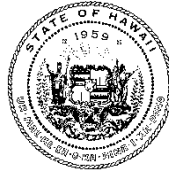


NEIL ABERCROMBIE
GOVERNOR



Dean H. Seki
Comptroller

Maria E. Zielinski
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

November 13, 2014

COMPTROLLER'S MEMORANDUM NO. 2014-29

TO: Heads of Departments and Agencies

ATTN: Fiscal Offices

FROM: Dean H. Seki, Comptroller

SUBJECT: Capitalization Thresholds and Estimated Useful Lives for Intangible Assets

This memorandum amends Comptroller's Memorandum 2005-19 - Financial Statement Reporting, and Comptroller's Memorandum 2014-07 - Accounting for Internally Generated Computer Software, by providing capitalization thresholds and estimated useful lives specific to intangible assets.

Capitalization thresholds and estimated useful lives for the primary government are as follows:

Intangible Asset Category	Capitalization Threshold	Estimated Useful Life
Computer software internally generated	\$1,000,000	5-15 years
Computer software purchased	\$1,000,000	5-15 years
Easement & land use rights	\$100,000	30* years
Other intangible asset	\$100,000	30 years

* Except for easements and land use rights that are of a perpetual nature which are not amortized.

Component Units (Hawaii Community Development Authority, Hawaii Health Systems Corporation, Hawaii Housing Finance and Development Corp, Hawaii Hurricane Relief Fund, Hawaii Public Housing Authority, Hawaii Tourism Authority, and the University of Hawaii) and major enterprise funds (Department of Transportation Airports and Harbors) shall establish separate capitalization thresholds and estimated useful lives in consultation with their auditors and with the Department of Accounting and General Services Accounting Division.

Should you have any questions regarding this memorandum, your staff may call Mr. Wayne Horie, Accounting System Administrator, at 586-0600.