

**AFTERNOON SESSION A, HANDOUT 3**

**CAPITAL ASSETS, STARS OBJECT CODE CHANGES**  
**EFFECTIVE JULY 1, 2001**

**REVENUE OBJECT CODE CHANGES EFFECTIVE JULY 1, 2001**  
**SALES OF CAPITALIZED AND NON-CAPITALIZED ASSETS**

Revenue object codes 7851 through 7861 will be used to record the proceeds received from the sale of land, buildings, vehicles, machinery and equipment, works of art and historical treasures, and intangible assets. Proceeds received from sales of capitalized assets need to be recorded separately from proceeds received from sales of non-capitalized items.

Revenue object codes 7851 through 7856 will be used to record the proceeds received from the sale of capitalized assets, which are those assets that have been reported on the capital assets closing package.

Revenue object codes 7857 through 7861 will be used to record the proceeds received from the sale of items that have not been capitalized, which are those items that have an original cost below the capitalization limit and therefore have not been reported on the capital assets closing package.

Revenue Object Codes to be used for Sale of Capitalized Assets:

7851	Sale of Land (Capitalized)
7852	Sale of Buildings (Capitalized)
7853	Sale of Vehicles (Capitalized)
7854	Sale of Machinery and Equipment (Capitalized)
7855	Sale of Works of Art and Historical Treasures (Capitalized)
7856	Sale of Other Capitalized Assets

Revenue Object Codes to be used for Sale of Non-Capitalized Items:

7857	Sale of Buildings (Non-Capitalized)
7858	Sale of Vehicles (Non-Capitalized)
7859	Sale of Machinery and Equipment (Non-Capitalized)
7860	Sale of Works of Art and Historical Treasures (Non-Capitalized)
7861	Sale of Other Non-Capitalized Items

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**EXPENDITURE OBJECT CODE CHANGES EFFECTIVE JULY 1, 2001**  
**PURCHASE OF CAPITALIZED AND NON-CAPITALIZED ASSETS**

Expenditure object codes 0600 through 0699 will be used to record purchases of vehicles, machinery and equipment, and works of art and historical treasures that exceed the capitalization limit of \$5,000. Under current requirements, the 06XX series is used for capitalizable asset purchases; however, this currently includes all purchases exceeding \$1,000. As a result of the increase in the capitalization limit to \$5,000, the 06XX series should be used only for purchases that exceed \$5,000. A new 50XX series of expenditure object codes has been created to record purchases of vehicles, machinery and equipment, and works of art and historical treasures that exceed \$1,000 but that do not exceed the capitalization limit of \$5,000. The new 05XX series should assist agencies in the maintenance of the required internal control listing of items that cost between \$1,000 and \$5,000. Purchases of \$1,000 or less may be charged to supplies (03XX series).

Expenditure object codes 0700 through 0799 will be used to record purchases or construction of land and improvements, buildings and improvements, infrastructure, and intangible assets regardless of dollar amount. All land and non-depreciable land improvements are required to be capitalized. Depreciable land improvements, buildings, and improvements, and intangibles are required to be capitalized only when their cost exceeds \$100,000, and infrastructure is only required to be capitalized when its cost exceeds \$500,000. Purchases charged to an 07XX object code that do not meet the capitalization criteria will need to be subtracted on the capital assets additions reconciliation closing package.

**AFTERNOON SESSION A, HANDOUT 3**

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Expenditure Object Codes to be used for Purchase of Vehicles, Machinery and Equipment, and Works of Art and Historical Treasures:

	<u>Capitalizable</u>	<u>Non-Capitalizable</u>
Office Equipment	0601	5001
Copying Equipment	0603	5003
Data Processing Equipment	0604	5004
Medical, Scientific, and Lab Equipment	0605	5005
Household, Laundry, Grounds Maintenance, and Janitorial Equipment	0606	5006
Educational Equipment	0607	5007
Motor Vehicle – Passenger	0608	5008
Printing Equipment	0609	5009
Microfilm, Microfile, and Microfiche	0610	5010
Photographic and Audio-Visual Equipment	0611	5011
Buses and Other Vehicles to Transport Children	0612	5012
Client/Patient Program Equipment	0615	5015
Agriculture, Marine, and Forestry Equipment	0616	5016
Aircraft Equipment	0617	5017
Library Books, Maps, and Film	0618	5018
Major Tools and Other Motorized Equipment	0620	5020
Capital Lease Executory Cost-Equipment	0623	N/A*
Capital Lease Principal Payments-Equipment	0624	N/A*
Capital Lease Interest Payments-Equipment	0625	N/A*
Exhibits and Collections	0626	5026
Law Enforcement Equipment	0627	5027
Television/Radio Engineering Equipment	0628	5028
Communications Equipment	0635	5035
Telephone Equipment	0640	5040
Factory Equipment	0651	5051
Equipment – Lump Sum	0690	N/A**
Other Equipment	0699	5099

\* Use 0623, 0624, and 0625 for all expenditures related to items acquired by capital lease regardless of whether or not the total cost of the item exceeds the capitalization limit of \$5,000. Assets acquired by capital lease with a total cost of \$5,000 or LESS should NOT be capitalized even though 0623, 0624, and 0625 are used. Use the capital assets additions reconciliation form to correctly report assets acquired by capital lease.

\*\* Use 0690 for all lump sum drawdowns by colleges and universities regardless of amount.

**AFTERNOON SESSION A, HANDOUT 3**

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Expenditure Object Codes to be used for Purchase or Construction of Land and Improvements, Buildings and Improvements, Infrastructure, and Intangible Assets:

	<u>Capitalizable and Non-Capitalizable</u>
Land	0701
Building Purchase	0702
Fee – Architectural, Engineering, and Other	0703
Basic Equipment	0704
Site Development (Non-Depreciable Land Improvements)	0709
Depreciable Land Improvements	0710
Construction – Buildings and Additions	0711
Renovations – Buildings and Additions – Interiors	0712
Renovations – Utilities	0713
Roofing – Repairs and Renovations	0714
Renovations – Building Exteriors	0715
Infrastructure and Other Construction Projects	0716
Intangible Assets	0720
Legal Services – Construction Projects	0721
Builders Risk Insurance	0722
Other Capital Outlay Costs	0723
Right-of-Way and Land Acquisition – Reportable	0730
Highway and Road Improvements	0731
Non-State Employee Travel – Construction Projects	0732
Right-of-Way and Land Acquisition – Non-Reportable	0733
Right-of-Way and Land Acquisition – Contractual Services	0734
Right-of-Way and Land Acquisition – Interest Payments	0735
Consultants – Bond Financing	0736
Capital Projects – Bond Financing	0739
Attorney Fees – Construction Projects	0740
Labor Cost – Classified	0758
Labor Cost – Temporary	0771
Labor Cost – Overtime	0773
Labor Cost – Inmate Earnings	0780
Labor Cost – Special Contract Employee	0781
Bond Interest Costs – Capital Projects	0787
Bond Issue Costs – Capital Projects	0788
Contingencies – Capital Projects (Budget Code Only)	0789
Construction Projects – Lump Sum	0790
Labor Cost – Employer Contributions	0791
Transfer Out to Capital Reserve Fund	0795
Non-Budgeted Activities – Capital Projects	0799