

University of Missouri

Accounting Policies and Procedures



Policy Number: APM-20.05.15

Policy Name: Capital Assets – Capital vs Non-Capital Account
Quick Reference Guide

General Policy and Procedure Overview:

This policy provides guidance as to which expenditures related to facilities are considered capital items and thus depreciable and which are not capital and to be expensed in the period incurred.

FACILITIES CAPITAL IMPROVEMENTS

790001	FACILITIES & CAPITAL IMPROVEMENTS	
793000	Landscape/Grounds Capital	Includes expenses for repairing existing roads, sidewalks, parking lots, site amenities, pumping stations, entrance drives, or fences to their normal condition or to prevent further deterioration which costs more than \$50,000 for HOSPT and \$100,000 for all other Business Units.
796500	Bldg Reno/Rehab Capital	Improvements to enhance appearance, or to adapt space for changing programmatic needs or changing standards. Includes all payments to contractors, architect/engineers, and administrative fees. Includes office, classroom and laboratory remodeling or upgrading and work to update facilities for changing building codes and access and safety standards. Must cost more than \$50,000 for HOSPT and \$100,000 for all other Business Units to be capitalized. If cost is less than this, use account 796000.
797000	Bldg Repair - Capital	Repairs which make the asset better than it was when it was purchased or extends the useful life of an asset. Examples are roof repair & replacements, chiller overhauls, tuck pointing and exterior painting. Must cost \$50,000 or more for HOSPT and \$100,000 or more for all other Business Units to be capitalized. If cost is less than this, use account 795000.
798000	Utility Dist-Capital	Utility distribution-capital includes increasing capacity, enhancing or improving function or significantly extending the useful life of an existing asset. Extends or creates a new utility distribution line. Examples includes replacing an unusable 4" distribution line with a 10" line to increase capacity. Must cost more than \$50,000 for HOSPT and \$100,000 for all other Business Units to be capitalized. If cost is less than this, use 797500.

Updated/Revised as of 6/10/2013

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798500	Land	Land includes cost of land if purchased, or appraised value of gifts.
799000	New Construction Proj-Building	Includes all payments to contractors, architect/engineers, and administrative fees for new construction (or appraised value of same if received as gift). Includes fixed equipment, additions to existing buildings, site development, utility connections, and landscaping that is part of the original building project.
799500	Other Capital Improvements	Includes other additions such as fences, pumping stations, sidewalks, roads and parking lots. Must cost more than \$50,000 for HOSPT and \$100,000 for all other Business Units to be capitalized. If less than this, use 792000.
799600	Artwork & Museum Objects > \$5,000	Use to account for the addition of Art and Museum Objects, including donations.
799800	Capitalized Interest Offset	Capitalized Interest Offset - used to record interest paid on bonds that is capitalized during the construction period
Significant additions, alterations, renovations or structural changes that extend the useful life or adapt the space for changing programmatic needs or standards. Repairs which make the asset better than it was when it was purchased (I.e. replace roof using better materials). Must cost more than \$100,000 (HOSPT-\$50,000) to be capitalized.		

FACILITIES NON-CAPITAL IMPROVEMENTS

790000	FACILITIES & NON-CAPITAL IMPROVEMENTS	
740900	Misc Facilities Charges Less Than \$5,000	Expenses for minor projects that are not capital and do not fit under definitions for non capital maintenance and repairs. Examples include re-keying locks, changing/installing signage, install of handrails, etc.
791000	Landscape & Grounds Maint & Repair - Non Cap	Expenses for maintenance of campus landscape and grounds which includes activities such as turf maintenance, annual and perennial flower bed maintenance, tree and shrub bed maintenance, outdoor pest management, irrigation system maintenance, trash removal, and snow removal.
792000	Infrastructure Repairs - Non Cap	Includes expenses for repairing existing roads, sidewalks, parking lots, site amenities, pumping stations, entrance drives, or fences to their normal condition or to prevent further deterioration which costs less than \$50,000 for HOSPT and \$100,000 for all other Business Units.

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792500	Daily Routine Infrastructure	Daily small infrastructure maintenance repairs - pot hole in a parking lot, a small crack in the sidewalk, and other infrastructure items - Campus Facilities Only
794000	Building Services Non Cap	Building services includes labor and materials to clean buildings, such as janitorial services, window washing and extermination services.
795000	Bldgs-M&R-Non Capital	Restore building and building systems to their normal, usable operating condition or to prevent further deterioration and service interruptions. Includes repair projects and unscheduled repair work, preventive maintenance and maintenance contracts. Examples of this include replacing worn out carpet with the same, but not replacing carpet for upgrading an office. Also includes fire protection, elevators, fume hoods, AC, walk-in room refrigeration units, mechanical, plumbing & electrical repairs, equipment & rooms signs, room keys, rekey locks, paint small area or rooms (when painting not part of a remodel project). Does not include custodial work or work to adapt or renovate facilities for changing programmatic needs or changing standards.
795500	Routine Bldgs - Daily Service	Daily small maintenance repair - stopped up bathrooms, door lock problems, heating and air conditioning problems, small electrical repairs - Campus Facilities Only
797500	Utility Dist-Non Capital	Utility distribution-non capital includes restoring existing exterior utility distribution systems to a usable condition or to prevent further deterioration and service interruptions.
797550	Daily Routine Util Dist Maint	Daily small utility distribution maintenance problems - burned out lights on parking lot, small problems with light pole or light, or water leak outside of the building - Campus Facilities Only
796000	Minor Renova/Rehab Non Capital	Minor improvements to enhance appearance, or to adapt space for changing programmatic needs or changing standards, which cost less than \$50,000 for HOSPT and \$100,000 for all other Business Units. Examples include adding new electrical outlets, computer cabling, room air conditioning, moving interior doors and minor office remodeling (remodeling includes, but is not limited to, painting rooms, replacing carpet, installing a lock).
Restore the item to normal operating condition or to prevent further deterioration and service interruption. Minor improvements that enhance appearance but do not change the programmatic nature or functionality of the space. Not tied to a particular dollar amount.		

Effective Date: July 1, 2012

Revised Date: June 10, 2013

Questions and Comments?

Any questions regarding the approved Accounting Policy and Procedure should be directed to the Controller's Office, 118 University Hall, Columbia MO 65211, phone 573-882-4286.