

# Capitalization of Infrastructures

## FIN-ACC-I-210



### About This Policy

Effective Date:

07-01-1992

Last Updated:

07-01-2002

Responsible University Office:

The Office of the Treasurer/Capital Assets

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

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### Related Information

\* [Capital Standard Operations Procedures](#)

### Scope

### Policy Statement

### Reason For Policy

### Procedure

### Definitions

### History

[Back to top](#) ↗

### Scope

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[Back to top](#) ↗

### Policy Statement

Improvements on land that have a life of their own exclusive of the land or building(s) on that land should be capitalized in this category. The cost of the project must be greater than \$75,000 for it to be capitalized.

[Back to top](#) ↗

### Reason For Policy

To define expenditures which will be classified as capital infrastructures.

[Back to top](#) ↗

### Procedure

In order for an item to be secured as a capital infrastructure, the correct object code should be utilized on the Purchase Order and disbursement documents.

All capitalized building projects should be processed through a construction account or renewal and replacement account and should not be recorded in an operating account. Any federal funds used should be allocated to the correct disbursement object code.

A list of the current object codes (income and expense classes) is available by contacting your campus Chart Manager (see listing; <http://www.fms.indiana.edu/fia/coaman.asp>) or the Quali Financial System's Object Code References Tables.

[Back to top](#) ↗

## Definitions

**Infrastructure:** It covers improvements related to land but not associated to buildings. Infrastructure expenditures have a life exclusive of a building. The infrastructure category of capital fixed assets include sidewalks, outside lighting, steam pipes, maintenance tunnels and sewer systems.

[Back to top](#) ↗

## History

This policy was established on July 1, 1992.