



July 22, 2024

Procedures to Identify Existing Capital Assets and Infrastructure

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained 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 CTAS website material.

Sincerely,

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Reference Number: CTAS-1979

There are numerous ways for management to identify county-owned assets and infrastructure: county department inventories, county commission minutes, the current county road list, building and content insurance records, TDOT bridge inspection reports, and data from the county's register of deeds and tax assessor. Infrastructure is defined as long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets. Infrastructure assets are normally stationary in nature: bridges, roads, dams, etc. Generally, county-owned buildings are considered capital assets, not infrastructure assets. See Infrastructure for more information.

Example:

Blue County is a small county with only a few schools and county-owned buildings. Per Blue's capital asset policy, building improvements have a useful life of 20 years. The county's capital asset manager spends a couple days scanning the county commission and school board minutes for the past 20 years, noting any building improvements (new roofs, additions, HVAC replacements, etc.) that exceed the capitalization thresholds. After verifying through an inventory that these improvements still exist (HVAC units, etc.), these items are then capitalized as building improvements and the minutes, if original invoices and warrants cannot be found, are copied and maintained as supporting documentation for each improvement's cost. By utilizing these procedures, management helps ensure that major capital assets are identified and recorded properly.

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