

Should I capitalize this?

CapEx cheat sheet

Three quick questions. Answer YES to all three and it's a capital expenditure — send it to the CapEx Committee.

1

Will it last more than a year?



Equipment, furniture, vehicles, buildings, renovations — things you'll still be using next year and the year after.

YES = keep going

2

Is the total \$2,500 or more?



Count the whole thing: item + shipping + installation + set-up. For building projects, the whole project — drawings, permits, architect fees, construction.

YES = keep going

3

Does it create, improve, or extend an asset?



New asset, bigger capacity, better performance, or longer life. If it just keeps something running as-is, that's maintenance.

YES = it's CapEx!

▼ Still not sure? Find your situation below ▼

✓ Capitalize it

- **New equipment or furniture** costing \$2,500+ (including freight and installation)
- **Buildings and renovations** — and every dollar of pre-work: blueprints, design drawings, engineering, surveys, permits, site prep
- **Upgrades** that add capacity or extend useful life (new roof, HVAC replacement, major rebuild)
- **Vehicles** and large machinery
- **A set of items** bought together as one system, totaling \$2,500+

✗ Expense it

- **Repairs and routine maintenance** — fixing, servicing, keeping it in working order
- **Anything under \$2,500** in total, even if it lasts for years
- **Supplies and consumables** — paper, toner, lab materials, small tools
- **Painting, cleaning, landscaping** and other upkeep
- **Subscriptions, licenses, training** and other ongoing services

Funding source doesn't change the answer

Restricted, gift, or operating funds — if it meets the tests above, it is CapEx and follows the same approval process.

It's CapEx — now what?

Complete the Capital Purchase Requisition, attach the quote, get your Chair/Director and Dean/VP signatures, and send it to **Ben Panigot** and **Chip Meekma**. Urgent? Chip can approve now; the Committee ratifies later.

Rule of thumb: **Lasts > 1 year + \$2,500 or more + creates or improves an asset = CapEx.** Questions? Ask Financial Administration.