOTE 9 - CAPITAL ASSETS AND INTANGIBLE RIGHT-TO-USE ASSETS

##### A. Primary Government

Capital Asset activity for the fiscal year-ended June 30, 2022, was as follows (amounts in thousands):

	Balance 7/1/2021 (Restated - Note 3)	Increases	Decreases	Balance 6/30/2022
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 4,881,106	\$ 229,924	\$ (7,568)	\$ 5,103,462
Works of Art and Collections	1,400	21	—	1,421
Intangibles - Other Than Software	133,226	4,351	—	137,577
Construction in Progress	4,307,885	2,772,701	(2,547,165)	4,533,421
Total Capital Assets, Not Being Depreciated	9,323,617	3,006,997	(2,554,733)	9,775,881
Capital Assets Being Depreciated:				
Infrastructure	35,167,308	1,193,052	(73)	36,360,287
Buildings and Building Improvements	4,388,440	185,207	(57,119)	4,516,528
Improvements Other Than Buildings	198,337	11,435	(71)	209,701
Intangibles - Other than Software	1,758	164	—	1,922
Machinery and Equipment	1,445,153	86,297	(72,742)	1,458,708
Software	634,295	26,621	—	660,916
Total Capital Assets Being Depreciated	41,835,291	1,502,776	(130,005)	43,208,062
Less Accumulated Depreciation For:				
Infrastructure	21,472,075	874,695	—	22,346,770
Buildings and Building Improvements	2,185,820	104,561	(5,619)	2,284,762
Improvements Other Than Buildings	71,697	5,188	(48)	76,837
Intangibles - Other Than Software	1,557	125	—	1,682
Machinery and Equipment	982,238	98,461	(46,039)	1,034,660
Software	387,384	39,397	(86)	426,695

# Who completes the form?

- Who must use the form (required)?
  - All Organizations that do not prepare stand-alone GAAP financial statements that contain an audit opinion (External CPA or DOAA opines on the statements)
- Who can use the form (optional)?
  - Your organization prepares GAAP financial statements and is audited by an external CPA firm
    - These forms are considered supplemental information to the audited financial statements submitted by your auditors



# Resources available

- Video training available on the SAO website. [www.sao.ga.gov](http://www.sao.ga.gov) Training and Calendars, Year-End Reporting Training, Year-end Training Videos, Capital Assets, Depreciation and CIP.

[https://player.vimeo.com/external/418195426.hd.mp4?s=52246313893163060995bfa1b345f144714cffc4&profile\\_id=175](https://player.vimeo.com/external/418195426.hd.mp4?s=52246313893163060995bfa1b345f144714cffc4&profile_id=175)

Year-End Training Videos	<p>accounting office liaison assigned to your state agency. These videos are best viewed using one of the following browsers: Chrome, Edge, Firefox or Safari.</p> <ul style="list-style-type: none"><li>• <a href="#"><u>Allowance for Doubtful Accounts</u></a></li><li>• <a href="#"><u>Capital Assets, Depreciation, and CIP</u></a></li><li>• <a href="#"><u>Cash and Deposits</u></a></li></ul>
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- Step by step instructions on how to complete the capital asset form (will be sent to all attendees)
- PowerPoint presentation from today's training (will be sent to all attendees)
- Today's training will be recorded and available to watch

# SAO Policies

- Policies pertaining to Capital Assets can be found on the SAO website at [www.sao.ga.gov](http://www.sao.ga.gov) under Policies and Procedures and then Accounting Policy Manual. The following policies are applicable to the Capital Asset form:
  - Capital Assets General
    - <https://sao.georgia.gov/document/document/capital-assets-general-8-12-2022rkpdf/download>
  - Asset Transfers and other disposals
    - <https://sao.georgia.gov/document/publication/173188967amcapitalassetsdispositionsreformattedpdf/download>
  - Impairments
    - <https://sao.georgia.gov/document/publication/173188973amcapitalassetsimpairmentsreformattedpdf/download>
  - Materiality
    - <https://sao.georgia.gov/document/publication/160945128ammaterialityreformattedpdf/download>

# Capitalization Thresholds

- Below is an excerpt from the Capital Assets-General policy that is available on the SAO website. It details the capitalization thresholds to be used for state organizations. The most common asset classes used by the majority of state organizations are land, buildings and personal property. Only items above the threshold amounts are required to be capitalized in the asset management system and put on the Capital Asset form.

## Non-Federal Fund Source Capitalization Threshold Schedule

Class of Asset	Threshold*
Land/land improvements (other than that held as investments by endowments)	Capitalize All
Land/land improvements held as investments by endowments ( <i>not</i> treated as capital assets)	Record as an Investment at FV
Buildings/building improvements	\$100,000
Improvements other than buildings	\$100,000
Infrastructure, bridges and roadways included in the state highway system	Capitalize All
Infrastructure, other	\$1,000,000
Intangible assets, other than software	\$100,000
Personal property (machinery/equipment/furniture/vehicles)	\$5,000
Library books/materials (collections):	
Initial threshold for aggregate collection	\$100,000
Additions if aggregate collection equals or exceeds initial threshold	Capitalize All
Works of art/historical treasures	Capitalize All
Software	\$1,000,000

\* See 2CFR200 Uniform Guidance (UGG) for federal funds thresholds.

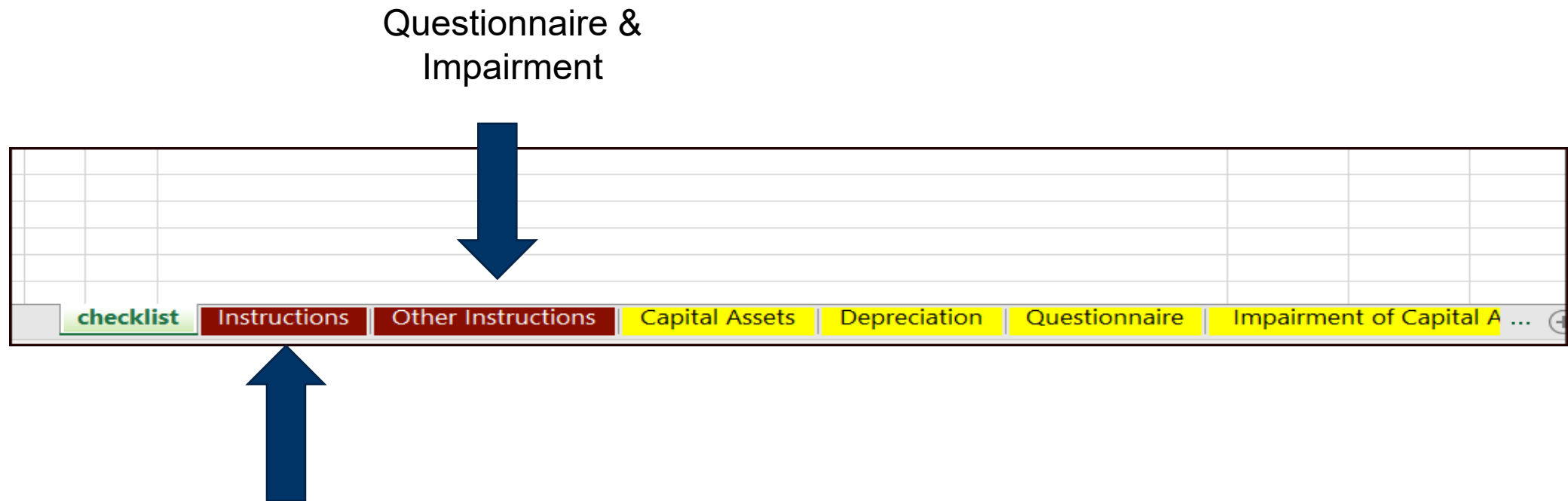


# TeamWorks Reports and Queries available

- The following report is needed to complete the capital asset form:
  - Capital Asset ledger (trial balance on the GFAAG ledger – General Fixed Assets Account Group) – available to run in TeamWorks; run period 1 through period 998 of current fiscal year. The Capital Asset ledger is the official record of the state for reporting capital assets
- The following reports are available to assist with completing the form as a secondary check
  - AM506 Report – GL recon detail/summary report (available to run in TeamWorks); need period 12 of previous fiscal year and periods 1-12 of current fiscal year
  - AM601 Report – AM Depreciation report (available to run in TeamWorks); need period 12 of previous fiscal year and periods 1-12 of current fiscal year
  - Governmental ledger (44M trial balance on the actuals ledger) – available to run in TeamWorks; need periods 1-998 of current fiscal year
- The following queries are available to assist with completing the form, but are not necessary
  - 0AM543 - ASSETS\_RET\_DATE\_RANGE (used to validate retirements)
  - 0AMDEP001 – Dept by Asset by FY/Acctg Pd (used to validate depreciation)

# Form Details and example – Instruction tabs

- There are 2 instruction tabs, one for the capital assets/depreciation worksheets and one for the questionnaire and the impairment of assets worksheet.
- Read all of the instructions before completing the forms!



# Form Details and example – Capital Assets

- **Section A** – Select the entity code from the drop-down menu and enter the preparers name, email address and phone number.

Capital Assets					
A.	Entity Code:		▼	← Select Agency Number from Drop Down Box	
	Entity Name:		#N/A		
	Prepared by:				
	Telephone #:				
	Email:				

- **Section B**
  - Section B is divided into two sections, one for agencies that do not use PeopleSoft/TeamWorks to maintain capital asset data and another section for agencies that use PeopleSoft/TeamWorks for their capital asset data. PeopleSoft/TeamWorks agencies will obtain the data from the Capital Asset Ledger.

# Form Details and example – Capital Assets Beginning Balance

- *Column 1A* – SAO will populate the beginning balance from the previous year's ACFR reported amount. This field is password protected and cannot be changed. The beginning balance can be verified to the beginning balance of the Capital Asset ledger (GFAAG) and should be the same as the ending balance on last year's form
- *Column 1B* – enter any adjustments needed to adjust the beginning balance. An example would be an asset built or purchased in a previous fiscal year that was not added to the form in the year built/purchased
- *Column 1C* – this is a calculated column and the beginning balance will be restated.

Capital Asset Classes	Beginning Balance July 1	Beginning Bal Adjustments (Identify)	Beginning (Restated) July 1
Enter increases as positive and decreases as negative	1A	1B	1C
PeopleSoft organizations only - Enter capital asset data recorded from the GFAAG ledger.			
Land and land improvements	3,611,242.81		3,611,242.81
Buildings and building improvements	27,195,514.03		27,195,514.03
Improvements other than buildings	0.00		0.00
Infrastructure	0.00		0.00
Personal Property - machinery & equipment	16,440,861.91		16,440,861.91
Library Collections	0.00		0.00
Works of Art/Historical Treasures - Depreciable	0.00		0.00
Works of Art/Historical Treasures - Non-depreciable	0.00		0.00
Intangibles - Software	0.00		0.00
Intangibles - Other than Software	0.00		0.00
Copyrights, Patents, and Trademarks	0.00		0.00
Easement, Mineral, Timber, and Water Rights	0.00		0.00
E, M, T, and W Rights - Non-depreciable	0.00		0.00
Total Intangibles - Other than Software	0.00	0.00	0.00
Construction-in-progress	0.00	0.00	0.00
Subtotal Peoplesoft	47,247,618.75	0.00	47,247,618.75
Totals	47,247,618.75	0.00	47,247,618.75

# Form Details and example- Capital Assets Additions, Columns 2, 3 and 4A

Additions					
Current Year Expenditures	Adjustments (Identify)	GSFIC		Donations (Identify)	Capital Lease Adjustments
		Agency Managed	GSFIC Xfer to Agency (Identify)		
2	3	4A	4B	5	6

- **Column 2** – Current Year expenditures – total debit amount in the Capital Asset ledger in accounts 170001 (land), 171001 (buildings) and 175001 (machinery and equipment). ). Some agencies may also have assets in 161001 (water, timber, mineral/land rights), 177001 (library collections), 180001 (construction in progress), 185001 (capitalized collections) and 187001 (works of art). It should also equal the expenditures in the Governmental ledger for the applicable expense accounts (720XXX, 721XXX, 722XXX, 723XXX, 724XXX, 725XXX, 726XXX, 727XXX, 729XXX, 730XXX, 733XXX, 821XXX, 823XXX, 824XXX). If the agency has any GSFIC financed projects, not all of the expenditures may go in Column 2. See 4A below.
- **Column 3** – Adjustments – reconciliation differences between the Governmental ledger and Capital assets ledger, assets not capitalized that should be (current year), manual JV entries, or entries on the AM506 report in the “adjustments” or “reinstatement” categories. List each adjustment on the bottom of the form under #3
- **Column 4A** – Agency managed projects- if the agency is managing the GSFIC financed project instead of GSFIC, the amount of the transfers from GSFIC (from the GSFIC report – example on next page) need to be added in this column on the applicable row (machinery & equipment, buildings, CIP, etc.) if the amount is greater than the capitalization threshold, and the asset will need to be added into the asset management module when the asset is place in service. The amount, if any on line 62 for CIP (Construction in progress) will need to be removed in the retirements column (column 7) when an asset is put into service. If the project is a building and it is not completed in this fiscal year, it needs to be treated as Construction in Progress (see page 22 of the PowerPoint presentation)

# Form Details and example- Capital Assets Additions, Columns 4B, 5 and 6

- **Column 4B** – GSFIC managed projects – once the GSFIC managed project is complete, GSFIC will transfer the asset to the agency. The agency needs to include this amount in column 4B and the asset needs to be added into the asset management module. GSFIC sends a report several times each year (December, May, June) that includes the transfers to the agency for the fiscal year. This amount may need to be broken down by class, if it includes more than one class of asset (land, building, equipment). Provide details of the GSFIC transfers near the bottom of the form.
  - Per GSFIC report:

Project Identification		For Fiscal Year FY2023					Transfers to Agency Prior to FY2023	FY2023 Transfers to Agency	(All Years)
Project Title	Managed By	Disbursements	Accounts Payable	Retainage	Assets Transferred	GSFIC CIP Asset Balance			
MRR - Statewide	Agency	8,248.69	0.00	0.00	8,248.69	0.00	3,341,751.31	8,248.69	3,350,000.00
Replacement of Headquarters Building	GSFIC	30,228,279.97	0.00	0.00	0.00	58,535,141.62	0.00	0.00	0.00
Purchase 227 Vehicles	Agency	0.00	0.00	0.00	0.00	0.00	9,639,047.17	0.00	9,639,047.17
Major Maintenance, Repairs & Renovations	Agency	16,262.79	0.00	0.00	16,262.79	0.00	583,230.72	16,262.79	599,493.51
Replace Post 33 Bldg, Milledgeville	Agency	871,666.46	0.00	0.00	871,666.46	0.00	284,530.56	871,666.46	1,156,197.02
Facility Major Maintain & Repair	Agency	489,609.28	0.00	0.00	489,609.28	0.00	112,278.68	489,609.28	601,887.96
Replace Vehicles for GA State Patrol	Agency	5,973,169.19	0.00	0.00	5,973,169.19	0.00	6,022,718.00	5,973,169.19	11,995,887.19
Construct New Patrol Post	Agency	85,281.33	0.00	0.00	85,281.33	0.00	5,056.47	85,281.33	90,337.80
Equip Helicopter Systems	Agency	168,472.60	0.00	0.00	168,472.60	0.00	606,527.40	168,472.60	775,000.00
Construct 3 new Communication Towers	Agency	124,708.32	0.00	0.00	124,708.32	0.00	414,290.37	124,708.32	538,998.69
<b>Totals</b>		<b>37,965,698.63</b>	<b>0.00</b>	<b>0.00</b>	<b>7,737,418.66</b>	<b>58,535,141.62</b>	<b>21,009,430.68</b>	<b>7,737,418.66</b>	<b>28,746,849.34</b>

- **Column 5** – donations – assets coming from parties outside of the state reporting entity. Enter at the fair value of the item on the date of donation. Provide details of any donations near the bottom of the form.
- **Column 6** – Capital lease adjustments – if the beginning balance in Column 1A includes any leased assets that are included on the lease agreement form, those assets will need to be removed (enter as a negative amount) or they will be double reported (**not common**)



# Form Details and example-Capital Asset Deletions and Transfers Columns 7, 8, 9A & 9B

Deletions		Transfers	
Retirements	Adjustments (Identify)	In (Identify)	Out (Identify)
7	8	9A	9B

- **Column 7 – Retirements.** This amount should be the total credit amounts in the Capital Assets Ledger (GFAAG Trial balance) in accounts 170001 (land), 171001 (Buildings) and 175001 (machinery and equipment). These are assets that have been disposed of or removed from service during the fiscal year. The amount can be verified to the AM506 report in the “retirement” section or from query 0AM543. Enter as a negative number in Column 7.
- **Column 8 – Adjustments.** This column will contain the total of adjustments to retired assets, such as duplicate deletions, cost adjustments, retired assets with incorrect profile ID’s, retired assets with incorrect costs, etc. The “adjustments” section of the AM506 report can be used to determine any adjustments needed. Any amount in this column should be detailed in the bottom section of the form.
- **Columns 9A and 9B – Transfers in or out.** Any transfers received from another state agency or transferred to another state agency should be listed in columns 9A or 9B. This would also include any land or buildings received or transferred through Executive Order from the Governor. Transfers in would be listed as the amount provided by the transferring agency (as a positive number). Transfers out would be listed at the historical cost of the asset (as a negative number). Any amounts in these columns should be detailed in the bottom section of the form

# Form Details and example-Capital Assets Ending Balance

- *Column 10* – Ending balance. The ending balance column is a calculated field. It is password protected and cannot be changed. This amount should match the ending balance in the Capital Asset Ledger (GFAAG trial balance) for accounts 170001, 171001 and 175001 totaled together, and also the ending balance of this fiscal year's AM506 report unless there are adjustments that are entered on the form that haven't been entered into the asset management module.

Ending Balance June 30	
10	
3,611,242.81	
27,195,514.02	
0.00	
0.00	
16,440,861.91	
0.00	
0.00	
0.00	
0.00	
0.00	
0.00	
0.00	
0.00	
0.00	
0.00	
47,247,618.74	
47,247,618.74	

# Form Details and example-Accumulated Depreciation

- **Section A** – the information for the agency contact will copy over from the Capital Assets tab. The contact information may be changed if needed

Capital Assets					
A.	Entity Code:				
	Entity Name:		#N/A		
	Prepared by:				
	Telephone #:				
	Email:				

← Select Agency Number from Drop Down Box

- **Section B**
  - Section B is divided into two sections, one for agencies that do not use PeopleSoft/TeamWorks to maintain capital asset data and another section for agencies that use PeopleSoft/TeamWorks for their capital asset data. PeopleSoft/TeamWorks agencies will obtain the data from the Capital Asset Ledger.

# Form Details and example-Accumulated Depreciation Beginning Balance

- **Column 1A** – SAO will populate the beginning balance from the previous year's ACFR reported amount. This field is password protected and cannot be changed. The beginning balance can be verified to the beginning balance of the Capital Asset ledger (GFAAG) and should be the same as the ending balance on last year's form
- **Column 1B** – enter any adjustments needed to correct the beginning balance. An example would be an asset built or purchased in a previous fiscal year that was not added to the form in the year purchased/built. The applicable depreciation for that asset will be an adjustment in Column 1B
- **Column 1C** – this is a calculated column and the beginning balance will be restated.

Capital Asset Classes	Beginning Balance July 1	Beginning Bal Adjustments (Identify)	Beginning (Restated) July 1
Enter increases as positive and decreases as negative	1A	1B	1C
PeopleSoft organizations only - Enter capital asset data recorded from the GFAAG ledger.			
Buildings and building improvements	12,384,739.10		12,384,739.10
Improvements other than buildings	0.00		0.00
Infrastructure	0.00		0.00
Personal Property - machinery, equipment and furniture	12,875,127.76		12,875,127.76
Library Collections	0.00		0.00
Works of Art/Historical Treasures - Depreciable	0.00		0.00
Intangibles - Software	0.00		0.00
Intangibles - Other than Software	0.00		0.00
Copyrights, Patents, and Trademarks	0.00		0.00
Easement, Mineral, Timber, and Water Rights	0.00		0.00
Total Intangibles - Other than Software	0.00	0.00	0.00
Subtotal Peoplesoft	25,259,866.86	0.00	25,259,866.86
Totals	25,259,866.86	0.00	25,259,866.86

# Form Details and example-Accumulated Depreciation Additions, Columns 2, 3 and 4

Additions		
Depreciation Expense	Adjustments (Identify)	Capital Lease Adjustments
2	3	4

- *Column 2* – Depreciation expense. The amount is the total debit in account 740001 in the Capital Asset Ledger (GFAAG Trial balance). To break the total amount in account 740001 into the specific class of asset to complete the capital asset form, use the credit totals in accounts 172001 (buildings) and 176001 (machinery and equipment). The total depreciation amount can also be verified by running the 0AMDEP001 query.
- *Column 3* – Adjustments. Any adjustments entered in column 3 need to be detailed in the bottom section under number 3. Adjustments to depreciation can be due to any adjustments on the AM506 report in the adjustments section, assets not separated correctly (such as land and buildings), etc.
- *Column 4* – Capital Lease adjustments. If the beginning balance of deprecation for the year includes any assets that are leased and are included on the lease form, the depreciation amounts for those leased assets needs to be removed from the capital asset form, as they would be double reported. Enter as a negative amount. (not common)

# Form Details and example-Accumulated Depreciation Deletions, Columns 5 and 6

- Column 5 – Retirements.** This amount should be the total debit amounts in the Capital Assets Ledger (GFAAG TB) in accounts 172001 (Buildings) and 176001 (machinery and equipment). Enter as a negative amount.

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172001	ACCUMULATED	DEPRECIATION-BLDGS						
AM		PY	11,728,057.13-	0.00	656,681.97	12,384,739.10-	0.00	12,384,739.10-
TOTAL: 172001			11,728,057.13-	0.00	656,681.97	12,384,739.10-	0.00	12,384,739.10-
---								---
175001	MACHINERY &	EQUIPMENT						
AM		PY	15,994,644.93	1,679,589.09	1,324,790.11	16,349,443.91	0.00	16,349,443.91
AM		2022	0.00	91,418.00	0.00	91,418.00	0.00	91,418.00
TOTAL: 175001			15,994,644.93	1,771,007.09	1,324,790.11	16,440,861.91	0.00	16,440,861.91
---								---
176001	ACCUM DEP -	MACHINERY & EQUIP						
AM		PY	12,855,895.70-	1,282,690.65	1,297,351.81	12,870,556.86-	0.00	12,870,556.86-
AM		2022	0.00	0.00	4,570.90	4,570.90-	0.00	4,570.90-
TOTAL: 176001			12,855,895.70-	1,282,690.65	1,301,922.71	12,875,127.76-	0.00	12,875,127.76-

- Column 6 – Adjustments.** This column will contain the total depreciation costs of adjustments to retired assets, cost adjustments, retired assets with incorrect profile ID's, retired assets with incorrect costs, etc. Any amount in this column should be detailed in the bottom section of the form.



# Form Details and example-Accumulated Depreciation Transfers and ending balance, Column 7A, 7B and 8

- *Columns 7A and 7B* – Transfers in and out. The depreciation amounts from any transfers received from another state agency or transferred to another state agency should be listed in columns 7A or 7B. This would include any buildings received or transferred through Executive Order from the Governor. Any amounts in these columns should be detailed in the bottom section of the form.
- *Column 8*– Ending balance. This is a calculated column and cannot be changed. This amount should match the ending balance in the Capital Asset Ledger (GFAAG) for accounts 172001 and 176001 totaled together and the ending balance on the AM601 report
- *Net Gain or Loss on Retirement of Capital Assets*  
This section is near the bottom left of the deprecation tab. If any assets have been retired during this year, this section should be completed. The cash proceeds line will come from account 475001 in the Governmental/Actuals ledger (or the applicable account if 475001 was not used). The current year retirements book value is the Capital Asset tab, column 7 and the accumulated depreciation amount is the depreciation tab, Column 5 (entered as a negative amount).

Net Gain/(Loss) on Retirement of Capital Assets:		
Cash proceeds from the sale of capital assets (if any)	0.00	
Net Book Value:		
Current Year Retirements	0.00	
Accumulated Depreciation on Retirements	0.00	
	0.00	
Net Gain/(Loss) on Retirements	0.00	

# Form Details and example-Construction in Progress (line 62)

- There are 3 types of Construction in progress projects:
  - Projects funded with General Obligation bonds (or state funds) through GSFIC and managed by GSFIC
  - Projects funded with General Obligation bonds (or state funds) through GSFIC and managed by the agency
  - Projects funded by sources other than GO bonds (other funds, federal funds) and managed by the agency
- Projects funded with GO bonds (or state funds) and managed by GSFIC **are not CIP** and should not have any amounts on line 62 – these are included in Column 4B of the Capital asset form on the correct row for the asset class, once GSFIC has transferred the asset to the agency
- Projects funded with GO bonds (or state funds) and managed by the agency will have amounts in Column 4A of the Capital asset form on the correct row for the asset class, or the CIP row if it is a building project. Projects funded with funds other than GO bonds (other funds, federal funds) and managed by the agency will have amounts in column 2 (expenditures) in row 62.

# Form Details and example-Construction in Progress; agency managed projects

- The beginning balance of any CIP will automatically populate on line 62 once the entity number is selected in Section A of the form.

13				Beginning	Beginning Bal	Beginning
14			Capital Asset Classes	Balance July 1	Adjustments	(Restated) July 1
15					(Identify)	
16			Enter increases as positive and decreases as negative	1A	1B	1C
47			PeopleSoft organizations only - Enter capital asset data recorded from the GFAAG ledger.			
62	PEO		Construction-in-progress	10,673,458.45	0.00	10,673,458.45
64			Subtotal Peoplesoft	70,574,188.21	0.00	70,574,188.21
65			Totals	70,574,188.21	0.00	70,574,188.21

- Enter in the expenditure column (column 2) the amounts of any current year CIP expenditures from the actuals ledger in the CIP expenditure accounts (728XXX). If the agency did not use the 728 accounts, enter the expenditures from the accounts that were used by your agency to recognize CIP expenditures during the year.
- As necessary, enter any adjustments needed. If the agency received a donation for an ongoing project, that amount is added in column 5. If the project is completed in this fiscal year, the total amount on the CIP line will need to be removed in the retirements column, and the total value of the asset can be added as an adjustment in the correct class of asset. The CIP line will need to have a zero-ending balance once the project is completed.
- The transfers columns (9A and 9B) would be used if the project was transferred to another state agency or from another state agency, before the project is completed.

# Form Details and example – Questionnaire and Impairment of Assets

- **Section A** – the information for the agency contact will copy over from the Capital Assets tab. The contact information may be changed if needed.

Capital Assets Questionnaire																				
A.	Entity Code:																			
	Entity Name:																			
	Prepared by:																			
	Telephone #:																			
	Email:																			

All Entity Info Will Automatically Update From the Capital Assets tab

- **Section B** – General Questions

Two questions are asked that must be answered. If either question is yes, the Impairment Tab must be completed. Impairment means there was a service loss that declined significantly and unexpected. This could be due to physical damage to the asset, technological changes or obsolescence, construction stoppage, or changes in the manner of use of the asset (such as a school building no longer used as a school.)

Line	Questions	Answers
<b>B. General Questions</b>		
1.	Were any capital assets impaired during the year?	
	If yes, please complete the "Impairment of Capital Assets" tab of this form	
2.	Are you aware of any events which have rendered material amounts of capital assets obsolete or inoperable?	
	If yes, please complete the "Impairment of Capital Assets" tab of this form	

# Form Details and example – Impairment Tab

- **Section A** – the information for the agency contact will copy over from the Capital Assets tab. The contact information may be changed if needed

- **Section B**

Each column needs to be completed for any assets that have been impaired. This includes the category of the asset, the carrying value of the asset (carrying value is historical cost minus depreciation), asset ID (if any), what created the impairment, the amount of any insurance recovery (if any), and the description of the impairment.

The current materiality threshold for impairments is \$100,000 for equipment and \$250,000 for all other assets, so if the amount of the impairment is less than the materiality for all impaired assets, this tab does not need to be completed. SAO is currently reviewing the materiality threshold and any changes will be reflected in the Capital Assets – Impairments policy

IMPAIRMENT OF CAPITAL ASSETS								
B.			[C]	[D]	[E]	[F]	[G]	[H]
			CATEGORY OF ASSET IMPAIRED	CARRYING VALUE OF ASSET IMPAIRED	ID NUMBER OF ASSET IMPAIRED	SITUATION CREATING IMPAIRMENT	AMOUNT OF INSURANCE RECOVERY	DESCRIPTION OF IMPAIRMENT
		1.						

# Contact information & Questions

- For any questions you have when completing the form, send an email to:
  - [SAO\\_reporting@sao.ga.gov](mailto:SAO_reporting@sao.ga.gov) or [Josieann.Librada@sao.ga.gov](mailto:Josieann.Librada@sao.ga.gov)

## QUESTIONS?