



<p align="center">STATE OF NEW JERSEY TECHNOLOGY CIRCULAR</p> <p align="center">Software Asset Reporting Policy</p>	<p>POLICY NO: 18-01-NJOIT</p>	
	<p>SUPERSEDES: N/A</p>	<p>EFFECTIVE DATE: 05-31-2018</p>
	<p>VERSION: 2.0</p>	<p>LAST REVIEWED: 12-16-2024</p>

1 PURPOSE

The purpose of this policy is to establish guidelines and procedures for effectively reporting, managing, and tracking software assets on the Treasury’s Land and Building Asset Management (LBAM) system. This policy is to ensure that The New Jersey Office of Information Technology (NJOIT) reports all software purchases, developed, or under development that exceeds a cost of \$100,000.

2 SCOPE

This policy applies to all NJOIT employees, contractors, and third-party users who have access to the NJOIT’s software assets.

3 POLICY

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

Consistent with [Circular 24-20-OMB](#), the CTO is responsible for ensuring the capture and accurate reporting of software procurement and development and certifying the accuracy to the agency Chief Financial Officer (CFO).

NJOIT shall record software assets into an internal 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, pursuant to [Circular 24-20-OMB](#), the NJOIT CTO shall certify to the NJOIT Chief Financial Officer the accuracy of all software records.

4 PROCEDURES

The Fiscal 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, purchased software, enterprise agreements (regardless of per-unit cost), internally developed software, and multi-year agreements.
- 4.1.2 Internally developed software is defined as any software 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 that 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 phase 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 that 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 is 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 designed by July 31st of each fiscal year.

The OMB Guidelines for Reporting Software Assets and the Governmental Accounting Standards Board (GASB) Statement No. 96. shall be referred to for the complete list of software reporting categories and guidelines.

5 AUTHORITY

N.J.S.A. 52:18A-224 through N.J.S.A. 52:18A-234

Circular No. 24-20-OMB, "Fiscal Year End Reporting 2024 – Inventory, Capital Assets, Software Reporting, Impairments, Leases, LBAM Training, and Certification Requirements."

6 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.

7 RELATED DOCUMENTS

OMB Guidelines for Reporting Software Assets

[18-01-F1 NJOIT Employee Expenditure Reporting worksheet](#)

18-01-F2 NJOIT CTO Certification

8 ADMINISTRATION

This Policy is administered and monitored by the CTO at 300 Riverview Plaza,

Trenton, NJ 08625.

Signature on file _____
CHRISTOPHER J. REIN, CHIEF TECHNOLOGY OFFICER

12/16/2024
DATE

9 DOCUMENT HISTORY

Version	Published Date	CTO	Sections Modified	Description of Modifications
1.0				Original Published Date
2.0	12/16/2024	C. Rein	Sections 3 and 5	Annual Review; Updated Format; Updated Sections 3 and 5 to ensure consistency with Circular No. 24-20-OMB