

This release should be retained and filed.

This release accomplishes the following:

- Modernizes the Tangible Capital Asset Guide by adding cloud computing as Appendix M, and adding examples and removing one example related to internet infrastructure under Appendix C.
- Extends the bulk purchase option to the entire category of computer hardware under Appendix C.
- Increases the clarity by adding the definition of directly attributable interest under Pre-Construction Costs and Construction in Progress and the definitions of capital lease – machinery and equipment and capital lease – information technology under Leased Tangible Asset Classes.
- Increases the clarity around the types of costs that should be capitalized as land improvements, by providing an additional example under Appendix C.
- Increases the clarity around the types of costs that should be expensed, by providing an additional example under Appendix C.
- Improves the consistency of the Tangible Capital Asset Guide by correcting the useful life for vehicles with Gross Vehicle Weight Rating (gvwr) greater than 10,000 pounds under Appendix C.
- Improves the accuracy of revised remaining service life by adding the maximum value to the calculation table under Appendix K.
- Updates the Multi-Year Construction Benchmarks under Appendix K.

Revisions have therefore been made to the following areas:

PRE-CONSTRUCTION COSTS AND CONSTRUCTION IN PROGRESS

- Added the definition of directly attributable interest in paragraph .69

LEASED TANGIBLE ASSET CLASSES

- Added the definition of capital lease – machinery and equipment in paragraph .201
- Added the definition of capital lease – information technology in paragraph .202

- Changed the definition of capital lease – other by removing photocopiers as one example, changed the paragraph numbers from .201 to .203 and changed the paragraph numbers thereafter.

APPENDIX C – Tangible Capital Asset Listing

- Added electronic vehicle charge stations as an additional example of land improvements with finite lives.
- Extended the bulk purchase option to the computer software initially purchased with the computer, audio visual equipment and voice over IP (VoIP) phones.
- Added Uninterrupted power supply (UPS) as an additional example of equipment with 5 years of service life.
- Added multi-port patch panels as an additional example of equipment with 10 years of service life.
- Added CAT5/CAT5E/CAT6 cable, ethernet cable and wall plates (LAN outlets) as examples that can be capitalized and added to the costs of different categories of assets based on the nature of the projects, for example, computer hardware with 3 years of service life or equipment with 10 years of service life.
- Added routers, Wi-Fi access points and switches as examples of wireless infrastructure.
- Removed disk drives as an example of computer hardware.
- Added cellular phones as one example of items that should be expensed.
- Changed the service life of vehicles with a gross vehicle weight rating greater than 10,000 pounds from 5 years to 10 years.

APPENDIX K – Remaining Service Life (RSL)

- Updated the multi-year construction benchmarks.
- Added the maximum value of the revised Remaining Service Life to the calculation table in example 1.
- Changed the construction benchmark for Child Care and Child and Family support to \$2,039.07 per square meter or \$189 per square foot in example 1, and the changed the revised RSL calculation table accordingly in example 1.

APPENDIX M – CLOUD COMPUTING

- Added a new appendix including the definition and service models of cloud computing, and the assessment criteria for capitalization.