



THE TEXAS A&M  
UNIVERSITY SYSTEM

# Capital Asset Best Practices Workshop

April 29, 2025



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# Welcome and Overview

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Controller  
Texas A&M System Office



# Howdy

- Appreciate everyone investing their time in attending this workshop
- We understand each institution and agency has many tasks and responsibilities
- Capital Assets are material to the balance sheet
  - Critical to be accurately reported
  - Auditors will audit these balances, **not if but when**
- The A&M members do an excellent job during AFR Desk Review and when SAO and/or the Comptroller's Office audits our capital assets



# Property Management Important

- Provide Property Managers opportunity to discuss topics and help train new property managers
- Understand State Requirements as we report under the State Comptroller's Office Guidance
- We purchase assets with state, federal and local funds
- Requirements are important



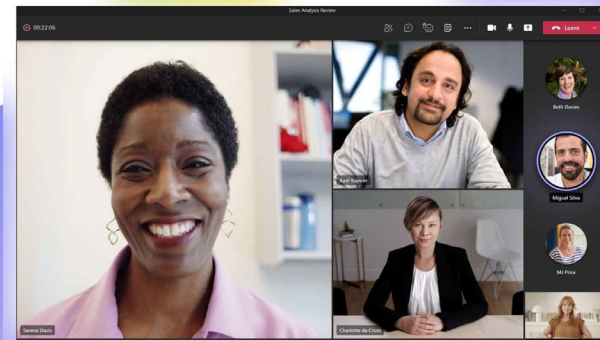
# Agenda



- Overview
- Beginner Session
- Intermediate Session
- Reconciliations
- Fleet Management
- AFR and USAS Entries
- Demo Radiant Asset Tracking Software
- Q&A Panel

# How long have you been working with Capital Assets and Property Management?

- I'm a newbie 0-2 years
- I've been around for a little while 2-5 years
- I've pretty much got this down 6-10 years
- Working with Property 11-20 years
- Working with Property more than 20 years



# Overview

- Introductions
- Importance of Capital Asset Reporting
- Threshold Changes: How it is impacting property managers
- Upcoming GASB Standards related to Capital Assets
- New Software Solutions-RFID

# Importance of Capital Asset Reporting

- Fall under State Comptroller's Office rules
- Part of the statewide ACFR
- State Requirements defined in the [SPA Process User's Guide - FPP N.005](#)
  - Capital asset category definitions,
  - capitalization thresholds,
  - depreciation methodologies and
  - examples of expenses for each class of assets as defined by State Property Accounting (SPA)





# What are Assets?



## Examples



# System Office Requirements

- Use the System Office Manual in conjunction with the State SPA Requirements [Asset Management Manual](#)
  - The manual has been updated
  - Minimal changes
- FAMIS Setup, requires the use of specific General Ledger Values and Titles



# Updates to the System Office Asset Management Manual

- Updated to reference the SPA, state of Texas guidelines moved from \$5,000 to \$10,000 in FY 2025; however, TAMUS stayed at \$5,000
- Minimal text changes for LeaseQuery changing names to FinQuery
- Transfers with agencies who use SPA must enter SPA entries are posted by **September 20** vs. September 28
- Demolition Costs-The Governmental Accounting Standards Board (GASB) has determined that demolition costs shall be capitalized or expensed depending on the following situations:
  - If land and building are purchased with the initial intent to use the land and demolish the building, the cost to demolish the building shall be capitalized as **land improvement**.
  - If land and building are purchased with the initial intent to use the land, demolish the building and build a new building, the cost to demolish the building shall be **capitalized as part of the cost of the new building if the demolition occurs soon thereafter**.
  - If land and building are purchased with the initial intent to use the land and the building, the costs to demolish the existing building at a later date shall be **expensed**. The demolition costs are an expense associated with the cost of using the existing asset and should not be capitalized in the cost of the new asset.

# Updates to the System Office Asset Mgmt. Manual

- Chapter 4 Tagging of Inventory
  - **Removed** the requirement a label must be placed on the asset within **10 days** which mirrors SPA Guidelines
  - Reworded the labeling requirement to help us match requirements but have flexibility
- Match to the SPA Guidelines
- Again, minimal edits
- Any questions or concerns?



# Property Managers

- Responsibilities
- Alternative Accountable Property Officer (Alt APO)

505 Location Data

04/16/25 12:  
FY 2025 CC

Screen: █ Asset: 2200017034

Dept: SOBA\_ Sub Dept: \_\_\_\_\_

Alt APO

Alt APO Name: CARTER, VICTORIA

Location

Building: 03200

Bldg CC: 01

Room: 356\_\_\_\_\_

Group: \_\_\_\_\_

Exec Level: CH

Division: F0

School: \_\_\_\_\_

County: \_\_\_\_\_

Other Location: TERESA EDWARDS\_\_\_\_\_

Ownership/Title: SYS\_

User UIN: \_\_\_\_\_

# Threshold Changes Personal Property

A large, 3D, gold-colored number '5000' is displayed. The numbers have a metallic sheen and are set against a light, textured background. A small vertical text 'Adobe Stock | #52499630' is visible on the left side of the number.

- 2025
  - The federal Uniform Guidance moved from \$5,000 to \$10,000
  - The State of Texas moved from \$5,000 to \$10,000
- Texas A&M University System has elected to stay at \$5,000 until we adjust our Facilities and Administration (F&A) rates
  - The federal government allowed for this change however they want to ensure we are not over collecting on our F&A rate
  - There are pros and cons
    - By increasing threshold to \$10,000, this will cause a flux in the depreciation...lift a burden for the property managers/PIs
    - Being able to charge expenses between \$5,000 and \$9,999 directly to the grant will increase direct charges





## Upcoming GASB Standards

# GASB 104-FY 2026

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	\$ 29,484	\$ 2,020	\$ (4,358)	\$ 27,146
Construction in progress	2,915	13,220	(14,846)	1,289
Total capital assets not being depreciated	32,399	15,240	(19,204)	28,435
Capital assets being depreciated:				
Buildings and improvements	40,861	334	-	41,195
Equipment	32,110	1,544	(1,514)	32,140
Road network	72,885	10,219	-	83,104
Bridge network	18,775	4,627	-	23,402
Software	2,100	548	(650)	1,998
Lease assets:				
Buildings	25,821	209	-	26,030
Equipment	20,389	2,312	(2,456)	20,245
Subscription assets	5,490	687	(743)	5,434
Total capital assets being depreciated	218,431	20,480	(5,363)	233,548
Less accumulated depreciation for:				
Buildings and improvements	(10,358)	(691)	-	(11,049)
Equipment	(9,247)	(2,676)	1,040	(10,883)
Road network	(12,405)	(823)	-	(13,228)
Bridge network	(2,896)	(197)	-	(3,093)
Software	(543)	(110)	25	(628)
Lease assets:				
Buildings	(7,456)	(596)	-	(8,052)
Equipment	(5,864)	(1,782)	823	(6,823)
Subscription assets	(1,009)	(450)	209	(1,250)
Total accumulated depreciation	(49,778)	(7,325)	2,097	(55,006)
Governmental activities capital assets, net	\$ 201,052	\$ 28,395	\$ (22,470)	\$ 206,977



# GASB 104-FY 2026

- Asset still reported by major class
- Note 2 disclose for Assets Held for Sale
- **GASB Example:** Capital assets-Building reported in Note 2. The Texas Star Building has a total
  - Historical cost of \$8.0 million
  - Accumulated depreciation of \$5.0 million, and
  - Building is pledged as collateral for debt with a balance of \$1.5 million



# GASB Preliminary Views-Infrastructure Assets

- **Infrastructure** assets would be defined as assets that may consist of multiple components that are part of a network of long-lived capital assets that are utilized to provide a particular type of public service, that are stationary in nature, and that can be maintained or preserved for a significant number of years.
- **Examples** of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, lighting systems, and communication networks
- **Required Supplementary Info. (RSI)**
  - infrastructure assets would present a schedule of **maintenance expenses** related to infrastructure assets by major class over the past 10 fiscal years



# New Radio Frequency IDentification (RFID) Software

## Property Location is being debated

- TACUBO researching this topic with us
- Does our property need to match to a room number?
- RFID technology can often match to the building, floor level...not the room

## Will we need to update items below?

- SPA Guidelines
- Regulations
- Manuals
- Policies
- Procedures



# Questions



# Next

**Logan Taylor**

Property Manager  
from East Texas A&M  
University



**EAST TEXAS**  
— **A&M** —