



North Carolina Department of Health and Human Services
Office of the Controller

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Beverly Eaves Perdue, Governor
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Laketha M. Miller, Controller

April 13, 2010

MEMORANDUM 2010-10

To: Division Directors
Division Budget Officers

From: Laketha M. Miller

Subject: GASB Statement 51 – Depreciation Policy Revisions

The Office of the State Controller has revised the statewide Depreciation Policy. These revisions are necessary to prepare for the implementation of GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*, which is effective for the State fiscal year ending June 30, 2010.

Intangible assets include capitalized assets such as computer software, easements, copyrights, and land use rights. OSC has added two new accounts related to intangible assets in development to account for the costs of patents and computer software in development.

Agencies are required to capitalize intangible assets and to assign useful lives to them (intangible assets with indefinite useful lives should not be amortized). Additionally, OSC has extended the useful life ranges for certain classes of capital assets to reflect actual historical experience. The useful lives assigned by agencies should be within the ranges included in the Depreciation Policy.

The revised Depreciation Policy is available on the OSC web page as follows (under Forms & Policies/Capital Assets):

http://www.osc.nc.gov/sigdocs/sig_docs/documentation/policies_procedures/CA%20Depreciation%20Policy%202.pdf

The revised Chart of Accounts is available on the OSC web page as follows (under Balance Sheet Accounts/Capital Assets):

http://www.osc.nc.gov/sigdocs/sig_docs/data_elements/account/sigFixed_Assets_NonCurrent_COA.html



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If you have questions about these policies and/or the implementation of these changes, please contact the Branch Head for your division in the General Accounting and Financial Management section of the DHHS Controller's Office.

cc: Dan Stewart
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DHHS Controller's Office Section Chiefs
DHHS Controller's Office Branch Heads

