

SAM - BUDGETING

OVERVIEW OF CAPITALIZED ASSETS

6801

(Revised 5/1998)

The Capitalized Assets sections of [SAM](#) reference policies and procedures on budgeting and financial administration of capital outlay projects and—more broadly—on programs for capitalized asset financing. These sections are divided into five parts:

1. An **overview of capital outlay and capitalized asset financing** (SAM Sections 6800–6809);
2. **Budgeting** capital projects (SAM Sections 6810–6839);
3. The administrative approval process for **implementing** acquisition, planning, design, construction, and equipping of capital projects (SAM Sections 6840–6868);
4. **Long-term financing** of capitalized assets (SAM Sections 6870–6888); and
5. **Glossary** and cross-index of capital outlay terminology, acronyms, and forms (SAM Section 6899).

The Department of Water Resources for the State Water Project and the Department of Transportation for highway-related projects are not subject to the instructions contained in this chapter. In addition, this chapter does not address projects undertaken with funds not subject to legislative appropriation, such as higher education's housing, student union programs, and other auxiliary organizations.

As used in this chapter, the term *capitalized assets* refers to all processes which may result in the acquisition, new construction, alteration, renovation or betterment of real assets, regardless of character of appropriation for the expenditure. This includes capital outlay projects and budget change proposals, certain leases that meet the definition of a capitalized lease, long-range plans for infrastructure, and financing of projects and capitalized leases.

The term *capital outlay* refers to a subset of these activities, funded specifically under the capital outlay character of appropriation. See Section 6806 for a discussion of characters of appropriation.