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Identify Available Software to Account for Capital Assets

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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Identify Available Software to Account for Capital Assets

Reference Number: CTAS-1984

Capital asset software that can produce needed reports must be obtained and utilized so all county assets that are above capitalization thresholds can be accurately reported through software-generated reports. There are several vendors that currently have various capital asset software programs available; however, the software must be able to prepare the necessary capital asset reports and information included in the county's annual financial statement. County management should show potential software vendors the [Sample Required Capital Asset Reports](#) to ensure that the software is capable of producing such reports. Management also should consider the level of support that the vendor will provide after the sale, such as software updates and assistance that may be needed after the original system has been purchased and installed.

Capitalization of Library Books

Considered individually, library books usually have a historical cost well below a county's threshold for capitalizing assets. However, when valued together as a collection, the cost of library books can be significant in some counties. County management should consider if the cost of a county-owned library collection is of material enough value to capitalize. If management makes the decision to capitalize a library collection, the collection should be depreciated using a composite depreciation method.

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