



FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 4

Fixed Asset Classification and Useful Lives

1 Purpose

The purpose of this section is to identify the standard asset classifications and associated useful lives to be used for recording assets and calculating depreciation in the Fixed Asset Management System (FAMS).

2 Scope

Fixed assets will be recorded and accounted for in accordance with the classification structure specified in Table 4-1, which assigns the associated economic useful life for each asset class and identifies funding sources.

3 Guidelines

3.1 Reporting Classes

The fixed asset reporting classifications used for the City Comprehensive Annual Financial Report (CAFR) and the financial statement presentations of individual departments will include the following fixed asset classifications, as defined in Section 2 (Asset Valuation) of this manual.

- Land
- Buildings and improvements
- Improvements other than buildings
- Machinery and equipment
- Construction in progress
- Infrastructure

3.2 Asset Subclasses

Detailed fixed asset classification listings must correlate with the City's Financial Management System (FMS) Chart of Accounts structure, indicating the fixed asset object category for the CAFR presentation, as well as the object class and object description for recording and classifying individual fixed assets.



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3.3 Useful Lives

Depreciation of fixed assets is calculated based upon the estimated life years indicated by the fixed asset classification listing. *Estimated life years* represents the reasonable expected life of an item, as judged by management, in accordance with applicable standards and guidelines. Published sources of such data include Internal Revenue Service (IRS) guidelines and other recognized sources whose expertise is acknowledged by the accounting profession.

3.4 Sources of Funds

The sources of funds through which assets are acquired will be identified and recorded for each asset. The following funding source classifications will be used:

- Bonds or notes
- Current budget appropriations (fund)
- Gifts
- Special assessments, property owners' shares
- Special assessments, government's share
- State aid grants
- Federal aid grants
- Other financing

Sources of funds will be tracked within the FAMS via system data fields indicating the source of funds, acquisition method, and the applicable amount.

4 General Procedure

Standard asset classifications and associated useful lives will be established and administered by the Director of Finance & Administration. Table 4-1 provides the standard asset classifications and useful lives for the most common categories used in the City.

1. Finance & Administration (F&A) Information Services (IS), as directed by the Director of Finance & Administration and the City FAMS Program Administrator, will be responsible for maintaining the FAMS table of standard asset classifications and associated useful lives.
2. The classifications and associated useful lives in Table 4-1 will be used by all City departments, without exception, in providing fixed asset valuation and accounting



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information to the Controller's Office for financial reporting purposes and to F&A for management reporting purposes.

3. Requests to establish new asset classes to meet specific department needs and/or to change useful lives for existing asset classes will be addressed, in writing, to the Director of Finance & Administration (with a copy to the City FAMS Program Administrator) through the Department Fixed Asset Coordinator (DFAC).
4. Additional asset classes will be considered in order to meet specific new and/or unique tracking needs of the department or the Controller's Office. Changes in useful lives will be considered in light of new information regarding specific City maintenance, service life, or utilization experience and/or as dictated by changes in standard industry, IRS, or other authoritative tables and indicators.
5. DFACs and other department staff responsible for completing information for the Capitalization Form–Data Entry Form Fixed Asset Acquisitions (FA-1) will become familiar with the asset classifications and will be conscientious in their efforts to properly assign the correct classification to a fixed asset or controlled item for entry into the FAMS.

5 Standard Asset Descriptions

Standard descriptions of assets will be included in the FAMS to maintain consistency in the way assets are entered and described. For this purpose, the FAMS contains a Fast Code Table, accessible during data entry, which provides standard descriptions and automatically assigns the asset to the proper asset class.

1. Standard descriptions are established and will be administered by the City FAMS Program Administrator.
2. F&A IS, as directed by the City FAMS Program Administrator, will be responsible for maintaining the FAMS table of standard descriptions (Table 4-1). The standard descriptions will be used by all City departments, as applicable.
3. Departments will have the ability to establish additional standard descriptions in their department FAMS that are unique to their department operations.
4. New standard descriptions and fast codes established by departments will be reviewed annually for incorporation in the Citywide Fast Code Table.
5. Departments will not replace the Citywide standard descriptions with their own versions. Where such changes are desired, the DFAC will request the change or enhancement, in writing, from the City FAMS Program Administrator.



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6 Asset Class and Useful Life Table

The City Table of Standard Asset Classifications and Associated Useful Lives is included in Table 4-1.

Departments cannot change this table (Class Table) in the department FAMS. Changes and additions must be addressed, in writing, to the Director of Finance & Administration (with a copy to the City FAMS Program Administrator) through the DFAC, as outlined in the general procedure in subsection 4 in this section.



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Table 4-1 Table of Standard Asset Classifications and Associated Useful Lives

Class	Useful Life	Class Description	Balance Sheet Account	Accum. Depr. Account	Capital Outlay Account
1001	0	Land	1802		4105
1002	0	Land – Donated	1803		4105
2000	45	Buildings – Permanent	1804	1806	4200
2005	20	Buildings – Temporary	1804	1806	4201
2010	20	Buildings – Special Purpose	1804	1806	4210
2015	0	Leased and Maintained			
2020	0	Occupancy Agreement W/R&M			
2030	0	Leased but Not Maintained			
2035	0	Occupancy Agreement Not Maintained			
2040	0	Leased to 3rd Party Not Maint. or Insured			
2045	0	Leased to 3rd Party Not Maint. or Insured			
2500	20	HVAC Equipment	1805	1806	4211
2505	20	Other Building Systems & Improvements	1805	1806	4255
2800	15	Leasehold Equipment	1805	1806	4280
3000	15	Site Paving/Playing Fields/Trails	1808	1809	4300
3005	30	Water Structures	1818	1806	4305
3006	40	Water Utility Structures	1856	1857	CIP
3007	40	Wastewater Utility Structures	1858	1859	CIP
3200	30	Other Land Improvements (30 Yr.)	1808	1809	4300
3205	15	Other Land Improvements (15 Yr.)	1808	1809	4305
3206	15	Other Land Improvements – Wastewater	1858	1859	CIP
3207	15	Other Land Improvements – Water	1856	1857	CIP
3210	30	Storage Tanks	1808	1809	4308
3400	30	Streets/Alleys/Sidewalks	1808	1809	4309
3402	30	Bridges	1810	1811	4309
3403	30	Water Wells	1856	1857	CIP
3404	50	Canals	1856	1857	CIP
3405	30	Water Lines	1812	1813	4321
3406	30	Water Conveyance & Storage Systems	1856	1857	4321
3407	30	Sanitary Sewer Lines	1814	1815	4350
3408	30	Storm Sewer Lines	1816	1817	4350
3409	30	Water Convey Sys Rights – CWA	1862	1863	4350
3410	30	Reservoir & Water Rights – TRA	1866	1867	4350
3600	25	Runway Improvements	1820	1821	4323
3610	25	Taxiway Improvements	1822	1823	4323
4000	15	Automotive Repair Equipment	1830	1831	4400
4005	15	Shop Tools & Equipment	1830	1831	4405
4006	15	Compressors/Gen/Pressure Washers	1830	1831	4405
4010	12	Grounds & Custodial Equipment	1830	1831	4410
4015	15	Warehouse/Mat. Handling Equipment	1830	1831	4415
4100	7	Computers – Mainframe	1828	1829	4420
4105	7	Computers – Minicomputers	1828	1829	4425



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Class	Useful Life	Class Description	Balance Sheet Account	Accum. Depr. Account	Capital Outlay Account
4110	5	Computers – Microcomputers	1828	1829	4430
4200	10	Communications Systems	1826	1827	4435
4204	10	Radio Equipment – Utilities	1826	1827	
4205	7	Mobile Radios & Portable Telephone	1826	1827	4440
4206	5	Portable Radios & Pagers	1826	1827	4455
4207	7	Fax Machines & Oth. Comm. Devices	1826	1827	4440
4210	7	Photographic Equipment	1850	1851	4445
4215	7	Audio-visual Equipment	1850	1851	4446
4220	20	Communications Antennas & Towers	1826	1827	4455
4225	7	Other Communications Equipment	1826	1827	4455
4300	10	Engineering/Lab/Science Equipment	1832	1833	4458
4305	10	Medical Equipment	1832	1833	4461
4315	20	Laboratory/Hospital Furniture	1832	1833	4458
4400	10	Business Machines	1834	1835	4464
4401	7	Calculators/Cash Registers/Photocopy	1834	1835	4464
4405	20	Furniture & Fixtures	1852	1853	4467
4410	10	Appliances & Food Prep. Equipment	1834	1835	4470
4411	20	Sinks/Prep Tables/Coolers	1834	1835	4470
4500	25	Water Treatment Equipment	1834	1835	4473
4501	10	Water Meters	1856	1857	CIP
4502	15	Water Treatment Chlorinating System	1856	1857	CIP
4503	35	Water Hydrants and Piping	1856	1857	CIP
4505	25	Wastewater Treatment Equipment	1834	1835	4476
4506	20	Wastewater Pump and Disp. Equip.	1858	1859	CIP
4507	30	Wastewater Treatment Piping.	1858	1859	CIP
4508	35	Misc. Wastewater Treatment Equipment	1858	1859	CIP
4600	30	Electrical Equipment	1834	1835	4479
4601	20	Electrical Equipment – Utilities	1856	1857	4479
4700	20	Traffic Control Signage	1876	1877	4482
4705	5	Multimedia Materials/Library Stock	1884	1885	4485
4710	10	Athletic/Recreational Equipment	1834	1835	4488
4715	12	Firefighting & Rescue Equipment	1834	1835	4491
4720	10	Law Enforcement Equipment	1834	1835	4494
4721	10	Law Enforcement – Weapons	1834	1835	4494
4725	10	Parking Lot Equipment	1834	1835	4494
4730	10	Musical Instruments	1834	1835	4494
4735	10	Other Equipment	1834	1835	4494
5000	7	Automobiles	1838	1839	4500
5005	4	Automobiles – Police	1838	1839	4505
5010	7	Vans & Buses	1838	1839	4510
5200	3	Ambulances	1842	1843	4520
5201	7	Ambulance Modules	1842	1843	4520
5202	7	Fire-trucks (7yr) Step-vans, Cascades	1842	1843	45200
5203	10	Fire-trucks (10yr) Pumpers; Rescue	1842	1843	4520



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5204	15	Fire-trucks (15yr) Pump. Aer. Ladders	1842	1843	4520
5205	7	Trucks, Light	1842	1843	4525
5206	7	Trucks, Medium	1842	1843	4525
5207	7	Trucks, Heavy	1842	1843	4525
5210	7	Trucks – Special Purpose	1842	1843	4530
5400	15	Earth Moving Equipment	1840	1841	4540
5405	10	Street & Utility Maintenance Equipment	1840	1841	4545
5500	12	Tractors	1840	1841	4545
5600	7	Vehicle Attachments	1844	1845	4560
5605	10	Trailers & Towable Equipment	1844	1845	4565
5610	10	Boats	1846	1848	4570
5611	10	Antique Museum Vehicles	1846	1848	4570
5612	15	Helicopters	1846	1848	4570
5613	7	Other Vehicles	1846	1848	4570
6000	0	Construction in Progress	1872		CIP



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