Policy Name: Capitalization Policy - Buildings

Responsible Department: Business Affairs / Accounting

Approving Body: Policy Committee

Approved Date: Tuesday, December 15, 2014

Purpose:
N/A

Policy:
 Upon the completion of any new building, the total construction amount will be capitalized and depreciated over a 25-year period.

Renovations will be capitalized separately from the initial building and depreciated over a 25-year period. Major renovations are those for which the institution has received a separate appropriation from the state legislature and those which significantly extend the life of the building with a cost equal to or greater than $50,000.

Costs associated with land improvements will be capitalized and depreciated over a 25 year life if the cost is equal to or in excess of $50,000.

Procedures:
None