## Board Policy                    Descriptor Code:

## Intangible Assets

For an intangible asset to qualify for capitalization purposes, it must meet all of the following requirements:

1. The acquisition cost is at least XXXX XXXXXXX XXXXXXX ($X00,000).
2. The intangible asset has a useful life greater than one year.
3. The school district has the ability to sell, transfer, license, or rent the asset to another party OR the asset arises from a contractual or legal right.
4. The asset is nonfinancial in nature and not acquired or created primarily for the purpose of generating income or profit, the result of a capital lease transaction, or goodwill.

All intangible assets meeting the capitalization requirements specified above will be amortized unless the intangible asset has an indefinite life.

**DEFINITIONS: Intangible Assets** - Assets that lack physical substance, are non-financial in nature, and have a useful life greater than one year. Examples include, but are not limited to, easements, water rights, timber rights, patents, copyrights, trademarks, and computer software (purchased, licensed, and internally generated).

**Easements** - The right to use land belonging to another for a particular use.

**Water rights** - The right to access or use water from a water source (i.e., a river, stream, pond or source of groundwater).

**Timber rights** - The right to claim trees on property belonging to another.

**Patents** - The legal protection granted to an individual, company, or organization from the United States federal government or a foreign government giving the owner the exclusive right to produce and sell an invention for a given period of time.

**Copyrights** - The legal protection granted to authors or artist for their works from the federal government. This gives the owner the exclusive rights to produce or sell the artistic or published work for a specified period of time.

**Trademark** - A name, word, phrase, logo, symbol, design, or image that identifies that the product is from a unique source.

**Purchased Software** - Purchased software is software that the school district pays an upfront cost in order to use. This may be software that we pay for initially and then pay an additional annual maintenance fee in order to receive upgrades and support from the vendor.

**Licensed Software** - Licensed software is software that the school district has the right to use for a specified period of time based on an agreement with the vendor.

**Internally Generated Software** - Internally generated software is software developed by school district staff or an entity contracted by the school district, or acquired from an external entity but requiring more than minimal incremental effort on the part of the school district to begin to achieve its expected level of service capacity.

Blank County (City) Schools