



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

May 31, 2019

El Dorado County
Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Subject: Capitalization Thresholds

Dear Board Members:

Pursuant to GASB 51 the County must establish a threshold for the capitalization of intangible assets such as software. As of the end of Fiscal Year 2019 we will be capitalizing the value of the new MUNIS accounting software, the MEGABYTE property tax software and the TRAKIT land management software.

As the County's chief accounting officer, I have the authority to set the County's Capitalization Thresholds.

After reviewing the limits that several other counties are using, I am setting the threshold for intangible assets such as software at \$100,000.

In addition we looked at the limits being used for the capitalization of structures and improvements, leasehold improvements and infrastructure. I am increasing our current standard from \$10,000 to \$25,000. We will maintain our current standard for equipment at \$5,000.

We will be returning to your Board with a detailed fixed asset policy handbook that will be made available for departmental use.

Sincerely,

A handwritten signature in blue ink that reads "Joe Harn".

Joe Harn
Auditor-Controller