

## Inventory and Valuation of Intangible Assets

As required by GASB Statement 51, a perpetual inventory of all intangible assets defined as assets having a lack of physical substance, nonfinancial nature, and initial useful life extending beyond one (1) fiscal year, will be maintained under the supervision of the Business Manager. Examples of intangible assets would include patents, trademarks, copyrights and computer software that is purchased licensed or internally generated (including websites). Exclusions as defined by GASB Statement 51 shall include assets acquired or created primarily for the purposes of generating income, capital leases, and goodwill.

All intangible assets with a purchase price equal to or greater than \$25,000 shall be included in the intangible asset inventory for capitalization purposes. Such assets shall be recorded at actual historical cost and amortized over the designated useful lifetime applying a "straight-line" method of depreciation. If there are no legal, contractual, regulatory, technological or other factors that limit the useful life of the asset, then the intangible asset should be considered to have an indefinite useful life and no amortization should be recorded.

Legal Reference: Iowa Code

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