



**State of Louisiana**  
DIVISION OF ADMINISTRATION

**OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

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August 14, 2001

**MEMORANDUM OSRAP 02-05**

TO: Fiscal Officers  
All ISIS Agencies

FROM: F. Howard Karlton, CPA  
Director

SUBJECT: Clarification of acquisition objects

During a recent Fiscal Officers meeting, several questions were asked concerning the proper use of the new acquisition objects. This memorandum provides more detailed definitions of those objects including examples. Also discussed are issues involving the budgeting for those expenditures.

**4441 - Acquisitions-Equipment costing less than \$1,000** - Durable goods not required to be tagged under Louisiana Property Assistance guidelines because the acquisition cost is below the threshold of \$1,000 and *not tagged or capitalized*. However, this property has a useful life greater than one year. This would be durable equipment \$250 or greater but less than \$1,000 used by an agency, such as: microwave ovens, small refrigerators, dollies, etc.

**4492 – Acquisitions-Office Equipment costing less than \$1,000** – Equipment used in the operations of an office. Cost would include purchase price, delivery charges, taxes, and other purchase related costs. Includes office machines, furniture, furnishings, etc. *that are not taggable or capitalized* whose cost is below the \$1,000 threshold. This object should be used for durable equipment \$250 or greater but less than \$1,000 used in an office setting, such as: file cabinets, tables, chairs, calculators, etc.

The differences between acquisitions and supplies would be the item's durability and its cost. If it is durable but under \$250 put it in supplies. If it is durable and \$250 or greater but less than \$1,000 put it in acquisitions. If it is not durable and is less than \$1,000 put it in supplies.

Agencies have a majority of their money budgeted in Supplies for the items described in Objects 4441 and 4492. It is the OSRAP position that agencies need to do EBs to show the proper budget under acquisitions rather than supplies. Even though durable goods exist under \$250, such as: staplers, hole punchers, etc., the amount expensed is not

material and it should have no effect on GASB 34 or the CAFR. Concerns about doing EBs to meet object definitions should be addressed with your budget analyst.

Questions were also asked involving where to charge resource books. Listed below are the definitions of objects 3180 and 4512 along with a discussion of where to charge the expenses.

**3180 - Operating Supplies-Other** - All other operating supplies which do not fit in any of the more definitive subcategories of "Operating Supplies", and which are consumed during the operations of your agency. For example, resource materials that are not considered part of a library or have a life expectancy less than one year.

**4512-Acquisitions-Library Costing Less Than \$1,000** - Books, films, microfilms, recordings, and periodicals when maintained by an agency in a library for its general use *that are not taggable or capitalized* whose cost is below the \$1,000 threshold. Cost would include purchase price, delivery charges, taxes, and other purchase related costs.

The charging of resource material costs to either object 3180 or 4512 is up to the agency. Those with formal libraries that want to distinguish the costs of having one would use object 4512. If, however, you periodically make small purchases to maintain your library, it should be charged to 3180.

If you have any questions, please contact the OSRAP Help Desk at (225) 342-1097.

FHK: fwk

c: Mr. Bob Rachal, OPB  
Mr. Ray Stockstill, OPB