INFORMATIONAL CIRCULAR NO. 00-A-021 (Supplements Informational Circular 00-A-019)

DATE:	May 18, 2000		
SUBJECT:	Establishment of Additional Expenditure Sub-object Codes 4XX9		
EFFECTIVE DATE:	July 1, 2000		
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APPROVAL:	Approved by Dale Brunton		
SUMMARY:	To raise the capitalization threshold to $2,000 for inventory purposes and establish expenditure sub-objects 4XX9. See previous Informational Circular No. 00-A-019 dated 4-24-2000 for reestablished 4XX9 expenditure sub-object codes.		

Capital outlay purchases are classified under a dual sub-object code system to be determined by the cost of the item being purchased. Items with a useful life expectancy of one year or more and costing less than $2,000 will be coded as sub-object 4XX9 (non-inventory), and items with a useful life expectancy of one year or more and costing $2,000 or more will be classified as sub-object 4XX0 (inventory). Only those items with a useful life expectancy of one year or more and costing $2,000 or more, should be classified as "capital outlay" and maintained on inventory.

Effective with fiscal year 2001 business, the following expenditure sub-object codes for the 4XX9 series are being established and the definition of these capital outlay items is amended to define capital outlay/inventory as any item with a useful life expectancy of one year or more and costing $2,000 or more. Items purchased in fiscal year 2001 and costing between $500 - $1999.99 will be classified as "non-inventory capital outlay" and coded 4XX9. When submitting encumbered items for DA-118 transactions for fiscal year 2000, please continue to use the current capital outlay coding policy to record items.

The following expenditure sub-object codes are established effective July 1, 2000:

4059	Passenger Cars - Non - Inventory
4069	Trucks and Other Self - Propelled Equipment - Non - Inventory
4209	Buildings and Improvements - Non - Inventory

4319	Land and Interest in Land - Non -Inventory
4329	Mineral Rights - Non - Inventory
4339	Assessments for Improvements - Non - Inventory
4409	Land Nonstructural Improvements - Non - Inventory

These additions will be reflected in the Uniform Expenditure Classification of Expenditure Sub-object Codes filing (P.P.M. No 7,002) on the Division of Accounts and Reports web site http://www.da.ks.gov/ar/ppm/ppm01001.htm.

Items under $2,000 may be deleted from your agency inventory listing immediately and should not be included in the FY 2000 totals provided to the Division of Accounts and Reports. Items that appear on your Capital Outlay Report (DAFR8460) in amounts less than $2,000 for the remainder of FY 2000 should be disregarded and not added to your inventory listing.