

CHAPTER 8

CAPITAL ASSET ACCOUNTING

SCOPE

This chapter addresses the accountability for capital assets purchased by the State of Indiana – how capital asset records are maintained, how such assets are reported for financial reporting purposes, and the responsibility of agency personnel regarding such assets. Also included is general guidance for capital asset accounting in the ENCOMPASS financial system, rules on the disposition of surplus property, and federal requirements for capital assets purchased with federal funds.

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8.1 STATUTORY AUTHORITY

IC 4-13-1-20(b), regarding the Department of Administration, states in part: “The department shall do both of the following: (1) Provide for the periodic inspection, appraisal, and inventory of all of the state’s property. (2) Require reports from each state agency concerning the property in the custody of each state agency.”

IC 4-20.5-6-3, regarding real property, states: “The department shall provide for the periodic inspection, appraisal, and inventory of all of the state’s property, and shall require reports from agencies concerning the property in their custody.”

Capital asset inventories are monitored to ensure compliance and accountability by IDOA through cooperation of the agencies, the Auditor of State, and the State Board of Accounts. Agency officials are ultimately responsible for the accountability and security of all assets.

8.2 ACCOUNTING THEORY

8.2.1 Financial Reports – State of Indiana CAFR

The State Comprehensive Annual Financial Report (CAFR) is compiled by the Auditor of State and audited by the Board of Accounts at the end of each state fiscal year. This report is vital to the State’s bond rating and must be prepared in accordance with generally accepted accounting principles (GAAP), which requires capital assets to be included at cost (or estimated cost) and depreciated over the useful life of the asset. In order to obtain this financial information, each agency must maintain certain required information in the asset module of ENCOMPASS. The State of Indiana requires that assets costing \$500 and over are included in the ENCOMPASS financial system, thus available for inclusion in the financial statements.

8.2.1.1

What are capital assets?

As defined in GASB 34*, capital assets include all of the following, assuming a useful life of greater than one year:

- Land (including right of way, easements)
- Improvements to Land
- Infrastructure (roadways, bridges, etc.)
- Buildings
- Improvements Other than Buildings
- Transportation Equipment
- Machinery and Other Equipment
- Construction in Progress

8.2.1.2

Asset depreciation – Capital Asset vs. Maintenance

Except for land and inexhaustible collections, certain infrastructure reported under the modified approach (see GASB 34) and construction in progress, which will be moved to an asset category when completed, capital assets are required to be depreciated over the useful life of the asset. Only the Department of Transportation (INDOT) is currently utilizing the modified approach.

Improvements and repairs which allow an asset to continue to be used during its originally established useful life are expensed as a maintenance expense rather than being capitalized (added to the asset value). Improvements and repairs which extend the useful life of an asset are called preservation costs and should be capitalized for all capital assets, with the exception of infrastructure which is reported under the modified approach. Additions and improvements which increase the capacity or efficiency of the asset should be capitalized for all assets, including all infrastructure.

When a capital asset is traded in for another asset, after the transaction is complete, the cost of the new asset should be adjusted to FMV (fair market value) in order that future depreciation might be applied accurately. (See 8.4.3)

8.2.1.3

Capital Asset Policy

The capital asset policy for Indiana State Government, which includes details of capitalization and depreciation, is maintained by the Auditor of State and can be found at http://www.in.gov/auditor/files/Capital_Asset_Policy_July_2009.pdf.

* Government Accounting Standards Board, Statement 34

8.3 INTERNAL CONTROL

Agency personnel are responsible for accountability for all assets under their control, including capital assets. Adequate asset management staff should be assigned to recording and maintaining, on the ENCOMPASS financial system, all capital assets with a cost of \$500 or more. Assets are automatically capitalized upon approval by either the BU approver or AOS approver. Controls should be in effect to assure that additions, disposals, and transfers to other departments or agencies are recorded timely. Inventories of these assets should be performed each year in each department and compared to the ENCOMPASS listing. Results of inventories should be retained for audit purposes.

Capital assets with a cost of less than \$500 may be included in ENCOMPASS Asset Management at the agency's option. All assets in the system should be capitalized.

8.4 BUSINESS PROCESSES

8.4.1 Acquisition of Capital Assets

The preferred process for acquisition of capital assets is through ePro purchasing. If the correct accounts are used for asset purchases (55xxxx) and an asset profile is noted, the asset will automatically be converted from an expense (55xxxx) to an asset (15xxxx) and loaded into the asset management database.

8.4.1.1 Donated Assets

Donated assets should be entered directly into Asset Management at estimated fair value at the date of acquisition.

8.4.1.2 Required Chartfields

For all assets with cost (if donated asset, market value) above \$500, Tag number, Custodian and Location are required asset fields in order to load an asset to Asset Management (AM). These fields must be completed when the asset is delivered to and accepted by the agency receiver; or, if the actual receiver is offline, the entry person recording from the receiver must enter this information. Agency management should assess, and in some cases change, their business processes in order to provide this information to the person receiving the asset into ENCOMPASS. In the case of a trade-in of an asset on another asset, the cost of the new asset should be adjusted to equal market value.

If an asset is processed into AM at a cost of less than \$500, these fields (Tag number, Custodian and Location) are not required; however, in the event that an error was made and the cost of

the asset is later changed to an amount exceeding \$500 (including trade-in assets noted above), it is the responsibility of the Asset Entry person to record these fields.

Other information which must be maintained includes the Asset Category, Asset Type, Acquisition Date, Asset Description, Asset Acquisition Cost, Purchasing Fund, Serial Number (if applicable), VIN Number (vehicles) and, if purchased with federal funds or a capital project, the project number involved.

Tags may be purchased through ID Label Inc., QPA #12077.

8.4.1.3 Asset Profile ID

In the process of purchasing an asset, an asset profile ID must be selected; this asset profile ID will assure that the correct useful life and depreciation is applied in Asset Management. When creating a requisition, in the Accounting Defaults section, Asset Information tab, all available profiles are accessible using the 'lookup' function. The main categories (first three digits of profile) are listed in Appendix 8.5.3 of this chapter.

8.4.2 Transfer/Disposal of Capital Assets

All transfers, sales, retirements and other disposals of capital assets must be processed through and approved by State Surplus Property division of IDOA by submitting Form 13812, Notification of Surplus State-Owned Property. <http://www.in.gov/icpr/webfile/formsdiv/index.html>

8.4.2.1 Transfer of Capital Assets to Another State Agency

If an asset is being transferred from one agency to another, the "donator" agency will generate the Transfer process in ENCOMPASS Asset Management. The "receiving" agency must manually assign a new asset tag number to the asset. The acquisition date and original cost for the asset do not change. The fund number for the asset must be changed to a "receiving" agency fund number. When the transfer is made, the asset cost and accumulated depreciation will be automatically transferred as well.

8.4.2.2 Transfer by Sale of Capital Asset to Other State Agency

A sale of an asset to another state agency must also be approved by State Surplus or, in the case of motor vehicles, trailers, and INDOT road equipment, IDOA Fleet Management. State Surplus or Fleet Management will work with the agency to determine the type of sale, location, etc. Net proceeds, after selling costs of Surplus or Motor Pool, are subsequently credited to the selling agency.

8.4.3 Retirement of Capital Assets

The Department of Administration establishes guidelines and requirements relating to the retirement of agency assets. Generally, surplus property may be considered “retired” if disposed of in any of the following ways:

- **Sent to Surplus property division (AM Retirement Code - State Surplus)*
- **Trade-in on another asset from an outside party; since a purchase is involved here, IDOA Procurement and Surplus property must be involved; requisitions for the new items must include the price without trade-in, the trade-in value, and the price with trade-in. (AM Retirement Code – Traded in for Another Asset)*
- *Note: As only the net cost will be pulled to AM from the PO, it will be necessary for the agency asset staff to make a Cost Adjustment to the asset in AM in order to bring the value to FMV for correct valuation and depreciation. Failure to complete this could result in significant underreporting of the State’s assets on the Comprehensive Annual Financial Report.*
- *Scrap when no other disposition is efficient or economical; contact the Recycling Program Manager in the Operations Division of the Department of Administration prior to disposal. (AM Retirement Code – Scrapped Asset)*
- **Sell at public auction or by sealed bid; Surplus Property will determine method of sale’ Net proceeds, after costs of Surplus or Motor Pool, are credited to the selling agency. (AM Retirement Code – Retirement by Sale)*
- **Sell to local unit of government by sealed bid; Surplus Property will assist. Net proceeds, after costs of Surplus or Motor Pool, are credited to the selling agency. (AM Retirement Code – Retirement by Sale)*
- *Stolen assets should be reported to the Capital Police and the Office of the Inspector General prior to processing retirement. (AM Retirement Code – Disposal Due to Theft)*
- *Assets destroyed by flood, fire, etc. Document the event resulting in the loss. (AM Retirement Code – Casualty Loss)*
- *Retirement in system due to duplicate entry (AM Retirement Code – Duplicate)All retirements, whether or not State Surplus is involved, must be recorded in the ENCOMPASS Asset Management system, including accounting for any money received..*

**Must have prior permission of State Surplus Property Division or, in the case of vehicles, Fleet Management*

8.4.4 Leased Assets

If a capital asset is acquired through a lease contract, this must be indicated in the checkbox when the purchase order is created. Purchase order staff should take care to NOT enter an asset profile or flag as an asset. The accounting department of the Auditor of State will review all lease contracts and enter applicable information into the Asset Management system, thus determining whether a “capital” or “operating” lease. If a “capital” lease, financial information, including depreciation, for the asset will be maintained the same as for a purchased asset. A Lease Guide for ePro Users is available on the IDOA website (<http://www.in.gov/idoa/2342.htm>); procedures therein must be followed and required documents sent to the AOS staff.

If the agency keeps the asset at the end of the lease, the AOS will retire the asset using the retirement code "Expired Lease". When you receive notification of this retirement, you will need to re-enter the asset in the system following the guidelines provided.

8.4.5 Assets Purchased with Federal Funds or through Capital Projects

If assets are purchased with federal funds and/or through a capital construction project, this information will be maintained in Project Costing. When completed, the asset should be added to AM as a Basic Add in Asset Management.

Assets Purchased with Federal Funds

The title of equipment purchased by an agency with federal funds, in whole or in part, vests with the State. The agency is to use, manage, and dispose of the asset in accordance with State laws, rules, and procedures. The asset shall be used by the agency in the program or project for which it was acquired for as long as needed, whether or not the project or program continues to be supported by federal funds.

Property records must be kept in compliance with state rules. In addition, the records must include the percentage of federal participation in the cost of the asset, the location, use and condition of the asset, and ultimate disposition data including the date of disposal and any sales price. Agencies should maintain this information on the ENCOMPASS financial system. Records showing proper disposition of the asset should be maintained at least three years from date of disposition.

Any purchase, use, or disposal of assets purchased with federal funds must be in accordance with guidelines established in Office of Management and Budget Code of Federal Regulations 2CFR225 (formerly OMB Circular A-87), which can be found at http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=35682c1257a3a621ff9c361f0f0e545d&tpl=/ecfrbrowse/Title02/2cfr225_main_02.tpl

8.4.6 Physical Inventories

Each year a physical inventory is to be taken and compared to the master listing from the ENCOMPASS Asset Management system. This helps to ensure the asset inventory is accurate and that assets have not left the agency without authorization. It also aids in identifying unused or obsolete assets. Evidence of the physical inventory must be maintained in the agency's records.

To certify the inventory has been performed, the following information will be included in the ENCOMPASS Asset Management system utilizing the Location and Custodian sections and the authorized section of the Location and Custodian tabs:

- The date of the physical inventory
- The current location
- The current custodian (last name, first name) of the assets in inventory
- The person performing the inventory
- The authorization date

8.5 APPENDICES

8.5.1 Capital Asset Policy

The official capital asset policy of the State of Indiana, as established by the Auditor of State and approved by the Indiana Department of Administration, is located at

http://www.in.gov/auditor/files/Capital_Asset_Policy_July_2009.pdf.

8.5.2 Capital Asset Reports/Queries

Several custom reports and queries have been designed to provide agencies (and auditors) with lists of capital assets and all pertinent information. Listed below are public queries which will give you most necessary information for maintaining accurate asset records.. We recommend that the AM Staff use a schedule to monitor asset activity using these queries.

- SOIAM025 – This query is modeled after the Asset Master report. The results include all successfully capitalized, in service, non-leased asset for the requested BU. The fields returned include acquisition date, asset descr, tag number, capitalized cost and serial number.
- SOIAM025_PLUS – This query is also modeled after the Asset Master report and returns the same number of assets as the SOIAM025 report. The difference between the SOIAM025 and the SOIAM025_PLUS is the number of fields returned in the results. Along with the asset descr, tag number, and serial number, the PLUS returns the custodian and the location and their most current effective dated row. This query should prove to be valuable during the annual inventory.
- SOIAM_SPECIAL_PROJECT_FY_2014 – The query was originally designed as a FY 2014 “clean-up” project to help agencies identify assets that had inconsistent values for asset descr, asset profile and asset category. After Fy 2014, the query can be used to continue to monitor these fields or to help provide additional related information to team members new to the task of inventorying.
- SOIPO_ASSET_FLAGGED_POS – At this time, new assets purchased by the State should be interfacing from ePro and AP into AM. This query will allow AM team members to monitor the activity in ePro prior the interfacing process. This is more than just an error report. AM team members should work with the ePro staff to make sure that the correct PO lines are identified as assets, that non-assets aren’t incorrectly flagged as assets, and that the correct profile ids have been selected. Reviewing this report will greatly reduce the number of asset related errors that need to be resolved in AM. The report should be run as often as necessary to ensure accurate results.

8.5.3 Capital Asset Categories and Expense Accounts

Note: Due to periodic additions in asset profiles to provide additional detail, profiles are no longer included in this chart. Profile details can be accessed on the ENCOMPASS system (see 8.4.1.3). When searching for a profile, enter the Category digits from this table.

CATEGORY	DESCRIPTION/COMMENT	ACCT #
101 LAND USEFUL LIFE – DOES NOT APPLY	Non depreciable land purchases, including easements with indefinite useful lives	551101
110 ASSOCIATED LAND COSTS USEFUL LIFE – DOES NOT APPLY	Non depreciable; becomes part of land cost	551110
120 TEMPORARY LAND RIGHTS USEFUL LIFE – TERM OF CONTRACT/AGREEMENT	Amortizable; for land rights with noted beginning and end date; New category; created especially for amortization of land as required by GASB 51	551120
130 SITE IMPROVEMENTS USEFUL LIFE – 240-720 MONTHS BY PROFILE	Depreciable types of infrastructure; formerly in 151, but need to be depreciated	551130
150 LAND DAMAGE IMPROVEMENTS USEFUL LIFE – DOES NOT APPLY	Non depreciable; becomes part of land cost	551150
151 IMPROVEMENTS TO LAND USEFUL LIFE – DOES NOT APPLY	Non depreciable; becomes part of land cost; an improvement to land that would increase the value of the land	551151
160 HWY RELOCATION REIMBURSEMENT USEFUL LIFE – DOES NOT APPLY	Non depreciable; becomes part of land cost	551160
161 ANTIQUES & INEXHAUSTIBLE COLLECTIONS USEFUL LIFE – DOES NOT APPLY	Non depreciable; collections to be retained indefinitely or, if sold, replaced with a similar collection	551161
170 LAND ACQUISITION PROF SERVICE USEFUL LIFE – DOES NOT APPLY	Non depreciable; becomes part of land cost	551170
301 BUILDINGS USEFUL LIFE – 480 MONTHS	Depreciable; profiles self explanatory	555301
351 IMPROVEMENTS TO BUILDINGS USEFUL LIFE – 480 MONTHS	Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of building. but exclude cost of repairs, which should be	555351

CATEGORY	DESCRIPTION/COMMENT	ACCT #
	<i>expensed.</i>	
401 STRUCTURES OTHER THAN BUILDINGS USEFUL LIFE – 240 MONTHS	<i>Depreciable; other structures not considered as infrastructure</i>	555401
402 DOCKS – PORTS OF INDIANA USEFUL LIFE – 240 MONTHS	<i>Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of dock, but exclude cost of repairs, which should be expensed</i>	555402
403 HARBORS – PORTS OF INDIANA USEFUL LIFE – 480 MONTHS	<i>Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of dock, but exclude cost of repairs, which should be expensed</i>	555403
404 HARBOR IMPROVEMENTS – PORTS OF INDIANA USEFUL LIFE – 300 MONTHS	<i>Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of dock, but exclude cost of repairs, which should be expensed</i>	555404
405 – MOORING CELLS/STRUCTURES-CELLS USEFUL LIFE – 240 MONTHS	<i>Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of dock, but exclude cost of repairs, which should be expensed</i>	555405
406 – MOORING CELLS/ STRUCTURES-IMPROVEMENT USEFUL LIFE – 240 MONTHS	<i>Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of dock, but exclude cost of repairs, which should be expensed</i>	555406
451 IMPROVEMENTS TO STRUCTURES OTHER THAN BUILDINGS USEFUL LIFE – 240 MONTHS	<i>Depreciable; should include cost of subsequent additions or improvements that increase functionality (effectiveness or efficiency) or extend useful life of building. but exclude cost of repairs, which should be expensed</i>	555451
501 OFFICE EQUIPMENT USEFUL LIFE – 60 MONTHS	<i>Depreciable; not to include maintenance contract costs, which should be expensed</i>	555501
502 HOUSEHOLD, KITCHEN, LAUNDRY USEFUL LIFE – 60 MONTHS	<i>Depreciable; profiles self explanatory</i>	555502

CATEGORY	DESCRIPTION/COMMENT	ACCT #
503 OFFICE FURNITURE USEFUL LIFE – 84 MONTHS	Depreciable; profiles self explanatory	555503
505 AUTOMOBILES USEFUL LIFE – 96 MONTHS	Depreciable; profiles self explanatory	555505
506 STA WAGON, VAN,SUV USEFUL LIFE – 120 MONTHS	Depreciable; profiles self explanatory	555506
507 PICK UP TRUCKS USEFUL LIFE – 108 MONTHS	Depreciable; profiles self explanatory	555507
508 MED/HVY TRUCKS USEFUL LIFE – 168 MONTHS	Depreciable; profiles self explanatory	555508
509 GRADERS USEFUL LIFE – 120 MONTHS	Depreciable; graders for construction sites	555509
510 MOWERS USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555510
511 TRANSPORTATION EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555511
512 SNOW PLOWS/SNOW EQUIP USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555512
513 CONSTRUCTION AND ENGINEERING EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555513
514 BUILDING & PLANT EQUIPMENT USEFUL LIFE – 120 MONTHS	Depreciable; profiles self explanatory	555514
515 MANUFACTURING EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable; profiles self explanatory	555515
516 DESIGN & LOCATION ENGINEERING EQ. USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555516
517 ENGINEERING/TESTING/SAFETY EQUIPMENT	Depreciable; profiles self explanatory	555517

CATEGORY	DESCRIPTION/COMMENT	ACCT #
USEFUL LIFE – 60 MONTHS		
518 PAVING/MAINTENANCE EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable; profiles self explanatory	555518
520 TRAFFIC REGULATORY EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555520
521 MEDICAL AND LABORATORY EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555521
522 EDUCATIONAL EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555522
523 RECREATIONAL EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555523
526 TRACTORS USEFUL LIFE – 120 MONTHS	Depreciable; profiles self explanatory	555526
527 REST AREA EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555527
528 AIRCRAFT USEFUL LIFE – 120 MONTHS	Depreciable; profiles self explanatory	555528
529 SPREADER USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555529
530 RADIO/TELEPHONE EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555530
531 WINDOW AIR CONDITIONER USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555531
532 FIELD CROP AGRICULTURAL EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable; profiles self-explanatory	555532
533 OTHER FARM/AGRI EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable; profiles self-explanatory	555533

CATEGORY	DESCRIPTION/COMMENT	ACCT #
534 BOATS, MOTORS & OTHER MARINE EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable; profiles self-explanatory	555534
536 WEAPONS & RELATED RIOT CONTROL EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555536
537 WEIGH STATION EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555537
538 LANDSCAPING EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555538
539 SHOP EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555539
540 MAINFRAME COMPUTERS & PERIPHERAL DEVICES USEFUL LIFE – 36 MONTHS	Depreciable; not to include costs of maintenance contracts, which should be expensed	555540
541 CAMERA EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555541
542 FIRE FIGHTING EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555542
543 TRASH DUMPSTER USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555543
544 MICROFORM, READER & REPRODUCING EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable; profiles self explanatory	555544
553 COMPUTER SOFTWARE USEFUL LIFE – 36 MONTHS	Amortizable; includes software for mainframe, midrange and PCs; Category extended to include PC software and amortize as required by GASB 51	555553
554 COMPUTERS AND ACCESSORIES USEFUL LIFE – 36 MONTHS	Depreciable; profiles self-explanatory; not to include costs of maintenance contracts, which should be expensed	555554
556 COMPUTER DATA FILE USEFUL LIFE – 60 MONTHS	Depreciable; profiles self-explanatory	555556
601 INTERSTATE ROADS USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552601

CATEGORY	DESCRIPTION/COMMENT	ACCT #
602 NHS ROADS USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552602
603 NON NHS ROADS USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552603
604 INTERSTATE BRIDGES USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552604
605 NHS BRIDGES NON INTERSTATE USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552605
606 NON NHS BRIDGES USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552606
607 STATE INSTITUTION & PROPERTY ROADS USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552607
608 STATE INSTITUTION & PROPERTY BRIGDES USEFUL LIFE – DOES NOT APPLY	Non-depreciable; INDOT modified approach	552608
614 DNR INFRASTRUCTURE USEFUL LIFE – 240 MONTHS	Depreciable	552614
615 RAILROAD – PORTS OF INDIANA USEFUL LIFE – 600 MONTHS		552615
616 RAILROAD REHABILITATION USEFUL LIFE – 300 MONTHS		552616
617 STREETS – PORTS OF INDIANA USEFUL LIFE – 360 MONTHS		552617

THE FOLLOWING CATEGORIES ARE RESERVED FOR OPERATING AND CAPITAL LEASES; **ONLY** AOS STAFF ARE AUTHORIZED TO APPLY THESE CATEGORIES/PROFILES AFTER DETERMINATION IS MADE WHETHER THE LEASE IS CAPITAL OR OPERATING.

CATEGORY	DESCRIPTION/COMMENT	ACCT #
"OPERATING" LEASES ARE NON-FINANCIAL ASSETS, NOT TO BE CAPITALIZED OR DEPRECIATED		
8101 OP LSE LAND		590111
8301 OP LSE BUILDINGS		590110
8501 OP LSE OFFICE EQUIPMENT		591010
8502 OP LSE HOUSE, KITCHEN, LAUNDRY		591026
8505 OP LSE AUTOMOBILES		591024
8506 OP LSE STA WAG, SUV, ETC.		591024
8507 OP LSE PICK UP TRUCKS		591024
8508 OP LSE MED/HVY TRUCKS		591025
8511 OP LSE TRANSPORTATION EQUIPMENT		591023
8513 OP LSE CONSTRUCTION AND ENGINEERING EQUIPMENT		591028
8515 OP LSE MANUFACTURING EQUIPMENT		591013
8516 OP LSE DESIGN & LOCATION ENGINEERING EQUIP		591037
8518 OP LSE PAVING MAINTENANCE EQUIPMENT		591011
8521 OP LSE MEDICAL AND LABORATORY		591033

CATEGORY	DESCRIPTION/COMMENT	ACCT #
<i>EQUIPMENT</i>		
<i>8522 OP LSE EDUCATIONAL EQUIPMENT</i>		<i>591034</i>
<i>8523 OP LSE RECREATIONAL EQUIPMENT</i>		<i>591035</i>
<i>8526 OP LSE TRACTORS</i>		<i>591027</i>
<i>8528 OP LSE AIRCRAFT</i>		<i>591016</i>
<i>8530 OP LSE RADIO/ TELEPHONE EQUIPMENT</i>		<i>591019</i>
<i>8533 OP LSE OTHER FARM/AGRI EQUIPMENT</i>		<i>591027</i>
<i>8534 OP LSE BOATS, MOTORS & OTHER MARINE EQUIPMENT</i>		<i>591029</i>
<i>8539 OP LSE SHOP EQUIPMENT</i>		<i>591011</i>
<i>8540 OP LSE MAINFRAME COMPUTERS & PERIPHERAL DEVICES</i>		<i>591018</i>
<i>8544 OP LSE MICROFORM, READER & REPRODUCING EQUIPMENT</i>		<i>591031</i>
<i>8554 OP LSE COMPUTERS AND ACCESSORIES</i>		<i>591018</i>
<i>8556 OP LSE COMPUTER DATA FILE</i>		<i>591036</i>
CAPITAL LEASES ARE CAPITALIZED AND ACCOUNTED FOR AS OTHER CAPITAL ASSETS		
<i>9101 CAP LSE LAND USEFUL LIFE – DOES NOT APPLY</i>	<i>Non depreciable</i>	<i>590111</i>
<i>9301 CAP LSE BUILDINGS USEFUL LIFE – 480 MONTHS</i>	<i>Depreciable</i>	<i>590110</i>
<i>9501 CAP LSE OFFICE EQUIPMENT USEFUL LIFE – 60 MONTHS</i>	<i>Depreciable</i>	<i>591010</i>

CATEGORY	DESCRIPTION/COMMENT	ACCT #
9502 CAP LSE HOUSE, KITCHEN, LAUNDRY USEFUL LIFE – 60 MONTHS	Depreciable	591026
9505 CAP LSE AUTOMOBILES USEFUL LIFE – 96 MONTHS	Depreciable	591024
9506 CAP LSE STA WAG, SUV, ETC. USEFUL LIFE – 120 MONTHS	Depreciable	591024
9507 CAP LSE PICK UP TRUCKS USEFUL LIFE – 108 MONTHS	Depreciable	591024
9508 CAP LSE MED/HVY TRUCKS USEFUL LIFE – 168 MONTHS	Depreciable	591025
9511 CAP LSE TRANSPORTATION EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591023
9513 CAP LSE CONSTRUCTION AND ENGINEERING EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591028
9515 CAP LSE MANUFACTURING EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable	591013
9516 CAP LSE DESIGN & LOCATION ENGINEERING EQUIP USEFUL LIFE – 60 MONTHS	Depreciable	591037
9518 CAP LSE PAVING MAINTENANCE EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable	591011
9521 CAP LSE MEDICAL AND LABORATORY EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591033
9522 CAP LSE EDUCATIONAL EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591034

CATEGORY	DESCRIPTION/COMMENT	ACCT #
9523 CAP LSE RECREATIONAL EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591035
9526 CAP LSE TRACTORS USEFUL LIFE – 120 MONTHS	Depreciable	591027
9528 CAP LSE AIRCRAFT USEFUL LIFE – 120 MONTHS	Depreciable	591016
9530 CAP LSE RADIO/ TELEPHONE EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591019
9533 CAP LSE OTHER FARM/AGRI EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable	591027
9534 CAP LSE BOATS, MOTORS & OTHER MARINE EQUIPMENT USEFUL LIFE – 84 MONTHS	Depreciable	591029
9539 CAP LSE SHOP EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591011
9540 CAP LSE MAINFRAME COMPUTERS & PERIPHERAL DEVICES USEFUL LIFE – 36 MONTHS	Depreciable	591018
9544 CAP LSE MICROFORM, READER & REPRODUCING EQUIPMENT USEFUL LIFE – 60 MONTHS	Depreciable	591031
9553 CAP LSE MAINFRAME SOFTWARE – 36 MONTHS	Amortizable	
9554 CAP LSE COMPUTERS AND ACCESSORIES USEFUL LIFE – 36 MONTHS	Depreciable	591018
9556 CAP LSE COMPUTER DATA FILE USEFUL LIFE – 60 MONTHS	Depreciable	591036