



UMEÅ UNIVERSITET

RULE - THRESHOLD AMOUNT FOR ACCOUNTING OF FIXED ASSETS

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¹ This document has been translated from Swedish into English. If the English version differs from the original, the Swedish version takes precedence.



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1. Description

Each authority is required to establish and maintain a register of its fixed assets as per the Ordinance on public authorities' accounting (2000:606). This fixed asset register is to include information enabling the identification of the asset, when the asset was acquired and the acquisition value. The definition of fixed assets is described in the Swedish National Financial Management Authority's regulations and general advice for Chapter 5, Section 1 of the Ordinance on annual reports and budget documentation (2000:605).

A fixed asset is an asset that is intended for permanent use or possession. Assets of lesser value or with a short period of use do not need to be entered in the register since they are considered current assets, provided that they are not deemed to be susceptible to theft.

The economic lifespan and purchase price are criteria that determine whether a purchase should be added to the fixed asset register. If the economic life is three years or longer and the purchase price, excluding VAT, meets the threshold values for being considered a fixed asset, the acquisition is to be registered in the fixed asset register.

Assets susceptible to theft with a shorter lifespan or for amounts below the threshold value are considered short-term investments and are also to be entered in the fixed asset register.

When purchasing goods and services, a decision is to be made as to whether the purchase is to be regarded as the acquisition of a fixed asset. Acquisitions are divided into different groups, called asset types, and different threshold values can be applied for the different asset types.

The Financial Handbook produced by the Financial Office provides the University's guidelines for classifying and managing both purchases and disposals of fixed assets. An inventory of both fixed assets and theft-prone short-term investments is to be performed once a year, as per the Financial Office's instructions.

2. Background

The Swedish National Financial Management Authority's general advice to Chapter 5, Section 1 of the Ordinance on annual reports and budget documentation (2000:605) states that the limit for lower value should be set based on an acquisition value excluding value added tax that is less than half the price base amount as per the Social Insurance Code (2010:110).

The price base amount for 2024 is set at SEK 57,300. Half the price base amount is SEK 28,650, and rounded to the nearest 5,000 interval, this becomes SEK 30,000. This means that acquired assets valued at over this amount are to be considered fixed assets.



3. Threshold amounts apply from 19 January 2024.

The following threshold amounts apply for:

- | | |
|--|-------------|
| • Tangible assets | SEK 30,000 |
| • Intangible assets | SEK 300,000 |
| • New construction/extensions/remodelling of someone else's property | SEK 300,000 |
| • Repairs/maintenance of someone else's property | SEK 300,000 |