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Calhoun County  
Intangible Asset Policy  
Resolution # 2011-4

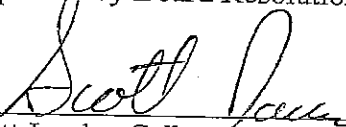
Governmental Accounting Standards Board Statement 51, **Accounting and Financial Reporting for Intangible Assets**, is effective beginning July 1, 2009. The Statement requires the County to capitalize all intangible assets with determinable useful lives, and to amortize those assets accordingly. Intangible assets with indefinite useful lives will be capitalized, however not amortized. Internally generated computer software in the Application Development State per GASB 51 will be capitalized and amortized.

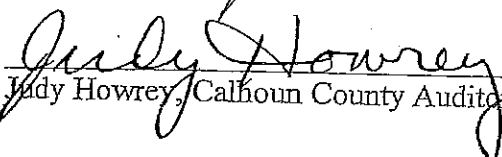
Intangible assets include easements and rights of way, water rights, timber rights, patents, trademarks and computer software. Calhoun County will include in this policy only those assets which are identifiable, meaning they are separable and arose from contractual or other legal rights, whether those rights are transferable or separable, possessing all of the following characteristics: lack of physical substance, nonfinancial in nature, with an initial useful life beyond a single reporting period. Internally generated intangible assets must meet the Specified-Conditions Criteria of GASB Statement 51 to be covered by this policy. Internally generated computer software can be developed in-house by County personnel, by third party contractor on behalf of the County, or commercially available software purchased or licensed by the County, modified using more than minimal incremental effort before putting it into service.

Any intangible asset which exceeds the County's threshold will be recorded at historic cost, or estimated historic cost, including where applicable, interest and ancillary charges. The threshold is designed to capture 80% of the total cost of the County's intangible assets. The threshold for Calhoun County is \$50,000.

Calhoun County will not retroactively report intangible assets per GASB 51 since we are a Phase III County. Costs incurred July 1, 2009 and beyond for internally generated computer software in the application development stage will be capitalized providing the costs exceeds Calhoun County's threshold.

Approved by Board Resolution on January 11, 2011.

  
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Scott Jacobs, Calhoun County Board Chairman

  
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Judy Howrey, Calhoun County Auditor