

# 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)*

**ALL CAPITAL ASSETS ARE TAGGED**

- 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

Non-Capital Asset: *(Use the account code 740XXX)*

**ALL NON-CAPITAL ASSETS ARE TAGGED**

- 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

Items NOT TAGGED: (DON'T use 78XXXX or Commodity Code XX00)

**THESE ITEMS ARE NOT TAGGED**

- Equipment or Supplies Less than \$1,000
- Software Less than \$5,000 or Software Subscriptions

## Account Codes and Commodity Codes – Why do they Matter?

| Account and Commodity Code Possibilities                   | O-tag Created? | Cap Entry Created? |
|--|----------------|--------------------|
| Account Code 78XXXX and Value Greater than \$5,000         | Yes            | Yes                |
| Account Code 78XXXX and Value LESS than \$5,000            | Yes            | No                 |
| Commodity Code <u>XX00</u> (any account other than 78XXXX) | Yes            | No                 |
| Commodity Code <u>XX99</u> (any account other than 78XXXX) | No             | No                 |

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

**CAPITAL or NON-CAPITAL ASSETS**

For Federally Funded Capital Assets use account code 780300; all other Capital Assets should use 780200

**F, S, or P-Tags** – Assets NOT OWNED by NMSU

**TYPICALLY CAPTIAL ASSETS (refer to specific Grant)**

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

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:** Mike Hoskins, Asst. Director, Property Accounting, 646-3133 [hoskins@nmsu.edu](mailto:hoskins@nmsu.edu)

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See also **Capital Asset Guide** <http://af.nmsu.edu/wp-content/uploads/sites/4/2013/05/Capital-Asset-Guide.pdf>