State of Arizona Accounting Manual

Topic	25	Long-lived Resources	Issued	07/01/15
Section	**90**	**Capitalization, Depreciation,**	Page	1 of 3
		Amortization and Posting Tables		

INTRODUCTION

While SAAM uses a number of categories to organize its accounting policies related to long-lived resources, it uses only two different Capitalization, Depreciation and Amortization and Posting Tables, one for all tangible assets and the other for all intangible assets.

POLICY & PROCEDURES

1.   General.

1.1.   The tables contained in this policy document are to be used to determine:

1.1.1.   The capitalization threshold of all long-lived resources.

1.1.2.   The useful lives of all long-lived resources to be amortized or depreciated.

1.1.3.   The objects to be used in recording the acquisition of long-lived resources.

1.2.   Agencies may request the State Comptroller in writing to grant permission to adopt:

1.2.1.   Lower capitalization thresholds than those prescribed in the Capitalization, Depreciation, Amortization and Posting Tables, if operations or the accuracy of financial reporting purposes are thus better served.

1.2.2.   The use of higher capitalization thresholds, except as may be expressly directed elsewhere in SAAM, is prohibited.

1.2.3.   Longer useful lives than those prescribed in the Capitalization, Depreciation, Amortization and Posting Tables, if operations or the accuracy of financial reporting purposes are thus better served. The use of shorter useful lives, except as may be expressly directed elsewhere in SAAM, is prohibited.

2.   Tangible Resource Capitalization, Depreciation, Amortization and Posting Table

Tangible Resources				
Asset Type	**Useful Life**	**Balance Sheet Account**	**Object Purchased Asset**	**Object Leased Asset**
Land	N/A	850	8111	8116
Land Improvements	480 months	857	8193	8198
Constructed Buildings	480 months	852	8121	8126
Manufactured Buildings	300 months	852	8121	8126
Building Improvements	300 months	852	8121	8126
Infrastructure Assets—Depreciable	420 months	858	8141	N/A
Infrastructure Assets—Modified Approach	N/A	860	8145	
Improvements Other	180 months	856	8191	8196
Aircraft	180 months	811	8411	8416
Heavy Trucks	84 months	811	8411	8416
Light General Purpose Trucks	60 months	811	8411	8416
Automobiles	60 months	811	8411	8416
Office Furniture	60 months	813	8421	8426
Works of Art and Historical Treasures—Depreciable	600 months	823	8423	N/A
Works of Art and Historical Treasures—Non-Depreciable	N/A	825	8425	N/A
IT Equipment	60 months	817	8431	8436
Telecommunications Equipment	60 months	821	8461	8466
Manufacturing Equipment	96 months	815	8471	8476
Office Equipment	60 months	815	8471	8476
Books	120 months	880	8491	8496
Breeding Stock, Draft and Other Animals	36 months	880	8491	8496
Tangible Rights of Way	N/A	851	8112	8117
Leasehold Improvements	*	884	8495	N/A

* Life determined by the governing leave agreement.

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3. Intangible Resource Capitalization, Depreciation, Amortization and Posting Table

| Asset Type | Intangible Resource Capitalization | | | | |
| | Capitalization Thresholds | Useful Lives | Balance Sheet Accounts | Objects | |
				Internally Generated	Otherwise Acquired
Computer Software > $10 million	$10 million	120 months	819	8482	8481
Computer Software < $10 million	$1million	60 months	819	8482	8481
Websites	$100 thousand	36 months	819	8482	8481
Other Intangible Assets	$100 thousand	*	882	8487† 8489‡	8487† 8489‡

* The shorter of the legal or the estimated useful life is to be used; if the life is indefinite or unlimited—as may be the case with licenses or permits—then do not amortize.

† If acquired by purchase or internally generated.

‡ If acquired by lease.