



### Asset and Capital Expense Accounts Overview

**Definitions:**

**Capital Asset** = purchases over \$5,000 or more per individual item that have a useful life of more than one year **AND** renovations of \$50,000 or more with a useful life of more than one year. Capitalized costs include not only the asset but all costs to bring it to the location, install it, and make it operational.

**Operating Expenditure** = purchases of any dollar amount that do not fit the definition above. Typically, such items will have a short-term benefit for the University, such as repairs or cosmetic improvements to existing assets or expenses that do not extend the useful life of an asset. Repairs to return an asset to normal operating condition are operating expenses. Examples include: Repairs to plumbing, roof repairs, general maintenance of equipment, landscaping, painting, supplies, furnishings costing less than \$5,000 per item. Costs incurred to maintain or repair an asset to function properly are not capitalized.

Capital expense account	Account title	Description	Examples
51530	Capital Equipment & Furnishings	The initial purchase cost of furniture or fixtures that equals or exceeds the \$5,000 dollar limit individually. The cost includes purchase price plus any delivery costs. It does not include sales tax.	Seminar conference table
51531	Capital Land	ALL expenditures related to the INITIAL purchase of land (No dollar limit), including any due diligence costs.	Campus and for lease land
51532	Capital Software	All expenditures related to the INITIAL implementation of software that costs \$5,000 or more and will be used for more than one year. Includes consultant and training costs for INITIAL implementation. Does not include annual maintenance fees or upgrades, which are to be expensed.	GamePlanner software, Banner, Cognos, Argos
51537	Capital Vehicles	The initial purchase cost of a vehicle that equals or exceeds \$5,000 individually, including sales tax, title, tags, and fees.	Cars, Trucks, Trailers
51538	Capital Buildings	All expenditures related to the INITIAL purchase or the INITIAL construction of a building, including costs to raze any existing structures on the land in preparation for construction. Includes cost for building portion of real property purchases with existing structures.	Storage units, Campus buildings, For lease property
51539	Capital Building Improvements	Costs in excess of \$50,000 that ENHANCE or IMPROVE the original asset. These costs MUST ALSO extend the useful life of the asset. ** Costs in excess of \$5,000 to FIX or MAINTAIN an asset to it's ORIGINAL or NORMAL state are not capitalized, including costs for paint, carpet, or asbestos abatement.	Roof replacement, Renovation of plumbing, Electrical renovation, Boiler, Renovations with construction and space changes (adding walls)

Former Account	New Account
51521 Purchases - Land	51531 Capital Land
51525 Purchases - Buildings	51538 Capital Buildings
51526 Improvements	51539 Capital Building Improvements
51533 Computer Equipment > \$5,000	51530 Capital Equipment & Furnishings
51535 General Equipment > \$5,000	51530 Capital Equipment & Furnishings
51536 Scientific Equipment > \$5,000	51530 Capital Equipment & Furnishings