

	<b>FA 606</b>
	<b>Expense Review for Capital Items</b>
	Prepared By: General Accounting
	Approved By: Brian Laffey
	Effective Date: 09/01/2011

<p><b>Purpose</b></p> <p>To properly account for property, plant and equipment in the university’s general ledger.</p>
<p><b>Policy</b></p> <p>To record all capital items in accordance with the university capitalization policy, all non-salary expenses will be reviewed for capital expenditures over \$2,500 and recorded in the university’s fixed asset system on a periodic basis.</p>
<p><b>Definitions</b></p> <p><b>Capital Expenditures</b> – purchases of equipment, buildings, building improvements, land or land improvements above \$2,500.00 and useful life al more than one year.</p>
<p><b>Procedures</b></p> <p>The Controller’s Office will review all non-salary expense transactions over \$2,500 on a monthly basis. Transactions identified as capital items will be reclassified as property, plant and equipment and entered into the fixed asset system.</p>
<p><b>Guidelines</b></p> <p>Intentionally left blank</p>
<p><b>References</b></p>
<p><b>Responsibilities</b></p> <p>Controller’s Office – review of expenses and capitalization of equipment and building improvements in the fixed asset system.</p>
<p><b>Required Forms</b></p> <p>Intentionally left blank</p>