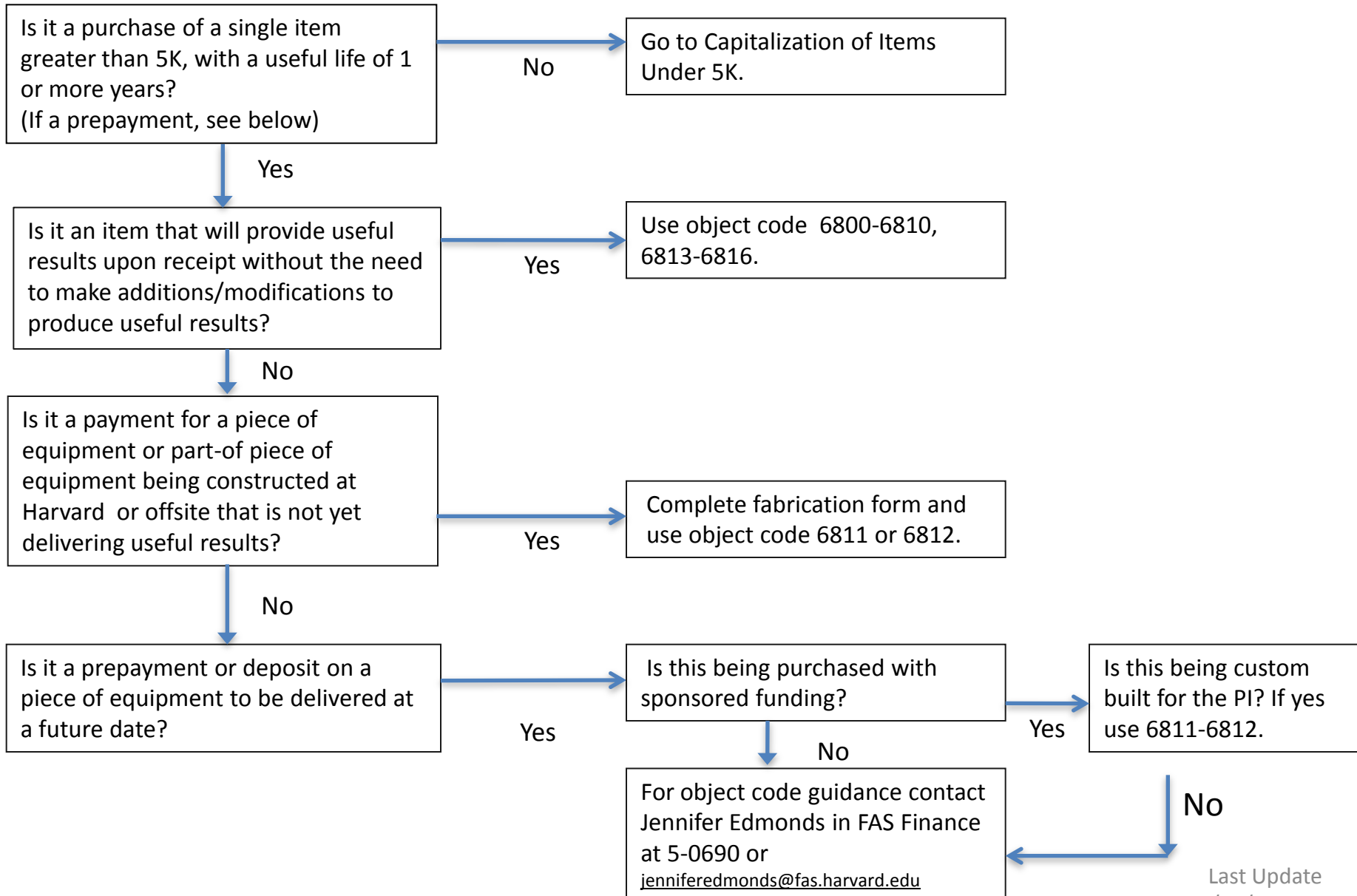
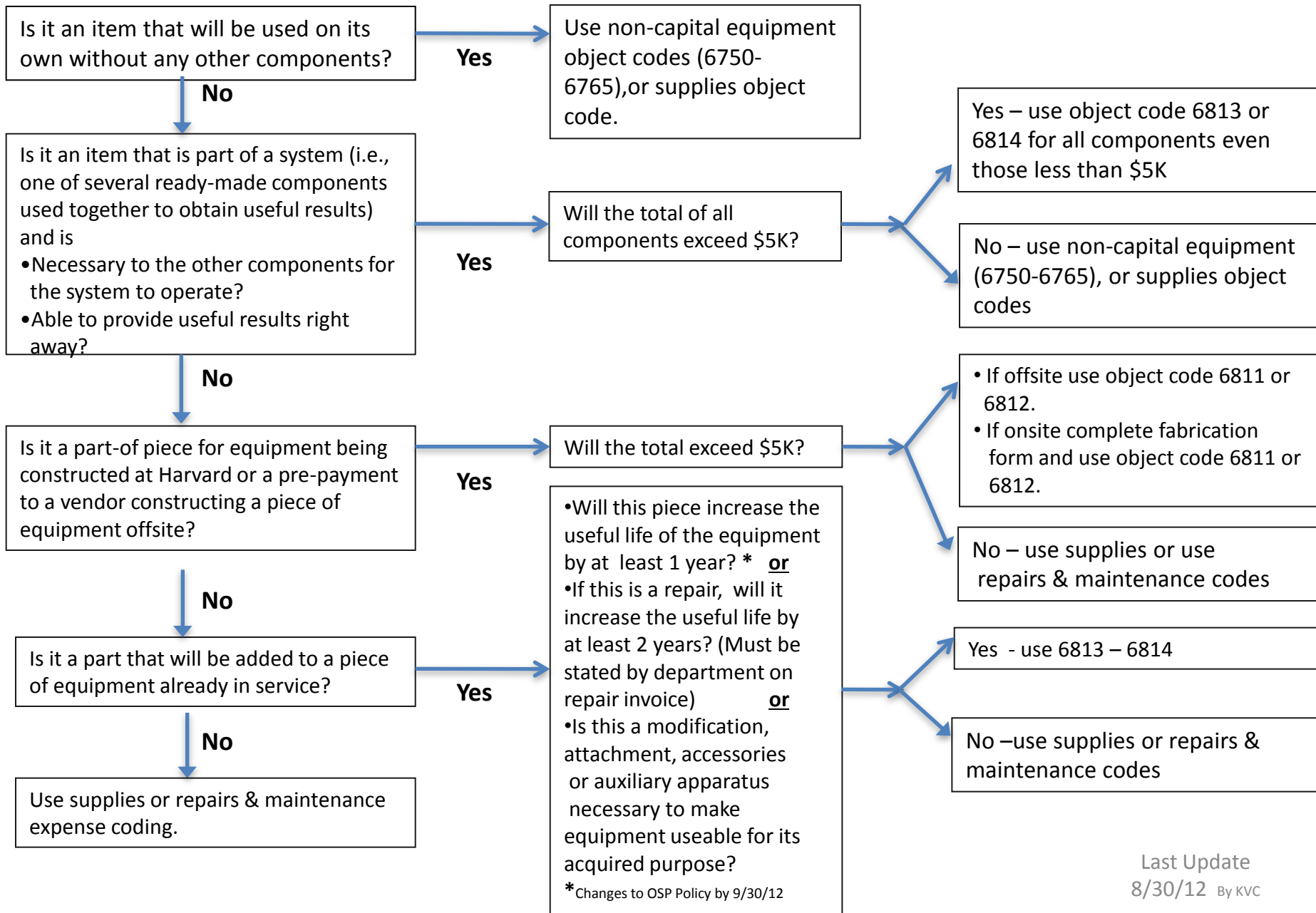


Capitalization of Items Over 5K



Capitalization of Items Under 5K



Costs that may not be capitalized as equipment

- Demolishing or dismantling equipment
- Rearrangement, transfer, or moving of equipment from one University location to another, including the costs incurred in dismantling, transporting, reassembling and reinstalling such items in a new location
- Government furnished property (GFP)
<http://osp.fad.harvard.edu/content/equipment-management-policies>
- Separate warranty costs of maintenance contracts
- Software, licensing fees, etc.
- Lease or rental costs

Items that cannot be considered part of a piece of equipment:

- Consumables that are not needed to make an item of capital equipment useable for its acquired purpose
- Tools to construct a piece of equipment
- Personal protective equipment– examples include – lab coats, masks, gloves

Other Allowable Costs that can be capitalized:

- Shipping or other delivery charges even if they are not on the original invoice (ex. Federal Express charge)
- Insurance for original purchase while in transit
- Installation expenses
- Equipment costs may also include any modifications, attachments, accessories, or auxiliary apparatus that are necessary to make an item of capital equipment useable for its acquired purpose