

This document reflects the result of analyses, discussions and review by UCOP staff and PricewaterhouseCoopers (PwC) to date. The document is subject to change pending additional discussions with PwC; however, it represents the best information available to date.

University of California GASB 35 Depreciation Reporting

Addendum A to Issues Resolution Memo No. 16

University Useful Lives

Revised Asset Useful Life Summary

Included in this addendum to IRM No. 16 is an update to the Asset Useful Life Summary originally issued August 24, 2000. This version reflects on-going discussions with campuses to finalize approaches to General Improvements, Intangible Assets, and Leasehold Improvements, as well as to capitalization thresholds.

Updating the University Useful Life Table (Equipment)

Campuses may occasionally have the need for new classification of equipment with new useful lives, due to previously non-existent types of items or due to the need for finer gradation of existing classifications. UCOP—Financial Management will accept campus requests for additions and/or updates to the University Useful Life table for equipment as necessary throughout the year. Campus requests received by UCOP by December 31 each year will be considered for that fiscal year's version of the University Useful Life table used for depreciation purposes. Requests received after December 31 will be considered for inclusion in the following year's version of the Useful Life table.

All requests should be processed through the campus Controller and should be sent to the Office of Materiel Management, UCOP—Financial Management. All requests should include the following information:

- Manufacturer's name and contact (including telephone number)
- Model number and description

- Reason for suggested addition or update
 - New item of equipment
 - Finer gradation of existing equipment classifications, including the following information:
 - Current equipment code and useful life
 - Justification for finer gradation
- Name, phone number, e.mail address of person to contact for further information

Asset Useful Life Summary
(as of August 2, 2002)

Asset Category	IRM Number	Capitalization Threshold *	Useful Life
Buildings & Structures and Fixed Equipment	1	\$35,000 (for building improvements and modifications)	
<ul style="list-style-type: none"> ▪ Single useful life for all buildings ▪ Single useful life per category of buildings: <ul style="list-style-type: none"> □ Laboratory buildings □ All other buildings ▪ Survey some buildings (non-representative sample) <ul style="list-style-type: none"> □ Surveyed buildings □ Non-surveyed laboratory buildings □ Non-surveyed other buildings ▪ Survey some buildings per category (representative sample) <ul style="list-style-type: none"> □ Surveyed buildings □ Non-surveyed buildings ▪ Survey all buildings in a category 			<ul style="list-style-type: none"> 33 years 26 years 33 years Based on survey 36 years 33 years Based on survey Based on survey Based on survey
Infrastructure Assets	8	\$35,000	25 years
General Improvements	8	\$35,000	15 years
Equipment	17	\$1,500	2–20 years (refer to University Useful Life Table)
Library Materials and Collections (General)	6		15 years
Software			
<ul style="list-style-type: none"> ▪ Software ▪ Software projects > \$10 million: 	<ul style="list-style-type: none"> 11 11 	<ul style="list-style-type: none"> \$1,500–\$10 million Greater than \$10 million 	<ul style="list-style-type: none"> 3 years 7 years
Intangible Assets	18	\$35,000	Determined on a case-by-case basis
Leasehold Improvements	21	\$35,000	Determined on a case-by-case basis

* Note: Refer to IRM No. 10, and Addendum B to IRM No. 10 for a discussion of capitalization thresholds.