

# GLOBAL TRANSPARK CAPITAL ASSET MANAGEMENT

**NCDOT  
POLICY**

**A.11.0104**

<b>Business Category:</b> NC Global TransPark Authority		<b>Business Area:</b> Office of the Executive Director
<b>Approval Date:</b> 6/19/2019	<b>Last Revision Date:</b> 12/13/2023	<b>Next Review Date:</b> 12/13/2025
<b>Authority:</b> <a href="#">NC General Statute §63A NC Global TransPark Authority</a> <a href="#">NC General Statute §143 State Departments, Institutions, and Commissions</a>		<b>Select all that apply:</b> <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Requires Board approval <b>NCGTP Board of Directors</b>  <input type="checkbox"/> Requires Federal Highways Administration (FHWA) approval  <input type="checkbox"/> Requires other external agency approval: <a href="#">Click here to enter external agency name(s).</a>
<b>Definitions:</b> <p>“Authority” – shall mean The North Carolina Global TransPark Authority as enacted by Section 63A of the North Carolina General Statutes, and with powers as enumerated in Section 63A-4 of the North Carolina General Statutes.</p> <p>“Board” – shall mean The Board of Directors of the Authority with members as defined in Section 63A-3(b) of the North Carolina General Statutes.</p> <p>“Capital Assets” - shall mean land, improvements to land, easements, buildings, building improvements, vehicles, machinery, furniture, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that: 1) are used in operations, 2) have an original cost greater than \$5,000, and 3) have a normal life expectancy of more than two years.</p> <p>“Executive Director” – shall mean the Executive Director of the North Carolina Global TransPark Authority.</p> <p>“Finance Committee” – shall mean the Finance Committee of the Board.</p> <p>“NCDOT” – shall mean the North Carolina Department of Transportation.</p>		
<b>Policy:</b> <p>This Capital Asset Management policy describes a policy and process to assess the Authority’s capital assets and appropriately plan and budget for any capital maintenance and replacement needs.</p> <p>It is for operational use by the Airport Director, Finance Director, and Superintendent with oversight from the Finance Committee.</p> <p>The Authority shall establish needs, scope, schedule, and budgets for maintenance needs.</p> <p>Establishing the project budget and appropriation of projects is covered separately by the Authority’s Budget policy.</p>		

**Scope:**

This policy covers all maintenance activities and maintenance projects performed on all capital assets of the Authority.

**Procedures:**

The Superintendent will:

1. conduct and periodically update a complete inventory of the existence and physical condition of all capital assets.
2. establish condition/functional performance standards to be maintained for each type of capital assets.
3. determine how critical each capital asset is to the Authority, and the likelihood and consequence of failure of that asset.
4. allocate sufficient funds in the multi-year plan and annual operations budgets for preventative maintenance, repair, and renewal of capital assets to continue the provision of services.
5. monitor and communicate progress toward stated goals and the overall condition of capital assets.
6. at least once every three years, provide a report on Capital Assets to the Board and elected officials, and make it available to the general public.

*Report on Capital Assets (ROCA)* – the ROCA should, at a minimum, address the following issues:

1. standards for the Authority's Capital Assets.
2. capital Assets condition and the corresponding optimal funding requirements for a multi-year plan to sustain standards.
3. target levels of service for each maintenance activity and assessment of historical performance.
4. existing staffing levels and recommended staffing levels.
5. standards, funding, and staffing to entities similar in mission and size.

*Chart of Accounts* –the following accounts should be used to record transactions and charge expenses for maintenance of capital assets:

52310000 Repairs to Buildings  
52331000 Vehicle Repair Serv  
52331002 Int Vehicle Rep Pts  
52333002 Rep/Ser to Eq -Other  
52333007 Rep/Other Computer Equip  
52333010 Rep Pers Comp/Prin      52390003 Rep & Maint-Real Prop

**General Guidance.**

- Maintenance expenses are incurred to keep assets in normal operating condition and to help maintain the original use of a building. Maintenance expenses do not extend the life of the

building beyond the expected useful life at acquisition, nor do they increase the future service potential of the building. Maintenance costs are expensed and not capitalized. The costs are charged to repairs and maintenance.

- Addition costs are different from maintenance costs. Additions add future building benefits.
- Renovation and improvement costs are incurred to restore or improve buildings or other capitalized assets. These costs involve the substitution of old parts for new ones and increase the economic benefits to be derived from the asset. If parts of an asset are removed during a renovation/improvement project, the original cost (less depreciation if applicable) of the part of the asset being removed should be retired.
- Care must be taken to distinguish between maintenance and renovation/improvement costs.
- Training must be provided to staff who authorize expenditures and record transactions to recognize the difference between maintenance expenses and addition, renovation, and improvements costs.

#### **Related Documents:**

NCGA136-44.3. Report on the condition of the State highway system and maintenance funding needs. The NCDOT shall establish performance standards for the maintenance and operation of the State highway system. In each even numbered year, the NCDOT shall survey the condition of the State highway system and shall prepare a report of the findings of the survey.

NCGA Section 63A-4. Powers of the Authority.

(a) The Authority shall have all of the powers necessary to execute the provisions of this Chapter, which shall include at least the following powers:

- To establish, finance, purchase, construct, operate, and regulate cargo airport complexes and to own, finance, lease, sell, or manage real or personal property.
- To charge and collect fees and rents for the use of the cargo airport complexes or for services rendered in the operation of the complexes.

#### **Revision History**

<b>Revision Date</b>	<b>Revision Number</b>	<b>Description</b>
6/20/2019	0	Approved via conference call meeting with the GTP Board of Directors.
8/9/2019	1	Revised for technical corrections to include formatting and statutory authority reference.
9/14/2022	2	Standardized definitions.
12/13/2023	3	Technical revision to add position titled "Superintendent."