



<p>STATE OF NEW JERSEY TECHNOLOGY CIRCULAR</p> <p>Software Asset Reporting Policy</p>	<p>POLICY NO: 18-01-NJOIT</p>	
	<p>SUPERSEDES: NEW</p>	<p>EFFECTIVE DATE: 05/31/2018</p>
	<p>VERSION: 1.0</p>	<p>LAST REVIEWED: 05/31/2018</p>

1 POLICY

The New Jersey Office of Information Technology (NJOIT) and Chief Technology Officer (CTO) establish a Software Asset Reporting Policy.

NJOIT shall record software assets into an intern asset inventory system and Treasury's land and Building Asset Management (LBAM) system when the dollar threshold is greater than or equal to \$100,000.

NJOIT shall also record all software purchased, developed, or under development that exceeds \$100,000, acquired since FY06 and still in use.

Annually, at the end of each fiscal year, per OMB Circular 18-13-OMB, the NJOIT CTO shall certify to the NJOIT Chief Financial Officer (CFO) the accuracy of all software records.

2 AUTHORITY

The Policy is established under the authority of New Jersey Statute NJSA, Sections [C.52:18A-224 through C.52:18A-234](#), known as "*The Office of Information Technology Reorganization Act*."

In accordance with the State of New Jersey, Department of the Treasury's Office of Management and Budget (OMB) Circulars and Government Accounting Standards Board (GASB) Statement No. 34.

3 SCOPE

The Policy and related documents in their entirety apply to all full-time, classified, and unclassified services employees within NJOIT.

4 PROCEDURE

The Financial Management's Asset Management Unit shall record all software purchases valued at \$250 or more into the Asset Inventory Management System (**AIMS**) and **LBAM** that meet the dollar threshold of \$100,000.

- 4.1.1 Software assets include software licensing, enterprise agreements, internally developed software, and multi-year agreements.
- 4.1.2 Internally developed software is defined as any system that incurs costs over \$100,000, even if that cost expands over multiple fiscal years. Internally developed software also includes software purchased with "minimal effort to install", defined by **OMB** as any installation process that requires configuration or installation on a server.
- 4.1.3 The total value of the software should include the actual software and any ancillary charges directly attributable to the asset acquisition, such as professional fees.
- 4.1.4 Only costs associated with the application development phase should be capitalized
- 4.1.5 Costs associated with the-preliminary phases or post implementation are not reported through this process.

Regarding internally developed software, NJOIT's Senior Leadership Team (SLT) must execute the following:

- 4.1.6 Determine which software meets the reporting criteria.
- 4.1.7 Submit an "Employee Expenditure Reporting" worksheet by June 30th of each fiscal year to Financial Management.
- 4.1.8 Validate that NJOIT staff click the GASB indicator in JAMS for each software asset or initiative that is expected to meet the threshold.

The Financial Management's Asset Management Unit shall upload all necessary procurement and payment information into the system. This includes, but is not limited to: purchase orders, payment vouchers, line of credit award letters, and Asset Verification Form (AVF) information.

NJOIT SLT must verify the accuracy of all software recorded and certify the financial information during the fiscal year end asset certification process in **AIMS** (or any replacement inventory software designated by Financial Management).

A letter attesting to certification of all software assets must be signed and submitted to Financial Management by NJOIT's CTO or designee by July 31st of each fiscal year.

The OMB Guidelines for Reporting Software Assets shall be referred to for the complete list of software reporting categories and guidelines.

5 COMPLIANCE AND ENFORCEMENT

Non-compliance will be referred to the CTO for appropriate action.

Any exception to the Policy must be approved by the CTO in advance.

6 RELATED DOCUMENTS

OMB Guidelines for Reporting Software Assets

18-01-F1 NJOIT Employee Expenditure Reporting worksheet

18-01-F2 NJOIT CTO Certification

7 ADMINISTRATION

The Policy must be reviewed annually, however the CTO reserves the right to change or amend it at anytime.

The Policy shall be administered and monitored by the NJOIT CTO at 300 Riverview Plaza, Trenton, NJ 08625.

Signature on File

Christopher J. REIN,
Chief Technology Officer

05/31/2018

DATE

8 DOCUMENT HISTORY

Version	Published Date	CTO	Sections Modified	Description of Modifications
1.0	06-01-18	C. REIN	none	Original Published Date

9 ADDITIONAL INFORMATION

Please visit our website at: www.tech.nj.gov

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