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# Capital Improvements Plan Policy Considerations

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Dear Reader:

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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 CTAS website material.

Sincerely,

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# Capital Improvements Plan Policy Considerations

Reference Number: CTAS-1709

A number of software packages are available to assist the local government in establishing and maintaining a Capital Improvement Plan. By implementing new accounting standards over the last number of years, counties have better and more accessible data related to their capital assets. With the use of fixed asset accounting and related software, along with insurance policies and the schedule of the insured capital assets, local officials have a baseline start on what assets are in use by the county, the age of the assets, and the intended use of the assets. A county would need to make certain that their insured assets are correctly identified and dated, and then evaluate their future life expectancy.

The process establishing a CIP program and related policy considerations vary from local government to local government based on capital improvement future needs, prior capital needs met and procedures used to meet those needs. A program identified and periodically reviewed assists the county leaders in keeping the policy makers aware of issues, needs, and considerations related to capital improvement and asset management.

**Recommended Practice:** Develop a CIP program by reviewing insured and inventoried assets, accounting general ledger records, and performing a simple walk around evaluation of assets and services provided by the government.

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