# Capitalization of Assets

## Policy Statement
The University follows University System of Georgia capitalization policy as outlined in the Business Procedures Manual. A link to the capitalization section of the USG Procedures Manual can be found under Related Information. This policy details various items related to capitalization, including:

- Asset Category Definitions
- Capitalization Thresholds
- Depreciation Methodologies
- Examples of Expenditures for Each Class of Asset
- Guidelines for Leasehold Improvements, Impaired Assets, Intangible Assets and Construction in Progress

## Reason for policy
The University is required to comply with reporting requirements under Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 35, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments and Public Colleges and Universities.

## Procedures

## Forms/Instructions
NONE

## Additional Contacts
University of Georgia Asset Management Office

## Definitions
**Capital Assets**—Real or personal property that has a value equal to or greater than the capitalization threshold for the particular classification of the assets and has an estimated life of greater than one year.

## Responsibilities
**Responsible University Senior Administrator:** Vice President for Finance & Administration  
**Responsible University Administrator:** Associate Vice President – Finance Division  
**Policy Owner:** Controller  
**Phone Number:** 706-542-1197

## Record Retention

## Appendices

## FAQs
Related information

USG Business Procedures Manual Section 7: Capitalization
UGA Asset Management Office website

Policy Dates
Effective Date: 02/17/2017
Date of Last Review/Update: 02/13/2023
Previous Version of Policy: Contact Policy Owner for previous versions of this policy.