

## Accounting Administrative Rules relating to Capital Assets

The purpose of the City of Portland’s Accounting Administrative Rules is to provide guidance to City accounting and financial staff and decision-makers as to the appropriate accounting practices and procedures.

The changes to the three Accounting Administrative Rules relating to Capital Assets were designed to:

- Reevaluate and update the City’s minimum standards for capital assets
- Bring better clarifications in the administrative rules to assist bureaus and offices in making capital assets related decisions
- Reflect best practices for capital assets and the disposal of capital assets
- Update the administrative rules to reflect current organizational structure and processes

### What’s New and Why

This table identifies the Accounting Administrative Rule or Procedure by number and title, and describes the significant changes, and the reasons for the changes.

<b>Admin Rule / Procedure</b>	<b>What’s New</b>	<b>Why</b>
<b>FIN 6.09</b> Capitalization of Computer Software Developed or Obtained for Internal Use (administrative rule)	<ul style="list-style-type: none"> <li>• Repealed this rule entirely.</li> <li>• Most of the language in this rule has been updated and incorporated into FIN 6.11 Capital Assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Software is one of many asset classes in the City of Portland. FIN 6.09 was created as a separate policy to raise Citywide awareness of this type of asset at the time of creation. For better organization, it is being consolidated into FIN 6.11.</li> </ul>
<b>FIN 6.11</b> Capital Assets (administrative rule)	<ul style="list-style-type: none"> <li>• Language updates throughout the policy to provide better defined guidelines on capital asset disposals</li> </ul>	<ul style="list-style-type: none"> <li>• Better defined guideline on capital asset disposals</li> <li>• Improve accuracy</li> <li>• Improve clarity</li> </ul>
Definitions	<ul style="list-style-type: none"> <li>• Updated</li> <li>• Moved to end of the admin rule</li> </ul>	<ul style="list-style-type: none"> <li>• Improve accuracy</li> <li>• Improve organization of the rule</li> </ul>
Capitalization – Acquisition	<ul style="list-style-type: none"> <li>• Created new section</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity</li> <li>• Additional guidance</li> </ul>
Donation	<ul style="list-style-type: none"> <li>• Created new section</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity</li> <li>• Additional guidance</li> </ul>
Valuation Dollar Thresholds	<ul style="list-style-type: none"> <li>• Updated from the Capitalization Thresholds section</li> </ul>	<ul style="list-style-type: none"> <li>• Better description</li> <li>• Improve clarity</li> <li>• Additional guidance</li> </ul>
Amortization of Intangible Assets	<ul style="list-style-type: none"> <li>• Created new section</li> </ul>	<ul style="list-style-type: none"> <li>• Additional guidance</li> </ul>
Non-depreciating Capital Assets	<ul style="list-style-type: none"> <li>• Created new section</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity</li> </ul>
Debt-funded Assets	<ul style="list-style-type: none"> <li>• Created new section</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity</li> </ul>

Safeguarding Capital Assets	<ul style="list-style-type: none"> <li>• Updated section</li> </ul>	<ul style="list-style-type: none"> <li>• Better description</li> <li>• Improve clarity</li> </ul>
Record Retention	<ul style="list-style-type: none"> <li>• Created new section</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity</li> </ul>
<b>FIN 6.11.01</b> Asset Classification Examples (administrative procedure)	<ul style="list-style-type: none"> <li>• Created new procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity on asset classifications</li> </ul>
<b>FIN 6.11.02</b> – Physical Inventory of Capital Assets (administrative procedure)	<ul style="list-style-type: none"> <li>• Created new procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Improve clarity on physical inventory of capital assets</li> </ul>
<b>FIN 6.12 Disposal of Capital Assets</b> (administrative rule)	<ul style="list-style-type: none"> <li>• Language updates throughout the policy to provide better defined guidelines on capital asset disposals</li> </ul>	<ul style="list-style-type: none"> <li>• Additional guidance on capital asset disposals</li> <li>• Improve accuracy</li> <li>• Improve clarity</li> </ul>
Definitions	<ul style="list-style-type: none"> <li>• Updated</li> <li>• Moved to end of the admin rule</li> </ul>	<ul style="list-style-type: none"> <li>• Improve accuracy</li> <li>• Improve organization of the rule</li> </ul>