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MEMORANDUM

TO: Chief Fiscal Officers
Othni Lathram, Legislative Services Agency
James Hall, Examiners of Public Accounts
Doryan Carlton, Executive Budget Office
Kathie Lynch, Auditor's Office

FROM: Kathleen D. Baxter 
State Comptroller

DATE: June 9, 2021

SUBJECT: FY22 Object coding changes for Rentals and Leases including sub-object codes

Effective for the 2022 Fiscal Year, a number of changes are being made to object category 0600 Rentals and Leases. In some cases, sub-object will be required, but the sub-object should not be used on purchase orders. The changes to the object definitions and the sub-object codes are as follows:

0601 Land - Rentals and leases of land for which ownership doesn't transfer at end of lease.

0602 Buildings, Office Space - Rentals and leases of buildings and appurtenances for office space for which ownership doesn't transfer at end of lease.

Sub-object codes for 0602:

01 - Base rent (for payments only, do not use on purchase orders)

02 - Ancillary charges – extra charges such as utilities, maintenance, and insurance that aren't rent for the use of the building or office space (for payments only, do not use on purchase orders)

*Also, the Comptroller's Office will set up the lease documents for object 0602 based on information obtained from the agencies. **The agencies will be required to enter a valid Debt ID on all payment documents for object 0602.***

0603 Automotive - Rentals and leases paid for autos, trucks, and other vehicles and equipment for which ownership doesn't transfer at end of lease including motor pool charges (other than gas

June 14, 2021

Page 2

FY22 Object coding changes for Rentals and Leases including sub-object codes

purchases and maintenance for department owned vehicles). Includes charges for repairs and deductibles for damage to rented vehicles.

Sub-object codes for 0603:

01 - Base rent (for payments only, do not use on purchase orders)

02 - Ancillary charges – charges for repairs and deductibles for damage to rented vehicles (for payments only, do not use on purchase orders)

0604 Office Furniture and Equipment - Rentals and leases of office furniture and equipment for which ownership doesn't transfer at end of lease.

0605 Data Processing Equipment - Rentals and leases of data processing related equipment for which ownership doesn't transfer at end of lease.

0606 Printing/Reproduction/Photographic Equipment - Renting or leasing printing, reproduction, or photographic equipment for which ownership doesn't transfer at end of lease.

Sub-object codes for 0606:

01 - Base Rent (for payments only, do not use on purchase orders)

02 - Ancillary charges – extra charges such as excess copy charges that aren't minimum lease payments (for payments only, do not use on purchase orders)

0607 Aircraft Hangars - Hangar rentals for aircraft for which ownership doesn't transfer at end of lease.

0609 Communication Equipment - Rentals and leases of audio or video equipment for which ownership doesn't transfer at end of lease. Includes telephones, fax machines, televisions, video cassette recorders, radios, tape recorders, beepers (including air time), pagers, etc.

0610 Aircraft - Rentals and leases of all types of aircraft, including both airplanes and helicopters for which ownership doesn't transfer at end of lease. May include related necessary charges such as fuel, maintenance, and pilot.

0612 Scientific/Technical Equipment - Renting and leasing laboratory, scientific, or other technical equipment for which ownership doesn't transfer at end of lease.

0613 Buildings, Storage Space - Rental and lease of buildings and warehouses for storage space for which ownership doesn't transfer at end of lease. Includes rental of storage space at Archives and History.

0615 Medical Equipment - Medical equipment rental for which ownership doesn't transfer at end of lease. This includes oxygen cylinder rentals, hospital beds, etc.

0617 Boat Slips and Storage - Rental of boat slips, docks, dry stacked storage space, and any other type of space rental for boat docking or storage for which ownership doesn't transfer at end of lease.

June 14, 2021

Page 3

FY22 Object coding changes for Rentals and Leases including sub-object codes

0618 Heavy Equipment - Rentals and leases of heavy equipment for which ownership doesn't transfer at end of lease.

0619 Tools - Rental of tools and small equipment, typically for repairs, maintenance, and construction, such as concrete cutters, post hole augers, scaffolding and lifts for which ownership doesn't transfer at end of lease.

0663 Buildings-~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for buildings for which ownership transfers at end of lease ~~under capital leases~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0664 Office Furniture & Equipment - ~~Capital~~ Lease Purchases Principal Paymt - The principal portion of lease payments for office furniture and equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0665 Automobiles-~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for automobiles for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0666 Boats/Marine ~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for boats or marine equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0667 Heavy Equipment ~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for heavy equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0668 Aircraft ~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for aircraft for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0669 Data Processing ~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for data processing equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

June 14, 2021

Page 4

FY22 Object coding changes for Rentals and Leases including sub-object codes

0670 Printing/Reproduction/Photographic Equip ~~Cap~~ Lease Purchases Princ Pmt - The principal portion of lease payments for printing, reproduction, or photographic equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0671 Communication Equipment ~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for communication equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0672 Scientific/Technical ~~Capital~~ Lease Purchases Principal Payments - The principal portion of lease payments for scientific or technical equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0687 Other Transport Equipment ~~Capital~~ Lease Purchases Principal Payment - The principal portions of lease payments for other transportation equipment not otherwise classified for which ownership transfers at end of lease ~~that are being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0688 Other Equipment ~~Capital~~ Lease Purchases Principal Payment - The principal portions of lease payments for other equipment for which ownership transfers at end of lease ~~being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0689 Other Fixed Assets ~~Capital~~ Lease Purchases Principal Payment - The principal portion of lease payments for other fixed assets not otherwise classified for which ownership transfers at end of lease ~~that are being acquired through capital lease~~. However, the principal portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1501.

0690 Interest Payments On ~~Capital~~ Lease Purchases- The interest portions of ~~capital~~ lease payments, regardless of the type of asset for which ownership transfers at end of lease. However, the interest portion of payments for ~~capital~~ lease purchases financed with third party financial institutions should be coded to 1502.

Please notify the appropriate persons in your organization. If you have any questions, please contact Rick Thomas at rick.thomas@comptroller.alabama.gov or 334-353-1612.

KDB/rt

Chief Fiscal Officers, Othni Lathram, Legislative Services Agency, James Hall, Examiners of Public
Accounts, Doryan Carlton, Executive Budget Office, and Kathie Lynch, Auditor's Office
June 14, 2021

Page 5

FY22 Object coding changes for Rentals and Leases including sub-object codes

cc: All Comptroller Supervisors