



WESTERN
NEW MEXICO UNIVERSITY

POLICY NAME	Capitalization Buildings Policy	POLICY NO.	BA401
APPROVING BODY	Cabinet/President	VERSION NO.	01
RESPONSIBLE DEPARTMENT	Business Affairs - Accounting Department		
EFFECTIVE DATE	15-DEC-2014	REVIEW/REVISION DATE	01-JUL-2024

PURPOSE:

To recognize the appropriate capitalization for newly constructed buildings, renovations and land improvements.

POLICY:

Upon the completion of any new building, the total construction amount will be capitalized and depreciated over a 25-year period.

Renovations will be capitalized separately from the initial building and depreciated over a 25-year period. Major renovations are those for which the institution has received a separate appropriation from the state legislature and those which significantly extend the life of the building with a cost equal to or greater than \$50,000.

Costs associated with land improvements will be capitalized and depreciated over a 25-year life if the cost is equal to or greater than \$50,000