Effective June 1, 2024, **all** assets under construction (AUC) should be moved from the AUC asset class to their final asset class when the asset **is ready and available for its intended use**. If this occurs before the project is complete, any remaining project expenditures for the project should be expensed (i.e., not added to the final value of the asset).

If the asset is ready and available for its intended use, but the project is not yet complete, agencies may elect to wait until the project is 100% complete before moving the asset from AUC if **both** of the following are true:

1. The remaining project expenditures do not exceed 10% of the project total **or** $100,000, whichever is less AND
2. The project will be completed in 3 months or less from the date the asset became ready and available for its intended use.

Here are a couple of examples of when a constructed asset would be considered ready and available for its intended use:

1. A building being constructed reaches the point where it can be occupied (i.e, a certificate of occupancy has been issued), but some rooms in the building still need to be painted and other “punch list” items remain. The building should be capitalized on the date the certificate of occupancy has been issued UNLESS the agency elects to use the option provided above and meets all of the applicable criteria for doing so.
2. A software system is being developed to replace a legacy system. The developers have completed all testing and determined the system is fully operational and ready to go live, but the agency defers implementation because the software was completed during a particularly busy time for the agency and the agency lacked the time and resources to properly transition to the new software. The software should be capitalized on the date the developers determined it was fully operational and ready to go live UNLESS the agency elects to use the option provided above and meets all of the applicable criteria for doing so.

Many situations are not as clear-cut as the ones described above. If an agency is unsure of how to determine when an asset is ready and available for its intended use or has other unique/special circumstances that create uncertainty, **please** contact Layla Ballard-Sholly at lballardsholly@cg.sc.gov or 803-734-2121.