

WILKES UNIVERSITY

Budget Manager Guidelines for Capital Purchases

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Lab Fee Capital Funds and Other Rollover* Funds may only be used to purchase items that meet the definition of capital as defined below. Expenses not meeting these guidelines will only be allowed with pre-approval of the VP of Finance.

Capital/Fixed Asset Definition:

Tangible asset that has an economic benefit of greater than 1 year (examples include buildings and renovations**, office furniture, technological or other industry-specialized equipment.)

To qualify for capitalization, an item must meet this definition AND

1) Must have an individual per-unit cost of \$3000 or greater

OR

2) Must be part of a Capital Project:

A capital project is a lengthy investment used to build, add or improve a space. It is any task that requires the use of significant capital, both financial and labor, to start and finish. Capital projects have a large scale and large cost, **which Wilkes defines as any project requiring the involvement of the Facilities department to build, renovate, or repurpose an entire classroom, office space, laboratory, or other defined area of space on campus.**

**Ordinary repairs such as painting which do not extend the useful life of a space or repurpose the space are not considered capital, regardless of cost.

SOFTWARE does not qualify as a capital purchase, regardless of cost or whether part of a project.

GUIDELINES FOR APPLICATION OF THE ABOVE PRINCIPLES:

Room Renovations/Repurposing

Require the approval and involvement of Facilities and therefore will be considered a capital project.

Computers

Life cycle replacements are not capitalized

Single computers are not capitalized except in the rare instance that the unit cost is greater than \$3000 (The cost of the computer itself must be greater than \$3000 – does not include components and accessories)

Computer Labs (A computer lab must contain at least 10 computers to qualify as a lab for this purpose.) Purchases of computers for a lab (even if bought in a large lot) are not capitalized unless the lab is part of a capital project, as defined above; if there is no capital project, the purchase will be considered a life cycle replacement and not eligible for capitalization.

Furniture and Equipment ***

Single items of Furniture/Furnishing (desks, chairs, cabinets, window coverings, etc.) are capitalized only if the per-unit item is greater than \$3000

Multiple pieces of furniture purchased for one space, where each individual item is less than or equal to \$3000, will be capitalized only if they are part of a capital project, as defined above.

****Note: Facilities must approve furniture purchases from ANY FUNDING SOURCE regardless of purchase price/capitalization*

**Exceptions to the capital requirement include quasi-endowment spendable funds, restricted funds beginning with 2XXXX, Faculty Research and Scholarship approved projects, Student Clubs, Colonel Clubs, and indirect funds earned by grants. If you are not sure if your fund qualifies as an exception, please contact the Finance office.*

Rollover Funds – Any fund balance that has “rolled” from the prior year in a designated fund. In other words, any excess of spending over current year revenue would be subject to the capital requirement unless the fund qualifies for an exception.