



FACT SHEET

CAPITAL ASSETS DETERMINATIONS



As a pass-through entity for Federal Education funds, the Nebraska Department of Education (NDE) is providing this **Capital Assets Determinations Fact Sheet** to assist Federal program subrecipients in the management and implementation of policies and/or procedures required for Capital Assets using Federal dollars.

This information is being provided by the NDE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at [Electronic Code of Federal Regulations \(eCFR\)](#) when developing their own Capital Assets policies and procedures.

Subrecipients of Federal funds are solely responsible for meeting all applicable Federal regulations.

Requirements to determine Capital Asset Supported by Federal Funds

Per 2 CFR 200.1 Capital Assets means:

(1) Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

(i) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; and

(ii) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

The entity must first determine if the item has a useful life more than a year, then secondly does the item cost more than \$5,000 as an individual item. We also strongly encourage the entity to contact their CPA and obtain their expertise to determine capital asset or supply.

Examples

50 cameras at \$300 each, total \$15,000. Not a capital asset because individual only \$300

1 software package (accounting, curriculum, library, etc.) greater than \$5,000 and more than one year usage, should be capitalized.

50 licenses at \$150 each, total \$7,500. Not a capital asset because individual only \$150.

Equipment, any equipment over \$5,000 most likely is a capital asset. (i.e. Bus, laser, lathe, HVAC, etc.)

Supplies, see Fact Sheet on supplies.



Federal Compliance Monitoring

As part of the NDE's annual Federal Compliance Monitoring program, staff from the NDE Office of Budget & Grants Management may review capital asset records and the subrecipient's policies/procedures for capital assets supported using Federal funds. The Grant Compliance Auditors will use the requirements of 2 CFR 200 and other applicable Federal Codes and requirements when completing such reviews.

Technical Assistance

Please feel free to contact the Grants Compliance staff should you have any questions relative to the contents of this document.

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This document is not a substitute for the advice of your own attorney and/or law firm licensed to practice law in the state of Nebraska. In reading and applying Federal law, the NDE recommends LEAs seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to your situation.



