Capital Asset Training For Texas A&M

Presented by:

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- Overview
- Asset Basics
- Asset Tagging & Annual Physical Inventory
- Missing & Stolen Property
- SPA System Basics
- Construction in Progress
- Computer Software
- SPA Reports
- Year End Reconciliation

Overview

The SPA system was developed in the early 1990's in response to a legislative mandate (HB 39, 72nd Legislature)

In 2001, SPA began a major transformation in response to capital asset financial reporting requirements mandated by GASB Statements 34 & 35.

Comptroller of Public Accounts

↓

Fiscal Management Division

↓

Statewide Fiscal Oversight

↓

Statewide Fiscal Programs

↓

State Property Accounting

What do SPA Analysts do:

- Answer SPA policy and reporting questions

- Assist agencies in troubleshooting SPA system problems

- Monitor agency SPA data to identify exceptions and ensure compliance with statewide requirements

- Respond to information requests from the SAO, legislature, and general public regarding the state's capital assets

- Maintain accurate documentation for legislative and financial policy compliance

- Assist in preparing the Capital Asset Note (Note 2) for the ACFR

- Each state agency is responsible for reporting and maintaining capital asset information in the State Property Accounting System (SPA).

Types of SPA Agencies

There are three types of SPA agencies:

- Internal agency – Uses SPA as its only asset management system. All data entered online.

- Reporting agency – Has their own internal asset management system that reports to SPA via batch.

- External Agency – Higher Education Universities that have elected to no longer report to SPA. Exempt from reporting to SPA per Government Code, Chapter 403, Subchapter L, **Section 403.2715**

Reporting Status

Each state agency must request and obtain reporting status as one of the following:

- **Internal agency** – enter property on-line in SPA at the time of acquisition.

- **Reporting agency** – must report property information on a quarterly basis via batch transactions.
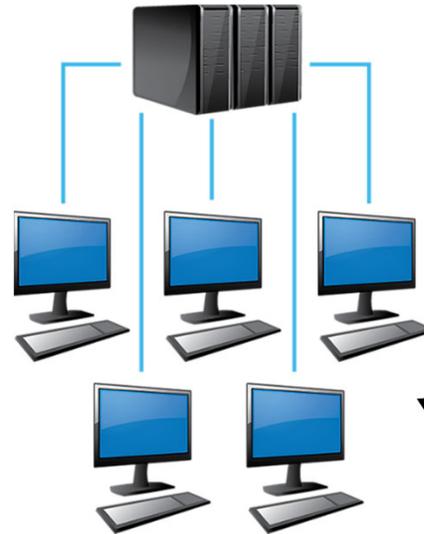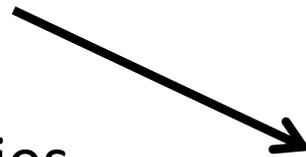
Use form 73-284 – Request for Agency Reporting Status
https://fmx.cpa.texas.gov/mt/fmx/forms/spa/index.php

Central System of Record
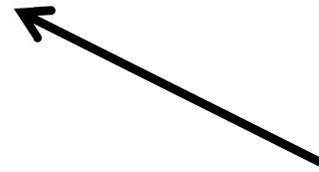

Reporting Agencies

SPA

Internal Agencies

Agency Head Responsibility

- Responsibility for safeguarding State owned agency property lies with the agency head. Each Agency head must designate a property manager and report the selection to the Comptroller's office using form 73-286. Agencies must establish and maintain policies and procedures to assure safeguarding agency property.

Form 73-286 - Notice of Agency Head and Designation of Property Manager Form

- A current form must be maintained at the Comptroller's office at all times.

- When an agency head changes:
    - The outgoing agency head completes the bottom portion of the form and delivers it to the incoming head.
    - The new agency head completes the top portion when accepting responsibility for the agency's state property and designates a property manager.

- When the property manager changes, **only** the property manager section needs to be completed.

A state agency's property manager is the custodian of all property in the possession of the agency and is responsible for maintaining the required records.

Employee Responsibility

- A property manager may entrust property to an employee with a signed and dated receipt with a statement similar to this:

"I understand that I am under financial liability for loss or damage to this (these) item(s) if the loss or damage results from my negligence, intentional act or failure to exercise reasonable care to safeguard, maintain and service it (them)."

- Signature_____Date_____

Records Retention

- The Texas State Records Retention Schedule requires agencies to maintain property records for the life of the asset and for a period not less than three fiscal years after the disposal of the property.

- Property records should include any payment related source documentation (i.e. invoices, payment vouchers, receipts, etc.) necessary to substantiate the value of the asset.

Glenn Hegar   Texas Comptroller of Public Accounts

FMX SPA WEB Site

- POLICIES AND PROCEDURES
  - SPA PROCESS USER GUIDE
  - SPA POLICIES AND PROCEDURES
- REFERENCE
  - CLASS CODES, CAPITAL ASSET OBJECT CODES
  - TFC SURPLUS PROPERTY RESOURCES
- FORMS
- REPORT DOWNLOAD PROCEDURES
- SPA ANALYST CONTACT INFORMATION
- AGENCY PROPERTY MANAGER CONTACT LIST

https://fmx.cpa.texas.gov/fmx/spa/index.php

Asset Basics

Capital Assets are…

Real, Personal or Intangible property with an estimated life greater than one year.

Real Property

Facilities and Other Improvements

Infrastructure

Buildings / Building Improvements

Land and Land Improvements

Personal Property

Furniture and Equipment

Vehicles, Boats and Aircrafts

Other Assets
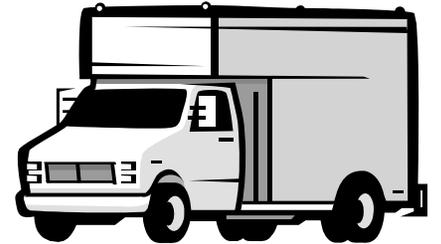
Intangible Property

LOGOS

Land Use Rights

EASEMENTS

Computer Software

Other Capital Intangible Assets

COPYRIGHTS

SPA Assets are Tracked in Three Categories

- **Capitalized** – required to be in SPA

- **Controlled** - required to be in SPA

- **Inventoried** – not required, monitored or governed by SPA

  – Agency Controlled

  – Simply Tagged and Tracked

Capitalized Assets

- A capital asset with a value equal to or greater than the capitalization threshold assigned by the Comptroller to the asset category.

- The threshold determines materiality.

- Capitalized assets **ARE** reported in an agency's annual financial report (AFR).

Controlled Assets

- A capital asset valued less than the capitalization threshold but deemed at high-risk for loss or abuse.

- Controlled Assets are required to be reported and tracked in inventory.

- Controlled assets are **NOT** reported in the agency's annual financial report.

- Controlled assets **ARE** included in the annual physical inventory.

Controlled Assets are Identified by Class

FIREARMS — AT ANY COST

- **Hand Guns**
- **Rifles**

AUDIO/VIDEO - $500 - $4,999.99

- **Sound Systems and other audio equipment**
- **Camera – portable – digital, SLR**
- **TVs, Video players/recorders**

COMPUTER EQUIPMENT $500 - $4,999.99

- **Computer, Desktop**

- **Data Projectors**

- **Smartphones, Tablets and other handheld devices**

- **Laptop Computers**

UNMANNED AERIAL VEHICLE (UAV) DRONES $500 - $4,999.99

- **Drones**

Locally Controlled Assets

- An agency may elect to control and track assets internally that are **<u>NOT</u>** capitalized or on the Comptroller's controlled asset list, but the agency determines the asset type is high risk.

- Tracked and accounted for as mandated by internal policy.

Inventoried Assets

- An asset that is neither capitalized or controlled, but is tracked by the agency in SPA for inventory purposes.

- Not required to be in reported in SPA.

- Inventoried assets are **NOT** reported in an agency's annual financial report and are not included in the annual physical inventory.

SPA Class Codes

Assets

Capital assets purchased, constructed, or donated that meet or exceed the Comptroller's established capitalization threshold or minimum reporting requirements must be uniformly classified using the SPA class code structure.

Class code - A three digit numerical representation used to link asset classification elements:

- Useful Life (in months)

- Description

- Is the asset controlled?

- AFR Category

- Surplus Group

- Depreciable – Yes or No

- Capitalization threshold

- Residual Percentage

Annual Financial Reporting (AFR) Categories

Each SPA asset is assigned a class code and class codes are mapped to one of twelve AFR Categories.

AFR categories are used to group assets according to common characteristics for standardized financial reporting and tracking purposes.

Category	Description	Threshold
1	Land and Land Improvements	$0
2	Buildings and Building Improvements	$100,000
3	Infrastructure, Depreciable	$500,000
4	Furniture and Equipment	$5,000
5	Vehicles, Boats and Aircrafts	$5,000
6	Construction in Progress	$0
7	Infrastructure, Non-Depreciable	$0
8	Other Assets (Works of Art & Historical Treasures, Libraries, Leasehold Improvements and Livestock)	Various
9	Facilities and Other Improvements	$100,000
A (11)	Land Use Rights (Intangible)	Various
B (12)	Computer Software (Intangible)	Various
C (13)	Other Capital Intangible Assets	$100,000

Class codes drive the AFR categories

Class Code	Useful Life (MOS)	Class Code Description	Ctrl Asset	AFR Catg	Srpl Grp	DPRC ?	Cap Thresh	Rsdl PC
001	0	LAND & LAND IMPROVEMENT		1	MSC	N	0	0
031	360	BUILDING EXTERIOR: BUILDING SHELL		2	MSC	Y	100,000	5
084	192	INF: AIRPORT		3	MSC	Y	500,000	0
101	120	DESKS		4	DSK	Y	5,000	0
129	84	STEREO SYSTEMS	Y	4	AUD	Y	5,000	0
179	84	OFFICE MACHINES		4	OFF	Y	5,000	0
701	60	PASSENGER CARS – SEDANS, STATION WAGONS		5	VEH	Y	5,000	0
284	48	PORTABLE COMPUTER – NOT APPLE	Y	4	CPU	Y	5,000	0

Appendix A – Class Codes

The class code list is located in the SPA User Guide on the FMX website. There is also a link to the class codes on the main SPA page on FMX.

- Navigate to the SPA Class Code list here:

https://fmx.cpa.texas.gov/fmx/pubs/spaproc/appendices/appa/index.php

Capital Asset Acquisition

- Capital assets must be reported in SPA at the historical cost, which includes the vendor's invoice (plus the value of any trade-in), sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service.

- Historical costs also include ancillary charges such as shipping and transportation charges, site preparation costs and professional fees.

Incidental charges, such as extended warranties, maintence agreements, additional parts, or consumable items are not considered part of the capital asset cost. These charges must be broken out (Itemized) and expensed separately. However:

If…

- incidental items are included with the capital asset upon receipt and are not listed as a line item on the purchase order or on the invoice,

Then…

- the incidental charges are considered a part of the capital asset.

AM	Description	AM	Description
01	**Federal Sources**	09	Assets held in trust
02	**State Sources (requires COBJ)**	11	Transfer from a state agency – system generated
03	**Local and Private Sources**	13	Property held in suspense
04	**Constructed Property – completed CIP**	14	Transfer from an external university - system generated
05	**Gifts or Donations**	99	Other surplus property
08	**Debt Financed Instruments**		

To access all disposal methods online, see:

https://fmx.cpa.texas.gov/fmx/pubs/spaproc/appendices/appc/index.php

Asset Tagging and Annual Physical Inventory

Asset Tagging

- With the exception of real property, all capitalized or comptroller controlled property must be marked or tagged as owned by the agency.

- Each asset must be assigned a unique property number. Previously assigned numbers may not be reused.

Only two items are required on the property tag per statute:

- ✓ Agency/ownership
- ✓ Asset ID

RFID Technologies available (invisible to eye)

Multicoloured logo

Multicoloured backgrounds

ASSET CONTROL
solutions for traceability

Write on strip

HelpDesk Number: 5555

Helpdesk number(s)

If found number

If found, please tel : 0161 20 23456

XX000001

Barcode

Sequential number

BASIC

ADVANCED

AGENCY NAME

0000000001

Annual Physical Inventory

Each year, *every* state agency must conduct a physical inventory of the **trust, capitalized and controlled personal property assets** (excluding libraries and historical arts and treasures) in the agency's possession and submit form 73-283 to the Comptroller's office.

One or more methods may be used to complete the Annual Physical Inventory

- Verified human count

- Bar-Code scan

- RFID scan

- GPS Locators

- Network identification system, IP address

Use the SPA CERT_PHYINV report to complete the physical inventory.

What to Document During an Inventory

- Ensure the property is in the agency's possession.

- Identify the property's location.

- Provide the name(s) of the person(s) responsible for the property.

- Annually evaluate and report the condition of each property item to SPA.
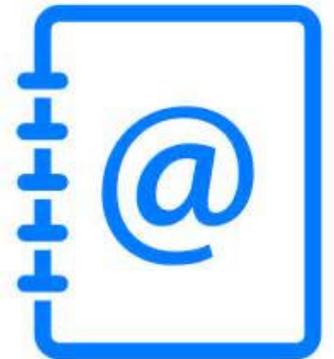
Each agency completes their physical inventory anytime during the current fiscal year.

Upon completion of the inventory, Form #73-283 must be filled out and submitted to CPA.

Deadline to turn in the form is September 20th

Missing and Stolen Property

Missing or Stolen Property

Assets found to be missing, stolen or damaged during the annual physical inventory, or at any other time, are to be reported in the SPA system immediately.

There are two types of missing, stolen or damaged property events:

- Loss occurs **DUE TO** employee negligence
- Loss results with **NO** employee negligence

Agencies must establish internal policies and procedures based on the State Property Accounting guidelines for property that is stolen, missing, destroyed or damaged.

This policy must include specific procedures for conducting an internal investigation to determine if employee negligence is involved. The guidelines should be adequate to ensure fair and consistent application of employee negligence and any financial liability for the involved staff.

MISSING PROPERTY

| Assign disposal method code 19 (missing/hold for deletion) to flag the asset as missing and then search for the asset. | → | Complete an investigation to determine if there is employee negligence. | → | Complete form 74-194 (located on SPA FMX) |

If no employee negligence is determined, keep the form on file and update the property to final disposal method

18 – Missing no employee negligence.

→

If there is employee negligence determined, update the property to final disposal method

17 – Missing employee negligence and submit a copy of form 74-194 to the Attorney General at SPA@OAG.TEXAS.GOV.

DAMAGED OR DESTROYED PROPERTY

Complete an investigation to determine if the property was damaged or destroyed by an act or the negligence of an employee.

→ Complete form 74-194 (located on SPA FMX)

If no employee negligence is determined, keep the form on file and update the property to final disposal method **29 – Property Damaged by Accident**

→ If there is employee negligence, update the property to final disposal method **30 - Property Damaged by Other / Employee** and submit a copy of form 74-194 to the Attorney General at SPA@OAG.TEXAS.GOV.

STOLEN PROPERTY

Report stolen property to the law enforcement agency with primary jurisdiction within **48 hours** of realizing the property has been stolen.

→

Complete an internal investigation to determine if there is employee negligence related to the stolen property.

→

Complete form 74-194 and submit a copy of the form to the Office of the Attorney General (OAG) within **five (5) business days** of discovery at SPA@OAG.TEXAS.GOV

If no employee negligence is determined, update the SPA disposal method to

21 - Stolen

→

If there is employee negligence, update the SPA disposal method to

20 - Stolen – Employee Negligence

The Role of the Attorney General

The OAG may additionally investigate a submitted report. If the originating agency or the OAG investigation reveals that a property loss occurred through the negligence of a state official or employee, the reporting agency must determine the replacement value of the asset and may request that amount in reimbursement from the responsible employee.

The OAG will submit a copy of the report to the OAG collections division. If the agency has not recovered the reimbursement from the responsible employee, the OAG collections division will make a written demand to the official or employee for reimbursement. If the demand is refused or disregarded, the OAG may take legal action to recover the value of the property, as that office deems necessary.

CONTACT THE OAG: SPA@OAG.TEXAS.GOV

LOSS EVENT DESCRIPTION	FORM 74-194 TO OAG
MISSING OR DAMAGED – Employee Negligence	✓
MISSING OR DAMAGED – NO Employee Negligence	
STOLEN – Employee Negligence	✓
STOLEN – NO Employee Negligence	✓

Submit forms to the Attorney General at:
SPA@OAG.TEXAS.GOV

SPA System Basics

What can the SPA system do for you?

Act as a mechanism for Texas interagency transfers of property

Provide application security needed to control data access

Assist with consistent application of Statewide capitalization rules

Assist with preparation of annual financial reporting requirements (AFR)

What the SPA system cannot do:

- Cannot account for every possible property scenario.

- Cannot be customized.

- SPA functions under general statewide guidelines, which may differ from how a specific agency operates.

- The system is not intuitive. SPA is dependent on the accuracy of data entered into it.

- There is no automated reconciliation to agency system data.

- The system is dependent on ongoing agency diligence to ensure SPA records accurately reflect their state property.

SPA has Two Methods of Data Entry and Update

On-Line (Internal and Reporting Agencies)
- Screen data entry, inquiry and update
- Data Validation - Error Messages
- Overnight processing
- Daily Close-of-Business is at 7:00 pm.

Batch (Reporting Agencies)
- Files must be submitted in sequential order
- Exception reports are provided
- Daily close-of-business is at 4:00 pm

Using Components in SPA

One Property Number	Up to 99 components
Easier Disposal	Each Property & component combo is unique

- Property 0000012345
- Component 01 – is a truck

- Property 0000012345
- Component 02 – is the trailer

Adding the trailer as a separate component would make it easier to replace the trailer in the future by disposing of the Component 02 trailer and adding a new trailer under Component 03.

- Property 0000012345
- Component 02 – is the old trailer
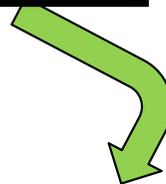
Disposed with Appropriate Disposal Method

- Property 0000012345
- Component 03 – is the new trailer

When the trailer needs to be replaced, dispose of Component 02 and add the new trailer as Component 03.

Entity Fiscal Year (EFY)

- The depreciable entity is defined as the sum of financial transactions affecting a unique component of a unique property number within a single fiscal year.

- Each depreciable entity exists as a layer of the component in SPA so that depreciation can be correctly calculated.

For example, if component 01 of property 123 was added on Sept. 1, 2021 (fiscal 2022) with a value of $5,000 the asset would appear like this in SPA:

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	2022 VALUE
123	01	2022	ASSET	C	$5,000.00

And then $2,000 was added to the asset in March 2022 (fiscal 2022):

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	2022 VALUE
123	01	2022	ASSET	C	$7,000.00

Finally, $5,000 was added to the asset in September 2022 (fiscal 2023):

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	VALUE
123	01	2022	ASSET	C	$7,000.00
123	01	2023	ASSET	C	$5,000.00

An asset is **capitalized** when the asset value exceeds the capitalization threshold of the assigned class code or when the sum of all additions within one fiscal year exceeds the capitalization threshold.

If the asset value is less than the capitalization threshold the asset will be considered **inventoried**.

The Capitalization flag (C/I Indicator) in SPA:

I = Inventoried asset
C = Capitalized asset

On April 08, 2022 you purchase asset 0101 at a cost of $2,000. You assign class code 135, which has a capitalization threshold of $5,000 and falls in AFR category 4.

The asset will appear in SPA as follows:

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	ACQN COST	2022 VALUE
0101	01	2022	CC 135 ASSET	I	$2,000.00	$2,000.00

On June 17, 2022 you add value to the asset in the amount of $2,000. The asset will appear in SPA as follows:

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	ADD VALUE	2022 VALUE
0101	01	2022	CC 135 ASSET	I	$2,000.00	$4,000.00

This asset would not appear on the year end financial reports (CAAB101) at the current value because it is below the capitalization threshold.

On August 4, 2022 you add value in the amount of $2,000. This will bring the total value of the asset to $6,000 which exceeds threshold for the assigned class code. The asset will become capitalized.

SPA will appear as follows:

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	ADD VALUE	2022 VALUE
0101	01	2022	CC 135 ASSET	C	$2,000.00	$6,000.00

This asset would now appear on the year end financial reports (CAAB101) in AFR category 4 because it is now capitalized.

Now let's say you added $2,000 to asset 0101 on October 1, 2022. This becomes a 2023 fiscal year addition and because it does not meet threshold, it is assigned an 'I' for inventory.

The asset will appear in SPA as follows:

PROPERTY	CPNT	ENT_FY	DESCRIPTION	C/I	ACQN COST	2022 VALUE	2023 VALUE
0101	01	**2022**	CC 135 ASSET	C	$6,000.00	$6,000.00	
0101	01	**2023**	CC 135 ASSET	I	$2,000.00		$2,000.00

Only the 2022 amount of $6,000 will appear on the 2022 year end financial report (CAAB101).
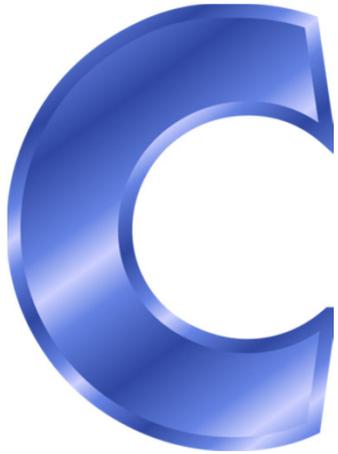
If a financial transaction decreases the value of an asset below the capitalization threshold during the current fiscal year it was first added, then the C/I indicator will change from 'C' capitalized to 'I' Inventoried.

Once a fiscal year closes and an asset is 'C' capitalized, it will always remain capitalized even if the value is decreased below threshold in a future fiscal year.

Once Capitalized, Always Capitalized

In a limited number of cases, at the agency's request, SPA analysts can manually override the SPA capitalization indicator to capitalize an addition in value or a new component on a prior year/existing capitalized asset. (Change the 'I' to 'C')

REQUIREMENT:
- ✓ The In-Service date of the last capital addition must be within one year of the initial fiscal year date.

RULE:
The Comptroller's office cannot change the indicator from capitalized 'C' to inventoried 'I'.

The manner in which an asset is tagged affects the capitalization indicator.

For example: a server rack with multiple servers could be tagged multiple different ways, such as:

- One property number with one single component

- One property number with a component for each item

- Multiple property numbers with one component each

If multiple property numbers are used it is less likely each item would meet the capitalization threshold.

Dates in SPA

There are four date fields in SPA

Receipt Date

Effective Date

In-Service Date

Voucher Date

Receipt Date

The receipt date in SPA represents the date property was physically received by the agency.

- Mandatory field.
- Cannot be greater than the current date.
- Cannot be prior to 09/01 of the current open fiscal year.

Effective Date

The effective date in SPA is used to determine the MONTH and FISCAL YEAR of the property addition.

- Mandatory field.
- Used to create entity fiscal year of property.
- Cannot be prior to 09/01 of the current open fiscal year.
- Cannot be greater than current date.

In-Service Date

The in-service date in SPA represents the date the property was placed into service.

- Marks the starting depreciation month. Depreciation is calculated using a full month, no matter what day of the month is used.
- If blank, field will be populated by Receipt date.
- Must be on or after receipt date.
- Cannot be greater than current date.
- Must be within the same fiscal year as the effective date.

Voucher Date

The voucher date in SPA represents the financial information date and should be the date of the payment voucher.

- If blank, field will be populated by 01/01/9999.
- Cannot be greater than current date.
- Cannot be prior to 09/01 of the current open fiscal year.

Construction in Progress

CIP reflects the expenditures made when a construction project remains incomplete at the end of the current fiscal year. CIP can include:

- ✓ Building and Other Structures
- ✓ Infrastructure
- ✓ Additions
- ✓ Alterations
- ✓ Reconstruction
- ✓ Installations
- ✓ Software Projects

When should CIP be used?

If the asset under construction is expected to meet the capitalization threshold for its asset category.

AND

One or more of the following is true:

- The project or improvement is estimated to take more than one fiscal year to complete.

- The estimated start and end date of the project or improvement crosses two fiscal years.

There are two methods used to track CIP:

- Use of a single property number with multiple components. A maximum of 99 components can be tracked under one property number, or

- Assign a unique property number to each project or phase.

Using components is recommended!

A CIP project is considered completed when one of the following has occurred:

 Execution of substantial completion of contract documents

 Occupancy
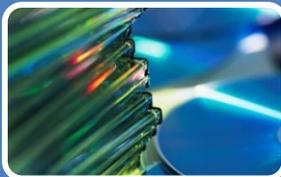
 Internally developed software is substantially complete

 The asset is placed into service

Once property under construction has been completed and deleted from SPA, it must be added back into SPA using:

- a new property number
- the proper class code
- an in-service date based on when the property was placed in service, and
- acquisition method 04 (for Constructed Property)

If a building is to be componentized, the sum of all the new components must equal the value of the CIP property (component) deleted.

Use class code 090 to add property to CIP

Using an acquisition method 01, 02 or 03
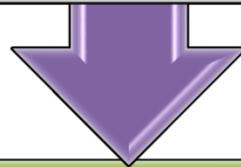
When a project is complete, dispose with a disposal method 24

If the completed project does not reach capitalization threshold, dispose with a disposal method 27
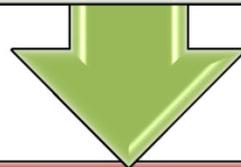
Assign new asset number to completed project using acquisition method 04

Sum of the new additions must equal the value of the deleted CIP property

Computer Software

There are two primary types of software:

- Purchased (commercial "off the shelf")
- Internally-generated

Purchased Software

Purchased software is commercial software that is purchased off the shelf and will be placed into service with minimal modification.

- **Must have an estimated useful life of one year or greater**
- **Cost must meet or exceed the capitalization threshold of $100,000.**

- When purchasing computer software (licenses), capitalization is based on the ***aggregate*** cost of the purchase.

- **Aggregate** = total cost formed by the combination of many separate units or items.

- **DO NOT divide the total cost by the number of licenses or units.**

- Purchased software is capitalized if the total cost is equal to or greater than $100,000.

  - ***The aggregate cost method only applies to software!***

The cost for purchased software can include:

- Purchase software license(s)

- License fees

- Testing fees

- Set-up fees

- Delivery cost

- If additional software is purchased within the same fiscal year, the value is added to the existing capitalized software asset.

- If additional software is purchased in a new fiscal year, the cost of the purchase must reach the $100,000 threshold in that fiscal year to become capitalized.

For purchased software, use:

- SPA class code 307 – Purchased Software

- Comptroller Object 7395 – Computer Software Capitalized

Internally-Generated Software

Intangible computer software assets are considered internally-generated if they are **either**:

Created or produced by the government's employees, or a third party contractor on the behalf of the state and local government

 –OR–

Purchased off-the-shelf software that requires substantial modification before being placed into service.

Must have an estimated useful life of one year or greater

-AND-

The cost of the application development stage activities must meet or exceed the capitalization threshold of $1 million.

There are three stages of development for an internally-generated computer software project:

1. Preliminary Stage — Expense

    Conceptual evaluation of alternatives

    Demonstration of intent to complete the project

    Final selection of alternatives for development of the software

2. Application Development — Capitalize

    Design of the chosen path

    Software is coded, installed and tested, including parallel processing phase

3. Operational — Expense

    Software is operational

    Application training

    Regular maintenance
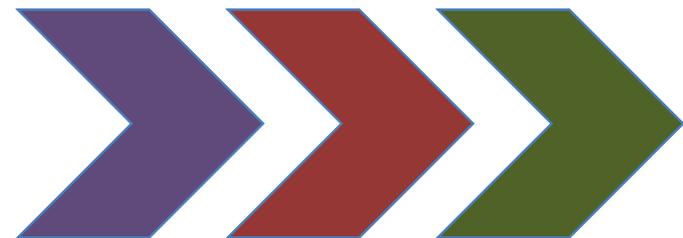
The activities listed are not comprehensive.

Application development stage activities include:

- designing the chosen path (including software configuration and interfaces)
- Coding
- Installation
- testing (including parallel processing).

Costs associated with training, project management or business process re-engineering are expensed as incurred.

These activities do not further the development of the software and do not contribute to putting the software into service.

For multi-year computer software projects, capitalization costs should be tracked in a Construction in Progress account while the software project is ongoing:

- SPA class code 090 – Construction in Progress

- Comptroller Object 7390 – Computer Software – Int Dev – Capitalized.

Software Updates and Upgrades

- Minor modifications of computer software are generally considered maintenance and are expensed as incurred.

- Evaluate modifications for capitalization separately from the original software purchase.

- The modification is either purchased or internally-generated and the same thresholds apply to determine if the modification should be capitalized.

SBITA

Under GASB 96, a subscription-based information technology arrangement (SBITA) must recognize an RTU (right to use) subscription asset (an intangible asset) and a corresponding subscription liability.

The subscription asset is NOT recorded in State Property Accounting (SPA).

The subscription asset is recorded in CANSS as a RTU asset.

The subscription liability is recorded in LTNSS and the related lease is reported in LNSS.

Surplus Property

Surplus property is any personal property that is in excess of the needs of any state agency.

Surplus property may be new, used or salvage. Assets do not need to be fully depreciated to be designated as surplus.

Per Texas Govt. Code Annotated Section 2175, Texas Facilities Commission (TFC) is the state authority for administering the state surplus and salvage property program.

Unless exempt by statute, all state agencies must use the TFC surplus process for disposal of property.

- Agencies cannot donate, sell or throw away property without the approval of TFC.

- Agencies cannot sell or give property to state employees.

- Agencies cannot transfer, sell or donate property outside of the state.

- All questions regarding surplus property must be directed to the TFC surplus program, SPA staff cannot provide guidance on the disposal of surplus property.

Overview of the TFC Surplus Process

1. Enter surplus asset on the **Surplus Property Process** Screen.
2. Assets are sent on a nightly file to TFC and will be system updated to a disposal method **(DM) 06**. Assets will remained locked in **DM 06** in SPA until updated by TFC.
3. TFC will review the assets, if there are errors, TFC will return a **DM 5r**, rejected, to SPA. Agency must correct and resubmit or remove the asset from surplus.
4. TFC will take one of the following actions after the asset is advertised:
    1. If asset is requested by another agency, contact TFC to let them know and then TFC will return a **DM 5r** and the agency must remove the asset from the surplus process and then transfer it to the receiving agency.

2. If asset is sold or donated to a political subdivision during the advertisement, TFC will return a **DM 5c** and then the agency must update the asset to a **DM 08** (political subdivision) or **DM 09** (TFC approved assistance organization).

3. Computer processing equipment will be advertised by TFC and then will return a **DM 5c** to SPA. Only after the asset is updated to **DM 5c**, the agency will contact TDCJ computer recovery program to arrange for pick up. Once the assets have been picked up, the agency will update the disposal method to **DM 15**.

4. Assets not disposed during advertisement will be sold or donated by TFC. The asset will remain in **DM 06** until this happens. Assets sold will be updated by TFC to **DM 33** and assets donated by TFC to a **DM 34**.

TFC may authorize an agency to dispose of assets by direct sale or bid, bypassing the surplus process, however this is only allowed on a case by case basis and must be authorized by TFC prior to disposal. In this scenario, dispose of the asset with a **DM 35**.

SPA staff *cannot* authorize the disposal of surplus property outside the surplus process. All questions and authorizations must be directed to the TFC surplus property program.

SPA staff cannot update assets currently in the surplus process, agencies must contact TFC for assistance with these assets.

SPA Surplus Asset Report (SPASURP)

Generates Nightly – available for daily download

Reports the status of property that is currently in the Texas Facilities Commission (TFC) surplus process or has completed the process

Lists property in each surplus disposal method

Broken into four sections:

1. Assets in DM 06 – Sent to TFC and pending action. Locked in SPA
2. Assets in DM 5c – Pending agency action – must update to DM 08, 09 or 15
3. Assets in DM 5r – Rejected by TFC – agency correction required
4. Final Surplus Disposals – assets that have completed the surplus process in the current fiscal year

CONTACT TFC SURPLUS PROGRAM

SPA Advertisement Requests & Questions:

surplus.disposal@tfc.state.tx.us

State Surplus Property Program Headquarters & Retail Storefront
6506 Bolm Road
Austin, TX 78721-3570
Phone: (512) 463-1990
Fax: (512) 236-6173
Hours: Monday-Friday, 8AM-4:30PM

Inter-Agency Transfers

A state agency may transfer any personal property in its possession to another state agency with or without reimbursement between the agencies.

For Transfer Purposes:

INTERNAL AGENCIES are all state agencies and those institutions of higher education using the SPA system or reporting to SPA via batch.

EXTERNAL AGENCIES are institutions of higher education not reporting to SPA.

TYPES OF TRANSFERS

Reported on the Financial Reports

INTERNAL TO INTERNAL
Transfer between two state agencies or an internal university and a state agency.

INTERNAL AND EXTERNAL
Transfer between an internal state agency or university and an external university.

Not Reported on the Financial Reports

EXTERNAL TO EXTERNAL
Transfer between two external universities.
- Only reported directly to the Financial Reporting Section (FRS)

The historical value of a property received in transfer cannot be altered.

Value increases and decreases to the historical cost of the transferred component are *NOT* permitted.

Value can be added to a property received in transfer by adding a new component to the property.

- Transfers are only completed once they have been received.

- Property that has been successfully transferred cannot be disposed with a DM 27.

- Only Pending Transfers can be cancelled.

- Do not add value to and transfer a property in the same month.

- Do not transfer a property that you have received in same month.

Click on the BlueZone Session icon shortcut:

Session1.lnk

```
■
User  Help  Desk                                        Glenn Hegar
                                                 Texas State Comptroller
(512) 463-HELP

                                    Home (1,2)

                                  Statewide
                                      *
                               Teleprocessing
                                  System

Unauthorized use
is prohibited.
Usage may be subject
to security testing and monitoring.
Misuse is subject to criminal
prosecution.  There is no expectation
of privacy except as provided by law.
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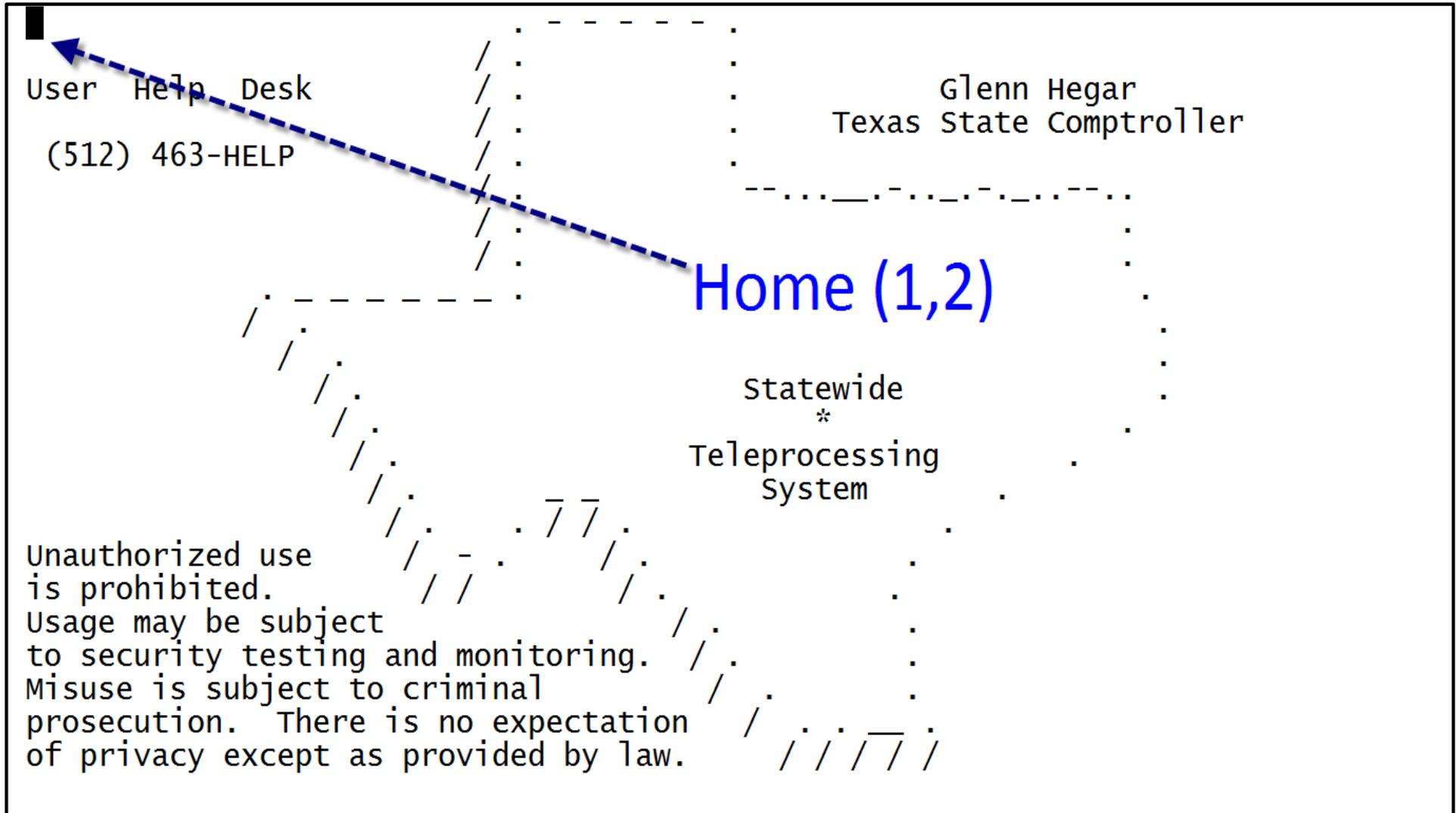
At the Texas map, type "USAS" and press the [Enter] key

STATE PROPERTY ACCOUNTING (SPA)   02/29/16
                    MENU   11:13:28

INQUIRY   ADD/DELETE   UPDATE
■ PRIMARY   _ ADD PROPERTY   _ UPDATE PROPERTY
_ FINANCIAL   _ DISPOSAL OF PROPERTY   _ UPDATE FINANCIAL INFORMATION
_ DEBT FINANCED   _ ADVERTISE SURPLUS   _ UPDATE SURPLUS INFORMATION
_ LOCATION   _ TRANSFER PROPERTY   _ UPDATE DEBT FINANCED
_ NON-FINANCIAL HIST   _ RECEIVE TRANSFERS   _ UPDATE LOCATION
_ NEWS   _ RECOVER DELETED PROPERTY   _ UPDATE PROPERTY IN SUSPENSE
_ DISPOSED PROPERTY   _ ASSIGN USER ACCESS   _ CHANGE PROPERTY NUMBER
_ REPORTS REQUESTED   _ ORDER REPORTS   _ UPDATE INACTIVE PROPERTY
_ CLASS CODE   _ ORDER DOWNLOAD   _ UPDATE FUND VALUE
_ SERIAL/DESC SEARCH   _ GOVERNING AGENCIES   _ UPDATE HARD DISPOSAL METHODS
_ USER ACCESS   _ ADD PRIOR FY PROPERTY   _ UPDATE DEPRECIATION
_ PROPERTY TOTALS   _ EXTERNAL TRANSFER OUT   _ AGENCY INFORMATION
_ FINANCIAL HISTORY

              SELECT AN OPTION WITH AN "X" AND PRESS ENTER

CLEAR=EXIT   PF1=REFRESH   PF3=EXIT

```
PATRAN.304.30403        .01.              SPA              02/29/16
                                 TRANSFER PROPERTY              11:14:45

AGENCY: 304        PROPERTY: 30403          COMPONENT: 01

        TRANSFER-TO AGENCY:  █
                   COMMENT:

             TRANSFER DATE:     -     -
              RECEIPT DATE:  10/01/2015
                CLASS CODE:  179
             SUBCLASS CODE:
      SYS CLASS DESCRIPTION:  OFFICE MACHINES
     COMPONENT DESCRIPTION:  BAR CODE SCANNER
             SERIAL NUMBER:
                  QUANTITY:  00001

           ACQUISITION COST:            5,825.00
         PROCEEDS FROM SALE:                  .00




ENTER TRANSFER-TO AGENCY
CLEAR=EXIT      PF3=MENU
```

```
PATRAN.304.30403      .01.              SPA                    02/29/16
                              TRANSFER PROPERTY                11:14:45


AGENCY: 304      PROPERTY: 30403            COMPONENT: 01

         TRANSFER-TO AGENCY: ▮
                    COMMENT:

              TRANSFER DATE:    -    -
               RECEIPT DATE: 10/01/2015
                 CLASS CODE: 179
              SUBCLASS CODE:
      SYS CLASS DESCRIPTION: OFFICE MACHINES
      COMPONENT DESCRIPTION: BAR CODE SCANNER
              SERIAL NUMBER:
                   QUANTITY: 00001

           ACQUISITION COST:            5,825.00
          PROCEEDS FROM SALE:                 .00




ENTER TRANSFER-TO AGENCY
CLEAR=EXIT      PF3=MENU
```

```
PATRAN.304.30403      .01.              SPA                    02/29/16
                                  TRANSFER PROPERTY            11:21:46

AGENCY: 304       PROPERTY: 30403           COMPONENT: 01

        TRANSFER-TO AGENCY: 500
                   COMMENT: REPLACE WITH BIGGER ONE

             TRANSFER DATE: 02 - 01 - 2016
              RECEIPT DATE: 10/01/2015
                CLASS CODE: 179
             SUBCLASS CODE:
     SYS CLASS DESCRIPTION: OFFICE MACHINES
     COMPONENT DESCRIPTION: BAR CODE SCANNER
             SERIAL NUMBER:
                  QUANTITY: 00001

          ACQUISITION COST:            5,825.00
        PROCEEDS FROM SALE:              250.00



TRANSFER INITIATED
CLEAR=EXIT      PF3=MENU
```

```
              STATE PROPERTY ACCOUNTING (SPA)              02/29/16
                            MENU                          11:25:19

INQUIRY                  ADD/DELETE                UPDATE
_ PRIMARY                _ ADD PROPERTY            _ UPDATE PROPERTY
_ FINANCIAL              _ DISPOSAL OF PROPERTY    _ UPDATE FINANCIAL INFORMATION
_ DEBT FINANCED          _ ADVERTISE SURPLUS       _ UPDATE SURPLUS INFORMATION
_ LOCATION               _ TRANSFER PROPERTY       _ UPDATE DEBT FINANCED
_ NON-FINANCIAL HIST    X RECEIVE TRANSFERS        █ UPDATE LOCATION
_ NEWS                   _ RECOVER DELETED PROPERTY _ UPDATE PROPERTY IN SUSPENSE
_ DISPOSED PROPERTY      _ ASSIGN USER ACCESS      _ CHANGE PROPERTY NUMBER
_ REPORTS REQUESTED      _ ORDER REPORTS           _ UPDATE INACTIVE PROPERTY
_ CLASS CODE             _ ORDER DOWNLOAD          _ UPDATE FUND VALUE
_ SERIAL/DESC SEARCH     _ GOVERNING AGENCIES      _ UPDATE HARD DISPOSAL METHODS
_ USER ACCESS            _ ADD PRIOR FY PROPERTY   _ UPDATE DEPRECIATION
_ PROPERTY TOTALS        _ EXTERNAL TRANSFER OUT   _ AGENCY INFORMATION
_ FINANCIAL HISTORY



             SELECT AN OPTION WITH AN "X" AND PRESS ENTER


CLEAR=EXIT      PF1=REFRESH       PF3=EXIT
```

AGENCY: 500 - TEXAS DEPARTMENT OF HEALTH   GO TO:

FR: AGY	PROP NO	CPNT	TRANSFER DATE	DESCRIPTION	TOTAL CPNT COST
NEW PROP NO	CPNT	FUND	LAST NAME	FIRST NAME	LOCATION 1

_   304   30403   01   02/01/2016   BAR CODE SCANNER   5,825.00
       _____   __   ____   _____   _____   _____

_
       _____   __   ____   _____   _____   _____

_
       _____   __   ____   _____   _____   _____

_
       _____   __   ____   _____   _____   _____

R=RECEIVE PROPERTY
END OF DATA
CLEAR=EXIT   PF3=MENU

```
PARXER.50.0                        SPA                        02/29/16
                              RECEIVE TRANSFERS               11:27:06

AGENCY: 500 - TEXAS DEPARTMENT OF HEALTH              GO TO:

  FR: AGY    PROP NO    CPNT  TRANSFER DATE  DESCRIPTION        TOTAL CPNT COST
  NEW PROP NO CPNT   FUND    LAST NAME        FIRST NAME   LOCATION 1

R     304   30403      01     02/01/2016   BAR CODE SCANNER       5,825.00
  30303_____    01   0001   BILL_____  BUFFALO___   OK CORRAL█_____

  _
  _____   __   ____   _____   _____   _____

  _
  _____   __   ____   _____   _____   _____

  _
  _____   __   ____   _____   _____   _____


R=RECEIVE PROPERTY              RECEIVE 01 PROPERTY?    (Y/N)==> Y
END OF DATA
CLEAR=EXIT      PF3=MENU
```

```
PARXER.500                          SPA                          02/29/16
                             RECEIVE TRANSFERS                   11:35:10

AGENCY: 500 - TEXAS DEPARTMENT OF HEALTH                 GO TO: 9

  FR: AGY    PROP NO    CPNT   TRANSFER DATE   DESCRIPTION          TOTAL CPNT COST
  NEW PROP NO CPNT    FUND     LAST NAME         FIRST NAME    LOCATION 1

R    304    30403         01    02/01/2016   BAR CODE SCANNER              5,825.00
   30303         01    7999    BILL_____      BUFFALO___    OK CORRAL_____

   _
   _____  __   _____    _____      _____    _____

   _
   _____  __   _____    _____      _____    _____

   _
   _____  __   _____    _____      _____    _____


R=RECEIVE PROPERTY
TRANSFER COMPLETE
CLEAR=EXIT       PF3=MENU
```
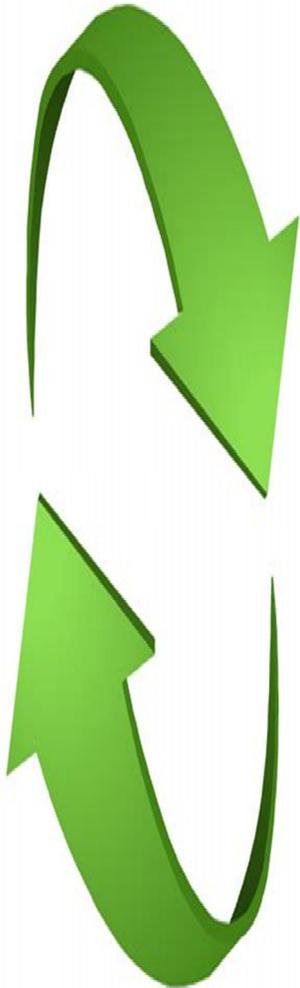
1) Property that has been successfully transferred in SPA cannot be disposed with a DM 27.

2) If you would like to cancel a transfer before it is received, access the SPA Transfer Property (PATRAN) screen, enter the property number, space bar over the agency number and press {ENTER}. This will end the pending transfer.

3) Do not add value to and transfer a property in the same month.

4) Do not transfer a property that you have received in same month.

Property should not be added and disposed or transferred in the same month.

SPA stores data in monthly units. If a property is added on March 1st and disposed or transferred on March 31st, SPA will appear to process the transaction correctly, however the data in SPA will be incorrect.

Solution: Always leave one month of time between your property addition and disposal (i.e. wait until the first day of the next month to enter the disposal). You can also backdate your addition by one month in order to dispose in the current month. You cannot future date in SPA.

SPA Reports

- There are 19 State Property Accounting System (SPA) ad hoc reports generated daily that are available for download.

- These reports are useful throughout the year to aid in property management and reconciliation.

CAAB Reports – Capital Asset/Asset Balance

CAAB 106 & 107 – Interagency Transfer In and Out

CERT_PHYINV – Lists property that is required to be inventoried during the annual physical inventory

DM_ALL – Disposed Property listing of all hard disposals

SPA15D – Asset detail in property number order, including capitalized, controlled and inventoried

*Instructions to obtain reports are available on the FMX SPA website!* (SPA USERID and PASSWORD REQUIRED)

https://fmx.cpa.texas.gov/fmx/pubs/spaproc/appendices/appa/index.php

DPR	AFR	AFR CATEGORY	BEG BAL DR/(CR)	ADJUST/RESTATE DR/(CR)	RECLASS CIP DR/(CR)	RECLASS XFERS IN DR/(CR)	RECLASS XFERS OUT DR/(CR)	ADDITIONS DR/(CR)	DELETIONS DR/(CR)	END BAL DR/(CR)
GAAP	FUND	GROUP 01 - GOVERNMENTAL							FOR FISCAL	YEAR 2015
		CAPITAL ASSETS NOT DEPRECIATED/AMORTIZED								
N	06	CONSTRUCTION IN PROGRESS	$17,141,969.15	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$17,141,969.15
N	08	OTHER ASSETS	$3,250.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,250.00
SUB3		TOTAL CAPITAL ASSETS NOT DEPRECIATED/AMORTIZED:	17,145,219.15	0.00	0.00	0.00	0.00	0.00	0.00	17,145,219.15
		CAPITAL ASSETS DEPRECIATED								
Y	04	FURNITURE AND EQUIPMENT	$9,076,932.40	$0.00	$0.00	$0.00	$0.00	$75,918.23	$0.00	$9,152,850.63
Y	05	VEHICLES, BOATS, AND AIRCRAFT	$253,818.71	$0.00	$0.00	$0.00	$0.00	$0.00	($15,959.00)	$237,859.71
SUB3		TOTAL CAPITAL ASSETS DEPRECIATED:	9,330,751.11	0.00	0.00	0.00	0.00	75,918.23	(15,959.00)	9,390,710.34
		INTANGIBLE CAPITAL ASSETS AMORTIZED								
Y	12	INTANGIBLE COMPUTER SOFTWARE	$34,418,483.58	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$34,418,483.58
SUB3		TOTAL INTANGIBLE CAPITAL ASSETS AMORTIZED:	34,418,483.58	0.00	0.00	0.00	0.00	0.00	0.00	34,418,483.58
SUB2		GAAP FUND GRP 01 TOTAL:	60,894,453.84	0.00	0.00	0.00	0.00	75,918.23	(15,959.00)	60,954,413.07
SUB1		AGENCY 304 TOTAL:	60,894,453.84	0.00	0.00	0.00	0.00	75,918.23	(15,959.00)	60,954,413.07

PRODUCTION

DPRC CD	AFR CATG	GAAP FUND TYPE	GAAP FUND	AFR FUND	SPA FUND	PROP NR	CPNT NR	ENT FY	DESCRIPTION	BEG BAL DR/(CR)	ADJUST/RESTATE DR/(CR)	RECLASS CIP DR/(CR)	RECLASS XFERS IN DR/(CR)	RECLASS XFERS OUT DR/(CR)	ADDITIONS DR/(CR)
----	----	----	----	----	----	----------	----	-----	--	------------------	------------------	------------------	------------------	------------------	------------------
GAAP			FUND		GR	OUP			01 - GOVERNMENTAL						
N	6	11	9998	7998	0001	ERPDOTHR12	1	2012	ERP DOT HR-INTERNALLY DEVELOPED	$45,155.49	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERPDOTHR13	1	2013	CAPPS COST FY2013	$5,429.76	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	1	2010	ERP304HR10-HUMAN RESOURCES SOF	$1,664,492.91	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	2	2011	ERP304HR10-2 HUMAN RES SOFTWAR	$171,776.38	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	3	2011	ERP304HR10-3 HUMAN RESOURCES HA	$8,513.62	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	4	2011	ERP304HR10-4 SOFTWARE	$6,442,032.03	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	5	2012	ERP304HR10-5 SOFTWARE	$4,126,960.13	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	6	2013	2013 ERP304HR10-6- HR SOFTWARE	$2,150,563.36	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP304HR10	7	2014	2014 ERP304HR10-7 HR SOFTWARE	$2,220,404.82	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP601HR10	1	2010	ERP601HR10-HUMAN RESOURCES SOF	$89,923.01	$0.00	$0.00	$0.00	$0.00	$0.00
N	6	11	9998	7998	0001	ERP601HR11	1	2011	ERP DOT HR-INTERNALLYDEVELOPED	$216,717.64	$0.00	$0.00	$0.00	$0.00	$0.00
SUB4									AFR CATG 6 TOTAL:	17,141,969.15	0.00	0.00	0.00	0.00	0.00
N	8	11	9998	7998	0001	080977	1	1996	PRINT 'RAINBOW' CHARLES FIELD	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80918	1	1996	PRINT 'AUTUMN HILL' 399/750 BY JAMIS	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80919	1	1996	PRINT 'BLUEBONNETS' 477/750 HOWAF	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80925	1	1996	PRINT 'COWBOY AT MIDNIGHT' 709/75(	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80926	1	1996	PRINT 'RED ROCK' 397/750 HOLDER	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80927	1	1996	PRINT 'MACDONALD OBSERVATORY' 34	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80938	1	1996	PRINT 'AUSTIN GOLDEN' 496/750 FR90	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80939	1	1996	PRINT 'LBJ LIBRARY' 391/750 BILL WEIM	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80945	1	1996	PRINT 'RESTING COWBOYS' WOODROV	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	80993	1	1996	PRINT 'SAILING SHIP' 394/750 DONALD	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	81213	1	1996	PRINT 'NANDINA' 528/750 CATHERIN B	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	81215	1	1996	PRINT 'BLOOMING CACTI' 326/750 NAN	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
N	8	11	9998	7998	0001	81413	1	1996	PRINT 'BLACKLANDS' 99/750 JIMMY GA	$250.00	$0.00	$0.00	$0.00	$0.00	$0.00
SUB4									AFR CATG 8 TOTAL:	3,250.00	0.00	0.00	0.00	0.00	0.00
SUB3									DPRC CD 'N' TOTAL:	17,145,219.15	0.00	0.00	0.00	0.00	0.00

Transactions made during the day will **NOT** appear on the CAAB reports until the next day. Overnight processing must occur before the reports are updated.

Best Practice is to only use the reports generated each morning, they are the most accurate until the next morning.

Important Message
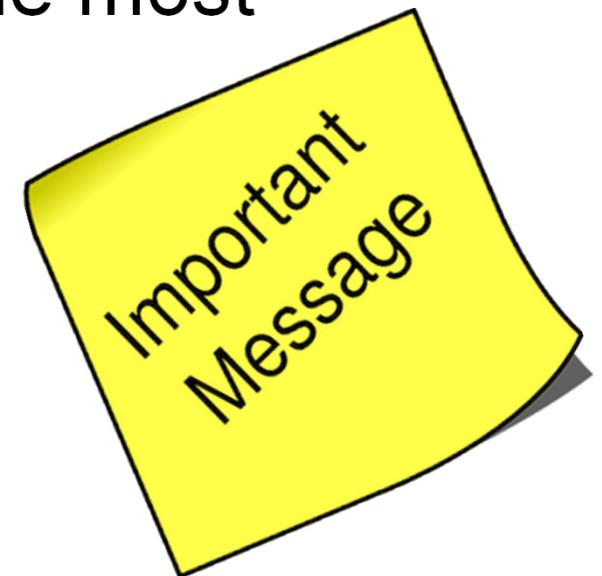
I have a reporting need that is not covered in the daily SPA reports, what do I do?

Call your SPA analyst, we can help!

Just remember:
Custom reports are the lowest priority during busy times and are not done at all during year end. At any time, allow two business days turnaround.
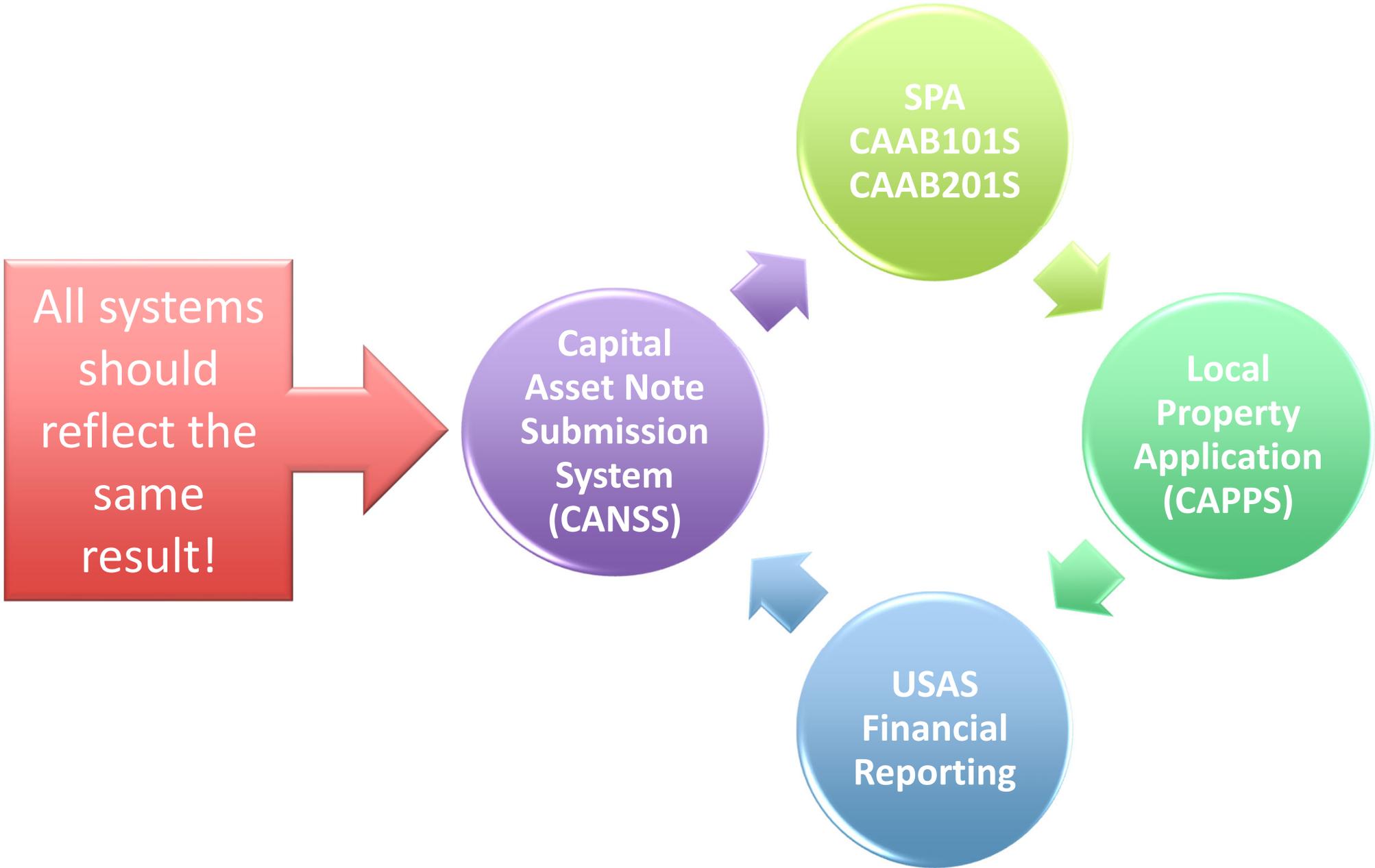
Help!

Year End Procedures

Each Year Agencies are required to:

- Complete the SPA Year End Instructions

- Complete the SPA/CANSS Reconciliation checklist

- Certify SPA fiscal balances in the Capital Asset Note Submission System (CANSS)

Type of Agency	Reconcile SPA to Internal System	SPA Year End Checklist	Complete all Transfers by Sept. 20	SPA and CANSS Recon. checklist	Submit Note 2 in CANSS	Email Reconciling items to SPA	Deadline to Certify SPA and Note 2 in CANSS
Internal SPA User – AFR GR Consolidated Reporting	YES	YES	Completed by Financial Reporting Section	Completed by Financial Reporting Section	Completed by Financial Reporting Section	Completed by Financial Reporting Section	Completed by Financial Reporting Section
Internal SPA User – AFR Full Reporting	YES	YES	YES	YES	YES	YES	Oct. 20
Reporting to SPA via batch – AFR Full Reporting	YES	YES	YES	YES	YES	YES	Oct. 20

1. Follow SPA Year End Instructions
   https://fmx.cpa.texas.gov/fmx/pubs/spaproc/ch2/2_14.php

2. REMEMBER that SPA is open for both the current fiscal year and prior fiscal year during September and October.

- *Pay close attention to the effective date,*

- *entering assets in the wrong fiscal year will cause errors in your capital asset balances!*

The CANSS system is used by an agency's financial staff for official submission of capital assets summary information, Note 2, which is included in the Annual Financial Report.

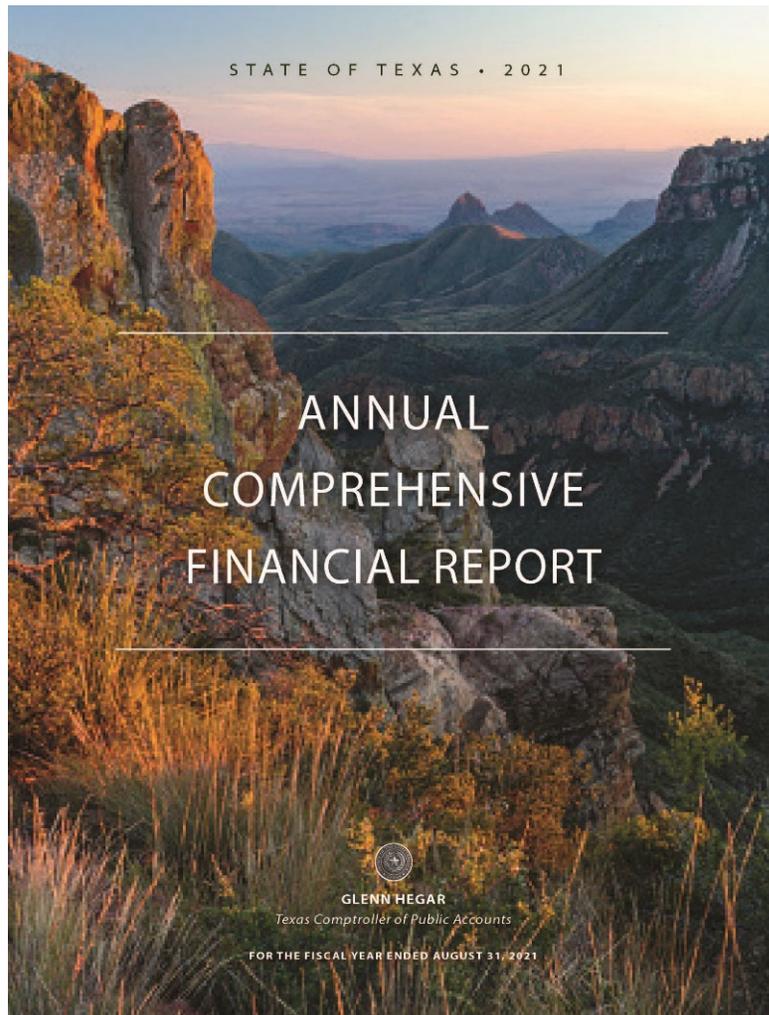# Capital Asset Note Submission System (CANSS) Web Application

- CANSS is linked to the Uniform Statewide Accounting System (USAS) General Ledger account balances.

- The submitted Note 2 and USAS must balance before an agency can certify.

- Entries must be made into USAS to balance to the capital asset Note 2.

- CANSS and SPA balances must reconcile.

Instructions for CANSS are available in the Reporting Requirements for Annual Financial Reports of State Agencies and Universities as well as on the FMX website.

https://fmx.cpa.texas.gov/fmx/pubs/afrrptreq/notes/index.php?menu=1&section=note2&page=submission

The Annual Comprehensive Financial Report (ACFR)

STATE OF TEXAS · 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

GLENN HEGAR
Texas Comptroller of Public Accounts

FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

- The ACFR is the annual financial statement for the State of Texas.

- The Comptroller publishes the ACFR in February each fiscal year.

- Capital Assets represent about 65% of the State's total asset value.
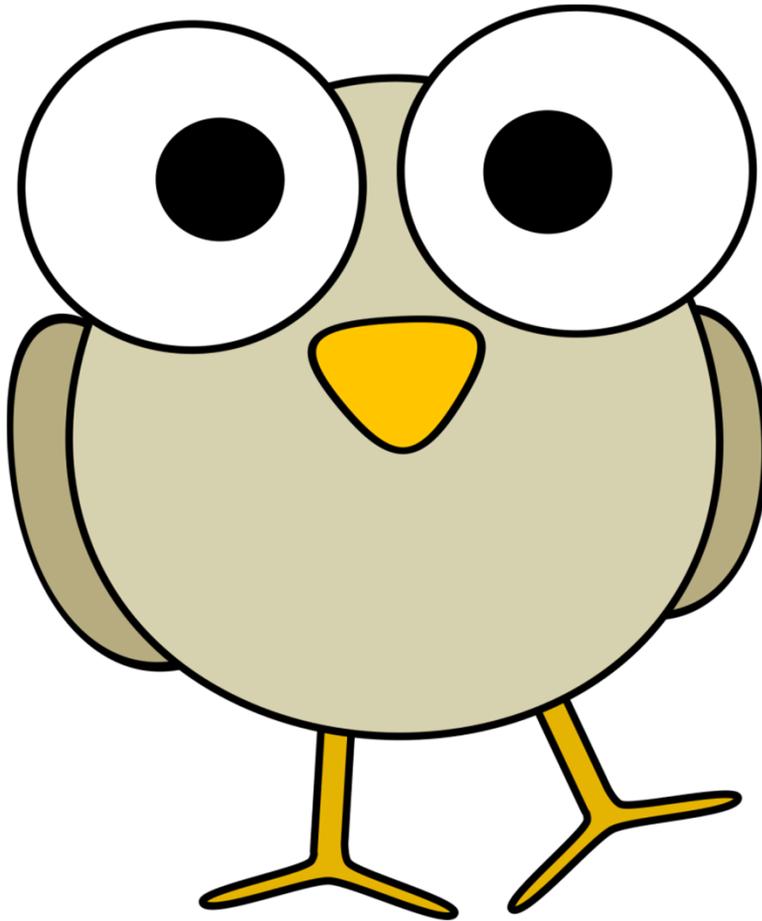
FMX SPA WEB Site

- POLICIES AND PROCEDURES
  - SPA PROCESS USER GUIDE
  - SPA POLICIES AND PROCEDURES

- REFERENCE
  - CLASS CODES, AFR CATEGORIES, DISPOSAL METHODS
  - SURPLUS PROPERTY RESOURCES

- FORMS

- REPORT DOWNLOAD PROCEDURES

- WEB BASED SPA TRAINING

- SPA ANALYSTS AND AGENCY CONTACTS

https://fmx.cpa.texas.gov/fmx/spa/index.php

- **Reconcile SPA to your internal asset management system monthly.**

- **If you see a discrepancy in the SPA data that you are not sure how to correct…**

    …call your SPA Analyst!

thank you!