

DECISION TREE FOR CAPITAL OUTLAY PURCHASES

CONTACT FINANCE WITH QUESTIONS 498-5958

Is this purchase for a piece of equipment costing \$5,000 or more or for a system costing \$150,000 or more? Or is it for equipment of any cost that will be registered with the Dept of Motor V?

Use object #55811

Is this an intangible land improvement, a work of art or a historical treasure?

Use object #55721

Is this purchase for land of any cost, a land acquisition expense or to purchase a building costing \$50,000 or more?

Use object #55712 for land & #55801 for buildings

Is this a rental improvement costing \$150,000 or more?

Submit a completed Capital Outlay New Project Review form. (If the review determines its capital outlay use #55823)

Is this a land improvement costing \$150,000 or more?

Submit a completed Capital Outlay New Project Review form. (If the review determines its capital outlay use #55822)

Is this a building improvement costing \$150,000 or more or construction of a building costing \$50,000 or more?

Submit a completed Capital Outlay New Project Review form. (If determined to be capital use #55821 for BI & #55801 for buildings)

Use an object outside of the 55000 series

See page 2 for classification definitions & examples or the current Capital Assets operating policy

CLASSIFICATION DEFINITIONS AND EXAMPLES

Equipment

Fixed or moveable tangible assets to be used for operations, IE cars, trucks, graders & servers. Included in the capitalized cost is installation, freight, site prep and value of any trade ins.

DOES NOT include individually priced items under \$5,000, replacement components that do not extend the value or life of the asset. IE extended warranties, maintenance agreements & training.

Equipment Systems

Fixed or moveable tangible assets whose individual acquisition costs are less than the threshold for an individual asset, but the aggregate is over \$150,000. IE audio/visual systems or workstation furniture.

Intangible Land Improvements

Intangible land improvements produce permanent benefits and are inexhaustible assets, IE water rights and taps .

Works of Art & Historical Treasures

Collections or individual items costing \$50,000 or more used for public exhibition.

Land and Land Acquisition Costs

Surface or crust of the earth, which can be used to support structures and grow grass & trees. Land acquisition costs IE closing costs, professional fees, etc

Building

A roofed structure permanently attached to the land. The cost includes expenditures to acquire or construct & prepare it for its intended use. IE professional fees, permits, blueprints, & attached fixtures.

Rental Improvement

Improvements that increase the value and/or useful life of the building & will revert to the owner at the expiration of the lease. IE **Original** install of walls & carpet

DOES NOT include replacements or restoration. IE carpet, furnace, or shingles.

Land Improvement

Betterments, other than buildings, that ready land for its intended use. IE Utility installation, retaining walls, parking lots, fencing, landscaping, camper site and water wells.

DOES NOT include replacements or restoration IE repaving a parking lot.

Building Improvement

Events that materially extend the useful life or increase the building's value. IE An attached structure such as a garage, conversion of basement to office space, original wall installation, equipment wiring (that will remain in the building), additional heating or cooling unit, or exterior renovations.

DOES NOT include replacements or restoration IE carpet, furnace, or shingles.