What we do

**Property**
- Property Inventory & Tagging Assets
  - (Purchased, Gifted, Inter-Agency Transfer, Trade-In, Fabrication etc.)
- Property Accounting for Assets/Depreciation
  - Controlled 7C (under $5,000 does not depreciate) & Capital 7J
- Property Techbuy Approvals
- Inventory Reviews
- FITS approvals on some 7J and 7C Accounts
- *Plant Funds can purchase Property that needs to be tagged as well.

**Plant**
- New Funds
- Budget Revision System
- FITS approvals
- Accounting Entries review of Balance Sheet / Income Statement
- Review Negative Fund Balance and Orphan transactions
- Building/CIP/Facilities/Infrastructure project reconciliation & capture expenses at substantial completion and FYE by components.
- We complete walk-throughs of CIP projects to identify property that was purchased as part of the project 7J0130 for property inventory purposes. i.e. TV’s that project purchases needs to be in 7C0190 and have it’s own related inventory tag
Capital vs Non Capital

- This website details out what is capital vs expense. 
  https://fmcpa.cpa.state.tx.us/fiscalmoa/cobj.jsp?type=exp

- Keep in mind, is it improving the useful life or just regular repairs and maintenance.

- Major repair and rehabilitation

- SPA Guidelines
  https://fmx.cpa.state.tx.us/fmx/pubs/spaproc/ch1/1_3.php
Unexpended Plant Funds (capital)

- 13B (heaf funded from a 13A)
- 19A (Designated funded from 11, 12, 14, 16, 17, 18)
- 19B (Designated TRIP)
- 29A & B (Restricted funded from 20’s)
- 39A (Auxiliary funded from 31A)
- 91A, B, F Unexpended Plant (misc., Pledged gifts, FMV Investment Changes, bond & commercial paper projects, misc. funding from all except 13 now.)
- A true Capital Building 7J expense (7J0101 and above) must be in an unexpended plant fund

*Note no new projects are setup in 19A&B, 29A&B, and 39A anymore. They are transferred to 91B.
Current Unexpended Plant Funds

- 13B – HEAF
- 19B – Designated TRIP
- 91B & F – Plant

Transfers to 91 by multiple funds are allowed now so we don’t have multiple funds for same project. HEAF has to stay separate.
SPA Class Codes

- Building
- Construction in Progress
- Infrastructure
- Facilities and Other Improvements
- Capital Equipment
- Vehicles
- Software
- Museum & Art
- Land
- Livestock
- Books & Periodicals
- Controlled Assets (7C)

Depreciation Lives Vary by Class

Account Codes Vary by Class
### All 7J Capital Account Codes

<table>
<thead>
<tr>
<th>7J0</th>
<th>Capital Outlay</th>
<th>Property Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7J0001</td>
<td>CO Passenger Cars Capital</td>
<td>Capitalized passenger car, any passenger car with a value greater than $5,000 including delivery and associated purchase expenses. Property Comments: Vehicle Given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0010</td>
<td>CO Other Motor Vehicles Capital</td>
<td>Capitalized vehicles, other than a passenger car with a value greater than $5,000 including delivery and associated purchase expenses. Property Comments: Vehicle Given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0020</td>
<td>CO Furnishings/Equipment Above $5000</td>
<td>Capitalized furnishings and equipment with a value greater than $5,000 including shipping and associated purchase expenses. Includes diagnostic, heavy, industrial, law enforcement, medical, office and safety equipment. Property Comments: Capital Equipment given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0021</td>
<td>CO F/E Unmanned Aircraft &gt; $5000</td>
<td>Capitalized unmanned aircraft (drones) with a value greater than $5,000 including shipping and associated purchase expenses. Property Comments: Capital Equipment given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0029</td>
<td>CO Prepaid Furn/Equip Above $5000</td>
<td>Use this code for the entire purchase if any portion of capitalized furnishings and equipment is to be paid in advance (including prepaid deposits). Property Comments: Capital Equipment given TTU Asset Number. Accrual code change to 7J0020 when no longer prepaid.</td>
</tr>
<tr>
<td>7J0030</td>
<td>CO Computer Equipment Above $5000</td>
<td>Capitalized computer equipment with a value greater than $5,000 including shipping and associated purchase expenses. Includes optical disk drives, scanners, printer, tape drives, terminals and workstations. Property Comments: Capital Equipment given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0039</td>
<td>CO Prepaid Computer Equip &gt; $5000</td>
<td>Use this code for the entire purchase if any portion of capitalized computer equipment is to be paid in advance (including prepaid deposits). Property Comments: Capital Equipment given TTU Asset Number. Accrual code change to 7J0003 when no longer prepaid.</td>
</tr>
<tr>
<td>7J0040</td>
<td>CO Animals Capital</td>
<td>Livestock given a TTU Asset Number (not physically placed on animal). Property Comments: Livestock given a TTU Asset number for inventory/depreciation purposes.</td>
</tr>
<tr>
<td>7J0050</td>
<td>CO Computer Software $100K &gt; Capital</td>
<td>Capitalized computer software with a value greater than $100,000 including shipping and associated purchase expenses. Property Comments: Software given a TTU asset number for inventory/depreciation purposes.</td>
</tr>
<tr>
<td>7J0059</td>
<td>CO Prepaid Computer Software $100K &gt;</td>
<td>Use this code for the entire purchase if any portion of capitalized computer software is to be paid in advance (including prepaid deposits). Property Comments: Software given a TTU asset number for inventory/depreciation purposes. Accrual code change to 7J0050 when no longer prepaid.</td>
</tr>
<tr>
<td>7J0060</td>
<td>CO Fabrication of Equipment Capital</td>
<td>To record payment for equipment that is constructed from individual parts and is identifiable as a discrete item. Property Comments: Capital Equipment given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0070</td>
<td>CO Internal Dev Comp Software $1M+</td>
<td>To record payment for internally generated computer software. Total cost must be equal to or greater than $1,000,000 and have an estimated useful life greater than one year. Property Comments: Software given a TTU Asset number for inventory/depreciation purposes.</td>
</tr>
<tr>
<td>7J0080</td>
<td>CO Books and Ref Materials Capital</td>
<td>To record payment for books and reference materials, regardless if used for a professional, academic or research library, where library collection cost is equal to or greater than $5,000 and an estimated useful life of more than one year. Property Comments: Capital Equipment given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0090</td>
<td>CO Telecomm Equipment Capital</td>
<td>Telephones, telephone systems and telecommunications equipment with a unit cost greater than or equal to $5,000 and a useful life of more than one year. Property Comments: Capital Equipment given TTU Asset Number.</td>
</tr>
<tr>
<td>7J0099</td>
<td>CO Prepaid Telecomm Equip &gt; $5000</td>
<td>Use this code if any portion of capitalized telephones, telephone systems and telecommunications equipment is to be paid in advance (including prepaid deposits). Property Comments: Capital Equipment given TTU Asset Number. Accrual code change to 7J0009 when no longer prepaid.</td>
</tr>
<tr>
<td>7J1000</td>
<td>CO Art Capital</td>
<td>To record payment for collections or individual items of significance that are not held for financial gain, but rather for public exhibition, education or research in furtherance of public service. Collections or individual items that are protected and cared for and preserved. Property Comments: Museum &amp; Art given TTU asset number.</td>
</tr>
<tr>
<td>7J1001</td>
<td>CO Art Commissioned Art Capital</td>
<td>To record payment for commissioned works of art for public exhibition with a total cost $5,000 that will be protected and cared for and preserved. Property Comments: Museum &amp; Art given TTU asset number. Only for FPC non 1% artwork.</td>
</tr>
</tbody>
</table>
### All 7J Capital Account Codes

#### Only Unexpended Plant Funds (13B, 19A&B, 29A&B, 39A, 91’s can use these account codes)

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7J0110</td>
<td>CO Facilities Site Develop Capital</td>
</tr>
<tr>
<td>7J0111</td>
<td>CO Facilities Utilities Capital</td>
</tr>
<tr>
<td>7J0112</td>
<td>CO Facilities Landscape Capital</td>
</tr>
<tr>
<td>7J0113</td>
<td>CO Facilities Prof Fees Capital</td>
</tr>
<tr>
<td>7J0114</td>
<td>CO Facilities Grounds Capital</td>
</tr>
<tr>
<td>7J0115</td>
<td>CO Facilities Construct OH Capital</td>
</tr>
<tr>
<td>7J0130</td>
<td>CO CIP Building Capital</td>
</tr>
<tr>
<td>7J0135</td>
<td>CO Land</td>
</tr>
<tr>
<td>7J0136</td>
<td>CO Land Improvements</td>
</tr>
<tr>
<td>7J0140</td>
<td>CO Bldg Impr Fixed Equip Capital</td>
</tr>
<tr>
<td>7J0141</td>
<td>CO Bldg Impr Remodel State Capital</td>
</tr>
<tr>
<td>7J0142</td>
<td>CO Bldg Impr Prof Fees Capital</td>
</tr>
<tr>
<td>7J0143</td>
<td>CO Bldg Impr Cont Temp Svs Capital</td>
</tr>
<tr>
<td>7J0144</td>
<td>CO Bldg Impr Construct OH Capital</td>
</tr>
<tr>
<td>7J0145</td>
<td>CO Bldg Impr Travel Capital</td>
</tr>
<tr>
<td>7J0146</td>
<td>CO Bldg Impr Constructed Capital</td>
</tr>
<tr>
<td>7J0150</td>
<td>CO Infrastructure Site Dev Capital</td>
</tr>
<tr>
<td>7J0151</td>
<td>CO Infrastructure Utilities Capital</td>
</tr>
</tbody>
</table>

#### Notes:
- Facilities & Other Improvements
- Construction in Progress
- Land - non depreciable
- Building
- Infrastructure
Yearly Threshold & Capitalization

- Buildings- $100,000
- CIP- 0 (Any Cost)
- Facilities & Other Improvement- $100,000
- Infrastructure- $500,000

*Note: Each fund does not have to meet the threshold to be an unexpended plant fund. All expenses together for one building or spa class must meet threshold at year-end.

- Upon substantial complete of CIP projects (85%) all expenses at that time are spilt percentage wise into different building components and capitalized in the fixed asset system. The building will now depreciate.

- All other categories are capitalized at year-end if the building or class meet the yearly threshold.
Buildings and Building Improvements

Building Definition
A building is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls and is not intended to be transportable or movable. Buildings that are ancillary to the state’s highway network, such as rest area facilities and toll buildings, are reported as infrastructure rather than as buildings.

Building Improvement Definition
Building improvements are capital events that materially extend the useful life of a building or increase its value, or both. A building improvement should be capitalized and recorded as an addition of value to the existing building if the expenditure meets the capitalization threshold.

Building Componentization
Componentization is the process of separately calculating the depreciation of major building structural components, subsystems and equipment.

Effective Sept. 1, 2001 (as required by Texas Government Code Section 2101.015), state agencies that receive federal funds to implement federal or joint federal and state programs and own a building with a fair market value of at least $1 million componentize on a prospective basis. As each building component is replaced, it is separately depreciated based on its individual useful life. At a minimum, the agency should use the following component categories and suggested useful lives or refer to the SPA class codes:

- Building shell, 30 years
- Electrical and lighting systems, 20 years
- Plumbing systems, 20 years
- Fire protection systems, 20 years
- Elevator systems, 20 years
- Fixed equipment assets, 20 years
- Heating, ventilation and cooling systems, 15 years
- Floor coverings, 15 years
- Interior finish, 15 years
- Miscellaneous construction features, 15 years
- Roof coverings, 10 years

Must use account codes 7J0140-7J0146

These are renovations to existing buildings. If FPC is completing the renovation because $2M or greater, then we count it as CIP so we can componentize out during CIP to BLDG conversion.

Yearly Threshold - $100,000 per building not project.
Construction in Progress

Construction in Progress Definition

Construction in Progress reflects the cost of all projects for construction of buildings, other improvements, equipment and intangible assets that are in progress (under way) at a particular point in time.

Depreciation Methodology

Depreciation is not applicable while assets are accounted for as construction in progress.

Capitalization Threshold

Construction in progress assets are capitalized to the appropriate capital asset categories at the earliest occurrence of:

- substantial completion contract documents are executed,
- occupancy or
- when the asset is placed into service.

Chapter 4 explains how to report construction in progress in SPA.

Must use account codes 7J0130 & 7J0139

These are usually new buildings or an FPC renovation because $2M or greater so we can componentize out during CIP to BLDG conversion.

Yearly Threshold - $0 per building not project.
Infrastructure

Infrastructure Definition

Infrastructure is a long-lived capital asset that normally is stationary in nature and can be preserved for significantly more years than most capital assets. Infrastructure assets are often linear and continuous.

Note: Prospective reporting of general infrastructure assets was required beginning in fiscal 2002. Also required was the retroactive reporting of infrastructure assets purchased, constructed or donated in fiscal years ending after June 30, 1980, or infrastructure assets that received major renovations, restorations or improvements during that period. State entities are encouraged to report their entire infrastructure, if possible.

Infrastructure Improvements

Infrastructure Improvements are capital events that materially extend the useful life or increase the value of the infrastructure, or both. Infrastructure improvements should be capitalized and recorded as an addition of value to the infrastructure if the improvement or additional value meets the capitalization threshold.

Capitalization Threshold

The capitalization threshold for depreciable infrastructure is $500,000 and non-depreciable infrastructure is $0. Infrastructure already capitalized remains capitalized.

Examples of Expenditures to Capitalize as Infrastructure

• Highway and road areas
• Roads, streets, curbs, gutters, sidewalks, fire hydrants
• Bridges, railroads, tunnels
• Canals, waterways, wharves, docks, sea walls, bulkheads, boardwalks
• Dam, drainage facility
• Radio or television transmitting towers
• Electric, water and gas (main lines and distribution lines, tunnels, etc.)
• Fiber optic and telephone distribution systems (between buildings)
• Light system (traffic, outdoor, street, etc.)
• Signage
• Airport runway, strip, taxiway or apron

Must use account codes 7J0150-51

Yearly Threshold - $500,000 per class not project.
Facilities and Other Improvements

Facilities Definition
Facilities are assets (other than general use buildings) that are built, installed or established to enhance the quality or facilitate the use of land for a particular purpose.

Other Improvements Definition
Other Improvements are enhancements made to a facility or to land.

Depreciation Methodology
The straight-line depreciation method (historical cost minus residual value divided by useful life) is used for Facilities and Other Improvements.

Capitalization Threshold
The capitalization threshold for facilities and other improvements is $100,000.

Examples of expenditures to capitalize as facilities and other improvements:
- Fencing and gates
- Landscaping
- Parking lots, driveways or parking barriers
- Outside sprinkler systems
- Recreation areas and athletic fields (including bleachers)
- Golf courses
- Paths and trails
- Septic systems
- Stadiums
- Swimming pools, tennis courts or basketball courts
- Fountains
- Plazas and pavilions
- Retaining walls

Must use account codes 7J0110-7J0115

Yearly Threshold - $100,000 per class not project.