**Attachment A- Cost Examples for Building and Improvements**

**Table 1**

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| **Construction Building**  |
| **Cost examples** | **Expense** | **Capitalize** |
| Preliminary costs such as site clearance, test boring and material testing, blueprints, plans, specifications, and advertising for bids. |  | X |
| Construction costs such as general construction, heating, ventilating electrical and mechanical work, and interest expense (note, subject to change reclassification to expense after 7/1/2019 due to GASB 89 implementation) |  | X |
| Fixed equipment, i.e., equipment permanently attached or attached in such a manner as to be considered permanent. |  | X |
| Architects' and engineers' fees, and the cost of supervision and inspection by the campus architect's office. |  | X |
| General campus planning and studies that are not related to any specific building or structure. | X |  |
| Costs of moving a department into a building | X |  |
| Costs incurred on a project that is subsequently abandoned. | X |  |

**Table 2**

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| **Building Improvements** |
| **Cost examples** | **Expense** | **Capitalize** |
| Adding, removing and/or moving of walls relating to renovation projects that are not considered major rehabilitation projects and do not increase the value of the building | X |  |
| Plumbing or electrical repairs | X |  |
| Cleaning, pest extermination, or other periodic maintenance (Refer to separate **Appendix** for deferred maintenance)  | X |  |
| Interior decoration, such as draperies, blinds, curtain rods, wallpaper | X |  |
| Interior renovation, such as repainting, touch-up plastering, replacement of carpet, tile or panel sections; sink and fixture refurnishing, etc. | X |  |
| Roof replacements  | X |  |
| Replacement of a part or component of a building with a new part of the same type and performance capabilities | X |  |
| Expenditure which does not increase the value of the building | X |  |
| Conversion of attics, basements, etc. to usable office, research, or classroom space |  | X |
| Structures attached to the building such as covered patios, sunrooms, garages, carports, enclosed stairwells, etc |  | X |
| Installation or upgrade of heating and cooling systems, includingceiling fans and attic vents |  | X |
| Original installation/upgrade of floor, wall or ceiling covering such as carpeting, tiles, paneling, or parquet. |  | X |
| Structural changes such as reinforcement of floors or walls, installation or replacement of beams, rafters, joists, steel grids, or other interior framing |  | X |
| Installation or upgrade of window or door frame, upgrading of windows or doors, built-in closet and cabinets |  | X |
| Interior renovation associated with casings, baseboards, light fixtures, ceiling trim, etc. |  | X |
| Roof replacement which are part of a larger building upgrade or enhancement |  | X |
| Installation or upgrade of plumbing and electrical wiring |  | X |
| Installation or upgrade of phone or closed circuit television systems, networks, fiber optic cable, wiring required in the installation of equipment.  | Refer to separate ***Appendix*** for details about handling Audio and Visual Activity. |