New Mexico State University Property Accounting Summary

Definitions for Property – Is it a Capital Asset, a Non-Capital Asset, or Something Else?

Capital Asset: (Use the account code 78XXXX)  
- Moveable assets/Not permanently affixed to a building  
- Valued at $5,000 or More with an expected useful life of 1 year or More  
- Includes Perpetual Licensed SOFTWARE (use account code 786000)  
- FREIGHT /INSTALLATION charges are added to the acquisition cost or value of Capital Assets  
- DISCOUNTS should be deducted from the value of the Capital Asset (on PO)  
- Included as an ASSET in NMSU’s Financial Statements and DEPRECIATED (expensed) over Useful life

ALL CAPITAL ASSETS ARE TAGGED

Non-Capital Asset: (Use the account code 740XXX)  
- Moveable assets/Not permanently affixed to a building  
- Valued at $1,000 to $4,999.99 with an expected useful life of 1 year or More  
- Included as an EXPENSE in the Current Year University Financial Statements and NOT DEPRECIATED

ALL NON-CAPITAL ASSETS ARE TAGGED

Items NOT TAGGED: (DON’T use 78XXXX or Commodity Code XX00)  
- Equipment or Supplies Less than $1,000  
- Software Less than $5,000 or Software Subscriptions

THESE ITEMS ARE NOT TAGGED

Account Codes and Commodity Codes – Why do they Matter?

<table>
<thead>
<tr>
<th>Account and Commodity Code Possibilities</th>
<th>O-tag Created?</th>
<th>Cap Entry Created?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Code 78XXXX and Value Greater than $5,000</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Account Code 78XXXX and Value LESS than $5,000</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Commodity Code XX00 (any account other than 78XXXX)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Commodity Code XX99 (any account other than 78XXXX)</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

When an O-tag is created Property Accounting looks for an Asset to tag and add to the inventory system.

Who Owns the Asset?  U-tags, F-tags, S-tags and P-tags

Is it Contractor Acquired Property (CAP) / Gov’t Furnished Property/Equipment (GFP/GPE)?

U-Tags – Assets OWNED by NMSU  
For Federally Funded Capital Assets use account code 780300; all other Capital Assets should use 780200

CAPITAL or NON-CAPITAL ASSETS

F, S, or P-Tags – Assets NOT OWNED by NMSU  
These assets typically have annual reporting requirements and require permission for disposal/transfer  
These tags are tracked by NMSU and inventoried, but NOT included in NMSU’s Financial Statements

TYPICALLY CAPITAL ASSETS (refer to specific Grant)

F-Tags – Assets OWNED by Federal Gov’t - Use account code 780400  
S-Tags – Assets OWNED by State Gov’t - Use account code 780500  
P-Tags – Assets OWNED by Private Entity - Use account code 780700

For Questions Contact: Josh Munoz, Manager Property Accounting, 646-3133  
jlmunoz@nmsu.edu

To Request an Equipment Tag Contact: Central Receiving centralreceiving@nmsu.edu


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