



State of South Carolina
Office of Comptroller General

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-1765
E-Mail: cgooffice@cg.sc.gov

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

WILLIAM E. GUNN
CHIEF OF STAFF

MEMORANDUM

TO: State Agency Finance Directors

FROM: Statewide Accounting Division &
Statewide Reporting Division

SUBJECT: Low Value Asset Accounting

DATE: November 13, 2017

Due to a general increase in costs in recent years for items such as electronics, it has been decided by the Comptroller General's Office that a revision to the Low Value Asset policy is necessary.

Effective for FY 2018 reporting, the minimum threshold for agencies to track and enter their low value assets in SCEIS is being increased from \$1,000 to \$2,500.

Low Value Assets will now be defined as all assets purchased with a value in excess of \$2,500 that have a useful life within the capitalization criteria (in excess of two years) but do not meet the Generally Accepted Accounting Principles (GAAP) capitalization dollar threshold criteria of \$5,000 for moveable assets or \$100,000 for all other assets.

Although Low Value Assets will continue to be excluded from the State's Financial Statements, they still must be tracked for control purposes. The tracking of these assets should be performed through system functionality within SCEIS. As agencies are aware, moveable Low Value Assets are susceptible to loss, misuse, and theft and thus should be tagged and included in the annual physical count.

Agencies may continue to track and enter into SCEIS those assets below the \$2,500 threshold. It will be up to the individual agency's discretion how they would prefer to track those assets.

For items purchased that fall below the \$2,500 threshold and where the agency has not elected to create an asset, the item should be coded in SCEIS to a supply General Ledger account within the 503XXXXXXX account range.

Please contact the Comptroller General's Office with any questions or concerns.

DETERMINING CAPITALIZATION vs. LOW VALUE ASSET

Low value assets have been defined as all assets purchased with a value in excess of \$2,500 that have a useful life within the capitalization criteria (in excess of 2 years) but do not meet the capitalization dollar threshold criteria (\$5,000 for moveable assets or \$100,000 for all other assets). SCEIS functionality must be used to track low value assets.

The following decision tree should aid in identification and proper accounting and control treatment:

