

## THE UNIVERSITY OF TENNESSEE CAPITALIZATION POLICY

**MOVEABLE EQUIPMENT:** The University generally defines movable equipment as those items acquired by purchase, gift, or assembly which have the following characteristics:

**Appearance and Life.** Equipment has a useful life of one or more years while retaining its general appearance and shape.

**Repairable.** Equipment is non-expendable. If the item is damaged or parts are worn out, it is usually more feasible to repair the equipment than to replace it.

**Maintenance of Identity.** Equipment does not lose its identity when it is incorporated into a different or more complex unit.

**Movable.** Normally not attached to or made a part of a building. Able to be moved without significant disruption to ongoing operations.

Movable equipment is further categorized and defined below as either Capital Equipment or Sensitive Minor Equipment.

**CAPITAL EQUIPMENT:** items which have a unit cost or fair value of \$5,000 or more. The \$5,000 threshold includes freight and the costs to put the equipment in service.

**SENSITIVE MINOR EQUIPMENT:** items which are both vulnerable to theft and have a unit cost or fair value between \$1,500 and \$4,999.99.

The following specific items are defined as sensitive minor equipment:

boat motors, boat trailers, boats, cameras, camera lenses, canoes, computers, fax machines, forklifts, ham radios and receivers, LCD/multimedia projectors, marine band transmitters and receivers, microscopes, motorized vehicles, musical instruments, oscilloscopes, printers, riding lawn mowers, radio scanners, spectrum analyzers, switches/routers/hubs, televisions, tractors, two-way radio transmitters and receivers, vector scopes, video cameras, video recorders and players, waveform monitors, and firearms\*.

\*All firearms must be recorded regardless of price.

These items will be included on the annual departmental inventory and must be tagged.