INFORMATIONAL CIRCULAR NO. 99-A-013

DATE:	April 12, 1999
SUBJECT:	Deletion of Expenditure Sub-object Codes 4XX9
EFFECTIVE DATE:	June 30, 1999
CONTACT:	Pam Karns, Financial Integrity Team (785) 296-2660
APPROVAL:	Shirley A. Moses
SUMMARY:	Deletion of expenditure sub-objects 4XX9. These items will no longer be coded as capital outlay purchases, but will be classified as the appropriate commodity sub-object.

In past years, capital outlay purchases were classified under a dual sub-object code system which was determined by the cost of the item being purchased. Items with a useful life expectancy of one year, or more, with a cost of $75 ($20 for books), but less than $500 were classified as sub-object 4XX9 (non-inventory) and items with a useful life expectancy of one year, or more, with a cost of $500, or more, were classified as sub-object 4XX0 (inventory). To eliminate this inefficiency in coding, it has been determined that only those items with a useful life expectancy of one year, or more, with a cost of $500 (including books), or more, should be classified as "capital outlay" and maintained on inventory.

Effective with fiscal year 2000 business, the expenditure sub-object series 4XX9 will be eliminated and the definition of capital outlay will be amended to define capital outlay/inventory as any item with a useful life expectancy of one year, or more, and with a cost of $500, or more. Items purchased as fiscal year 2000 business which were previously classified as "non-inventory capital outlay" and coded 4XX9 will instead be classified as the appropriate commodity sub-object. When submitting encumbered items for DA-118 transactions for fiscal year 1999, please use the revised coding policy which eliminates the 4XX9 expenditure sub-object codes.

The following expenditure sub-object codes will be closed effective June 30, 1999. Please review all encumbrance documents that extend beyond fiscal year 1999 for this change in expenditure sub-object coding. This will expedite the processing of these encumbrance documents and help reduce the number of delays experienced during fiscal year closing.

4019 Agricultural Equipment and Machinery - Non - Inventory
4029 Household, Laundry and Kitchen Equipment and Furniture - Non - Inventory
4039 Office Furniture, Fixtures and Equipment - Non - Inventory
4049 Professional and Scientific Equipment - Non - Inventory

4079 Road and Highway Machinery and Equipment (Agencies 276, 710) - Non - Inventory
4089 Shop and Plant Maintenance Equipment - Non - Inventory
4099 Other Equipment, Machinery, Furniture and Fixtures - Non - Inventory
4109 Livestock - Non - Inventory
4119 Books and Library Material - Non - Inventory
4129 Reprographic Equipment - Non - Inventory
4139 Microcomputer Systems and Support Equipment - Non - Inventory
4169 Information Processing Equipment - Non - Inventory
4189 Computer Systems, Information Processing or Microcomputer Systems Software - Non - Inventory
4619 Telecommunications Termination Equipment - Non - Inventory
4629 Telecommunications Switching Equipment - Non - Inventory
4639 Telecommunications Transmission Equipment - Non - Inventory
4649 Radio (Portable) Equipment - Non - Inventory
4659 Radio (Fixed) Equipment - Non - Inventory
4669 Data Communications Equipment - Non - Inventory

Please note these deletions in your copy of the Uniform Expenditure Classification of Expenditure Sub-object Codes filing (P.P.M. No. 7,002). These deletions should be reflected in a future revision of this filing.