



CAPITALIZATION DECISION CHART

AT PURCHASE	CAPITALIZE			EXPENSE
	Land (and improvements)	Building (and improvements)	Moveable assets >=\$5,000	
Accounting fees	X	X		
Alterations - changes in the internal structural arrangement or other physical characteristics of an existing asset so that it may be effectively used for a newly designated purpose (e.g. adding a new wing or offices, changing office space into classroom space, converting three offices into one office)		X	X	
Application fees (e.g. permits, etc.)	X	X		
Appraisals	X	X		
Architectural services	X	X		
Asbestos removal		X		
Broker's fees or other purchase commissions	X	X		
Built-in furnishings		X		
Clearing, grading and filling of purchased site for the purpose of constructing a building	X			
Closing costs (other than real estate taxes or interest)	X	X		
Construction supervision fees	X	X		
Dedication expenses				X
Demolition/removal of old buildings or structures	X			
Design costs		X		
Easements and right-of-way access	X			
Engineering services	X	X		
Environmental clean up costs at time of acquisition	X			
Environmental clean up costs of existing asset				X
Feasibility studies that lead to asset purchase	X	X		
Fences (new or replacement)	X			
Finder's fees	X	X		
Fixed (not moveable) equipment and furnishings		X		
Freight, shipping and handling fees		X	X	
HVAC		X		
Infrastructure fees				X
Inspection costs	X	X		
Installation fees (i.e. costs to install equipment)			X	
Insurance costs during construction	X	X		
Insurance costs not during construction				X
Interest expense during construction		X	X	
Interest expense not during construction				X
Internal labor costs	X	X		
Land development fees	X			
Landscaping				X
Legal and consulting fees	X	X		

AT PURCHASE	CAPITALIZE			EXPENSE
	Land (and improvements)	Building (and improvements)	Moveable assets >=\$5,000	
Litigation costs				X
Maintenance and repairs				X
Moving and relocation (i.e. moving people, equipment or utilities/infrastructure in or out of building)				X
Other professional services related directly to the purchase	X	X		
Pavements (new or replacement)	X			
Purchase price	X	X	X	
Real estate taxes				X
Recording fees (e.g. title/ownership registration, etc.)	X	X		
Redecorating (e.g. repainting, wallpapering, carpet installation)				X
Renovations-total or partial upgrading of a facility to higher standard of quality or efficiency (e.g. conforming building to municipal code or government regulations, new outdoor lighting to conform to safety regulations)	X	X		
Rent				X
Replacements, renewals, betterments overhaul or replacement of major parts that have deteriorated (e.g. replacement of entire roof of a building, replacement of electrical, plumbing, heating or air conditioning systems)		X		
Sidewalks (new or replacement)	X			
Soil and land assessments	X			
Surveys	X	X		
Telecommunications equipment			X	
Temporary structures necessary for construction	X	X		
Title insurance	X	X		
Title searches	X	X		
Utility fees during construction		X		
Utility fees not during construction				X