CAPITAL/NON-CAPITAL PROJECT DECISION TREE

1. Regardless of the cost of the project, repairs, maintenance, painting, roof repair and carpeting is not generally capitalizable. Full replacement of an asset, e.g., entire roof (if >$50K) is capitalizable, where less than 100% of the roof for repair is not. If an asset is being replaced with an upgraded model, it may qualify for capitalization, where a replacement with a comparable system/asset is not. Regular repairs or scheduled maintenance should be expensed as incurred and are expected over the life of an asset. Painting and carpeting is only capitalized during new construction or a major remodel.

2. Excludes SIP/GUP/Entertainment/Alcohol/Opening events/other non-capital costs.

3. A feasibility study to develop a plan to better utilize the space of a building leading to the full renovation and modernization of the building is considered as a Capital Project, whereas a study to solely evaluate the space utilization is considered as Non-Capital Project.

4. Please refer to Fingate "http://web.stanford.edu/group/fms/fingate/staff/capitalequip/capital_software.html" for software capitalization policy and capitalizable components of a software project.

5. Fixed Equipment/Modular Furniture that is part of a larger construction/renovation project should be included with the capital construction project and is subject to SIP.


7. Fixed Equipment or movable equipment that is not capitalizable should not use the capital Expenditure Types in the chart of accounts. Please note, moveable equipment that is not part of a capital project should be purchased in a non-capital/operating PTA, and the Oracle capitalization process will capture the asset and record it as an asset in the Fixed Assets system, Sunflower, and the General Ledger.

Footnotes:

(A) Will require either BoT & Funding Agreement, or Form 1.
(B) Will require either Form 1 or PTA set-up request.
(C) May require non-capital PTA set-up request, otherwise charge to operating PTA.
(D) No PTA set-up required, may charge to operating PTA.

Note: Please refer to "Facilities Project Initiation Policy (Form 1)" to determine if a Form 1 and/or Board of Trustees approval is required.