COUNTY OF WELLINGTON
POLICY & PROCEDURE MANUAL

DEPARTMENT	TREASURY	**POLICY NUMBER**	TR-23-02
SECTION	FINANCIAL SERVICES	**EFFECTIVE DATE**	SEPETMBER 28, 2023
SUBJECT	**ACCOUNTING AND REPORTING FOR TANGIBLE CAPITAL ASSETS (PSAB 3150)**		
AUTHORITY	PENDING APPROVAL BY COUNTY COUNCIL ON SEPTEMBER 28, 2023		

PURPOSE:

It is the policy of the County of Wellington to record tangible capital assets (TCAs) owned and under capital lease by the County. Best practice is to review the policy on a regular basis and make necessary adjustments to ensure that it is up to date and relevant to current standards and regulations.

POLICY OBJECTIVES:

The objective of this policy is to ensure that tangible capital assets are recorded appropriately and accurately. This document will establish a consistent approach to accounting for our tangible capital assets in accordance with Public Sector Accounting Board standards (PS3150) and the Municipal Act.

This policy will support the Strategic Asset Management Policy. In addition, the policy covers procedures to:

- Protect and control the use of all tangible capital assets
- Provide accountability over tangible capital assets
- Gather and maintain information needed to prepare financial statements

It is anticipated that the tangible capital asset policy will be refined and amended over time; assets and their estimated useful life may change as technology advances, and thresholds will likely increase over time in accordance with inflation. Staff will continue to monitor thresholds, valuations, and useful lives to determine if adjustments are required.

APPLICATION:

This policy applies to the tangible capital assets listed in Appendix 1 for all Wellington County departments, boards, and organizations falling within the reporting entity of the County of Wellington.

ACCOUNTING:

Capitalization

All tangible capital assets that meet the definition of a TCA, fall within the asset classification, and meets the threshold values in Appendix 1 must be capitalized and recorded in the system of record. See the Expenditure Treatment Schedule in Appendix 2 for additional guidelines on capitalization.

Purchased or Acquired Assets

Cost for purchased assets is the gross amount of consideration paid to acquire the asset. It is the net of any trade discounts or rebates.

Cost associated with an Asset Retirement Obligation will be accounted for in accordance with PS3280, supplemented by PS3270.

When two or more assets are acquired for a single purchase price, it is necessary to allocate the purchase price to the various assets acquired. Allocation should be based on the fair value of each asset at the time of the acquisition or some other reasonable basis if fair value is not readily determinable.

Constructed or Developed Assets

Cost includes all costs directly attributed to the acquisition, construction, or development of the asset. This would include construction, architectural and other professional fees. Capitalization of general administrative overhead is not allowed.

Capitalization of carrying costs cease when no construction or development is taking place or when the tangible capital asset is ready for use.

Donated or Contributed Assets

The cost of donated or contributed assets that meet the criteria for recognition is equal to the fair value at the date the assets are acquired. Fair value may be determined using market or appraisal values. Cost may be determined by an estimate of replacement cost. Ancillary costs should be capitalized.

Leased Assets

Leased tangible capital assets will be capitalized if they meet the definition of a Capital Lease. The value is determined as the net present value of future lease payments and is recorded as an asset if the value meets the threshold in Appendix 1. If the value does not meet this threshold, the cost is expensed.

Leased assets sometimes require improvements to make them suitable for their intended levels of service. When this is the case, leasehold improvements may qualify as a TCA. Leased assets must be recorded separately in order to distinguish between assets that are owned by the County and those that are being leased by the County.

Improvements made to an asset where ownership does not transfer to the lessee, should be classified as a leasehold improvement. Improvements made to an asset where ownership is expected to transfer to the lessee, should be classified as betterments. The cost of betterments should be capitalized as part of the cost of the capital asset and amortized over the useful life of the asset.

Pooled Assets

Pooled assets will be capitalized if, as a combined total, they meet the pool threshold in Appendix 1. Individual assets will only be added to the pool if they have an individual value of $500 or more, with the exception of furniture, which must have an individual value of $1,000 or more

Betterments

Capital betterments to an existing asset will be capitalized when the betterment costs meet the asset thresholds in Appendix 1. This capitalization will occur upon the completion of the betterment. Costs that do not meet the definition of a betterment will be expensed for the period as Repairs and Maintenance - See Appendix 2 for an illustration.

The costs of betterments are considered to be capital asset additions to the related asset. Betterments are recorded as asset additions and amortized over their useful life.

Interest Costs

Borrowing costs incurred as a result of the acquisition, construction and production of an asset that takes a substantial period of time to prepare for its intended use should be capitalized as part of the cost of the asset.

Capitalization of interest costs should start when expenditures are being incurred, borrowing costs are being incurred and activities necessary to prepare the asset for its intended use are in progress. Capitalization should be suspended during periods in which active development is interrupted. Capitalization should end when all activities necessary to prepare the asset for use are substantially complete. If only minor modifications remain, this indicates all activities are substantially complete.

Valuation

Tangible capital assets should be recorded at historical cost when possible. If no historical cost is available, then reproduction, replacement or appraisal costing methods may be used. All ancillary charges necessary to place the asset in its intended location and condition for use should be included.

Land under existing roads is difficult to value due to the length of time that has transpired since the original construction or assumption of roads within the system. Due to the small percentage that land will be of the total cost, it is not reasonable to spend the time estimating a value for land under existing roads. Therefore, where the actual value of the land acquired to construct roads cannot be determined, the land will be valued at no cost.

When a property is purchased in which the appraised value does not break out the cost of land from the building, the valuation from MPAC shall be used to allocate a portion of the cost to the land asset.

Component Approach

Tangible capital assets may be accounted for using either the single or component approach. Deciding if the component approach shall be used, is determined by the usefulness of the information versus the cost of collecting and maintaining information at the component level.

Factors to consider when determining whether to use a component approach include:

- Major components have significantly different useful lives and consumption patterns than the related tangible capital asset.
- Value of components in relation to the related tangible capital asset.

County of Wellington infrastructure and buildings will be recorded using the component approach, unless the benefit of breaking out this information no longer exceeds the cost of collecting and maintaining. Professional judgment shall be used under such circumstances.

Amortization

The cost, less any residual value, of a tangible capital asset with a limited life should be amortized over its useful life in a rational and systematic manner appropriate to its nature and use. The amortization method and estimate of useful life of the remaining unamortized portion should be reviewed on a regular basis and revised when the appropriateness of a change can be clearly demonstrated.

The County of Wellington uses a straight-line method for calculating the annual amortization. Closure and post-closure obligations will also be amortized in accordance with PS3280 – Asset Retirement Obligation.

Disposal

Tangible capital assets are considered disposed when they are sold, taken out of service, destroyed, damaged, or replaced due to obsolescence, scrapping, or dismantling. The Treasury Department will adjust the asset register and accounting records by recording a loss/gain, when applicable upon receiving notification from the asset owners.

Residual Value

It is assumed that municipalities typically use their assets over their useful lives, resulting in the assets being of minimal value at the end of their useful lives. It is suggested that residual value be deemed to be zero when calculating the amortization expense for any asset. The County of Wellington will deem the residual value of all tangible capital assets to be zero.

Work In-Progress (WIP)

Some assets go through a period of construction before they are ready to be put into use. Costs related to assets under construction are accumulated in the WIP class and transferred to a regular asset class when the asset is ready for use. Assets under construction are not amortized. WIP costs can come from both capital and operating accounts.

Write-Downs

The net book value of a tangible capital asset is to be written down when conditions indicate that the tangible capital asset no longer contributes to the County's ability to provide service, or the future economic benefits are less than the net book value. Write-downs are not to be reversed.

PROCEDURE GUIDELINES:

Professional judgment is based on an individual's past experiences and training. In the presence of uncertainty, the application of judgment is inevitable. Professional judgment must be used in determining which costs are capitalized.

The finance team will work in collaboration with each department to capture any expenses that meet capitalization criteria. Move-out repairs will be expensed as it is seen as a one-off expense.

Asset splits will be completed on a case-by-case basis, considering it meets the criteria for capitalization.

In the event of disagreement in the interpretation or implementation of these policies and procedures, the County Treasurer shall make the final decision, guided by the Municipal Act, PS3150, the OMBI Municipal Guide for Accounting for Tangible Capital Assets and other relevant documentation pertaining to the subject matter.

ACCOUNTABILITY:

Asset owners are responsible for:

- Confirming that the year-end asset inventory is complete and accurate to the best of their knowledge

- Notifying the Treasury Department of any additions and disposals, providing sufficient information on the asset
- Working with the Treasury Department to distinguish between betterment vs repairs
- Ensuring that proper control and physical inventory of tangible capital assets is maintained
- Managing capital investment budgets
- Recognizing the impact of capital investment decisions on current and future operating budgets, and managing all expenditures accordingly

The Treasury Department is responsible for:

- Maintaining and recording the County's tangible capital asset inventory in the system of record
- Accounting for tangible capital assets, in accordance with this policy, for all tangible capital assets the County owns or leases
- Coordinating the year-end process including additions and disposals of tangible capital assets and the posting of amortization
- Reporting tangible capital assets in the financial statements
- Providing information as inputs to forecasts, budgets, and long-term financing for tangible capital asset spending
- Monitoring the application of this policy and updating it, as needed, upon consultation from the asset owners

DEFINITIONS:

Amortization

Amortization is the process of allocating the cost of a tangible capital asset over its estimated useful life to match costs with the revenues or public services that it helps provide. Amortization of tangible capital assets does not commence until they are available for use.

Accumulated Amortization

Accumulated amortization represents the total consumed or used portion of the tangible capital asset. It is the sum of all amortization charges made for a tangible capital asset.

Betterments

Subsequent expenditures on tangible capital assets that fulfill one or more of the following requirements:

- Increase service potential (i.e.: capacity/output)
- Lower associated operating cost of the asset

- Extend the useful life of the asset
- Improve the quality of output of the asset

See Repairs & Maintenance table below for more details

Capital Lease

A capital lease is a lease with contractual terms that substantially transfer all the benefits and risks inherent in ownership of property to the County. For all the benefits and risks of ownership to be substantially transferred to the lessee, one or more of the following conditions must be met:

- There is reasonable assurance that the County will obtain ownership of the leased property by the end of the lease term.
- The duration of the lease term is equal to a major portion (usually 75% or more) of the economic life of the leased property.
- The lessor would be assured of recovering the investment in the leased property and of earning a return on the investment as a result of the lease agreement. This occurs when the present value of the minimum lease payments, excluding any executory costs, is equal to substantially all (usually 90% or more) of the fair value of the leased property.

Component vs Single Asset Approach

Tangible capital assets may be accounted for using either the single asset or component approach.

The Single Asset Approach considers an asset to be an assembly of connected parts. Costs of all parts would be capitalized and amortized as one asset. For example, a computer network could be considered one asset.

Under the Component Approach, different components are individually capitalized and amortized. Under this approach, the servers, routers, lines, software, etc. used in a network would all be individual assets.

Cost

Cost is the gross amount of consideration given up to acquire, construct, develop or better a tangible capital asset. It includes all costs directly attributable to the acquisition, construction, development, or betterment of the tangible capital asset. This includes installing the asset at the location and in the condition necessary for its intended use. The cost of a contributed tangible capital asset, including a tangible capital asset in lieu of a developer charge, is considered to be equal to its fair value at the date of contribution. Capital grants would not be netted against the cost of the related tangible capital asset. The cost of a leased tangible capital asset is determined in accordance with public sector guideline PSG-2, Leased Tangible Capital Assets.

Disposal

Disposals result when the ownership of a tangible capital asset is relinquished. Disposals reduce the cost of tangible capital assets and accumulated amortization to zero.

An asset disposal occurs when the asset is sold, taken out of service, destroyed, damaged, or replaced due to obsolescence, scrapping, or dismantling.

Fair Value

Fair value is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Gain or Loss on Disposal

The gain or loss is determined to be the difference between the sale and/or salvage value and the current net book value of the asset.

Leasehold improvements

Leasehold improvements are expenditures relating to the alteration or modernization of the leased asset that substantially prolongs the item’s period of usefulness or improves its functionality.

To be considered a leasehold improvement, the modification must have at least four characteristics:

- The modifications must be made to assets that have been leased
- The lessee (County of Wellington) must pay for the improvements. If the expenses are the responsibility of the lessor, then it will account for the expenses in its own records.
- The leasehold improvements should be durable, they should bring benefits to the County for more than one year; and
- The improvement reverts to the lessor at the end of the lease (i.e., cannot be detached from the leased property)

Net Book Value

Net book value of a tangible capital asset is its cost, less both accumulated amortization and the amount of any write-downs.

Pooled (Grouped) Assets

Assets that have a unit value below the capitalization threshold but have a substantial value as a group. Such assets shall be 'pooled' as a single asset with one combined value. Although recorded in the financial systems as a single asset, each unit may be recorded in the asset sub-ledger for monitoring and control of its use and maintenance.

Examples could include:

- Computers
- Furniture and fixtures
- Library books
- Small moveable equipment, etc.

First in, first out (FIFO) inventory methodology will be used for all pooled assets.

Repairs and Maintenance (R&M)

Repairs and Maintenance maintain the service potential of a TCA over its given useful life. Costs for R&M cannot be capitalized – it is recorded in the year the work is performed.

Repairs and Maintenance (Operating)	Betterments (Capital)
Maintenance costs keep the condition of the asset at its expected operating standard. Examples include duct cleaning, painting, etc.	A **project** must meet one of the requirements outlined in the definition of a betterment
Repairs are costs to restore the asset to its originally designed service potential after damage, accident, or prolonged use	**Rearrangements** of the building that increase service capacity or physical output. Examples include increasing the number of partitions in the office to increase office space or re-routing the wires in the building to increase the number of workstations.
Replacements involve the removal of component parts and substitution of a new part of essentially the same type of performance capabilities. This applies to replacements that do not meet the capital threshold	**Upgrades** involve the removal of a major part or component and the substitution of a different component having significantly improved performance capabilities beyond the property's original design standard

Residual Value

Residual value is the net realizable value of a tangible capital asset at the end of its useful life to the County.

Service Potential

Service potential is the output or service capacity of a tangible capital asset, and is normally determined by reference to attributes such as physical output capacity, quality of output, associated operating costs, and useful life.

Straight-Line Method

The straight-line method is an approach of amortizing a tangible capital asset where amortization is considered as a function of time instead of a function of usage. The major assumptions are that the asset's economic usefulness is the same each year and the repair and maintenance expense is essentially the same each period. Therefore, the periodic charge is the same in each year of the useful life of the asset.

Tangible Capital Asset (TCA)

Non-financial assets having physical substance that:

- Is held for use in the production or supply of goods and services, for rental to others, for administrative purposes or the development, construction, maintenance or repair of other tangible capital assets
- Have useful economic lives extending beyond one year
- Are to be used on a continual basis
- Are not for sale in the ordinary course of operations

Threshold Amount

Generally, the threshold amount for each category represents the minimum cost an individual asset must have before it is to be treated as a tangible capital asset and added to the proper asset class balance. The threshold amount is to be used as a guide in addition to professional judgment.

Threshold

The minimum cost an individual tangible capital asset must have before it is recorded as a capital asset on the statement of financial position. Different asset types and classes have different thresholds. Refer to **Appendix 1** for the threshold of each County asset class and **Appendix 3** for an illustration.

Useful Life

The estimate of either:

- The period over which a tangible capital asset is expected to be used, or
- The number of production or similar units that can be obtained from the tangible capital asset

The life of a tangible capital asset may extend beyond the initial estimated useful life of the asset. The life of a tangible capital asset, other than land, is finite, and is normally the shortest of the physical, technological, commercial, or legal life.

Refer to Appendix 1 for the useful life of each County asset class. Estimated useful life timeframes will be reviewed regularly and updated if necessary. Changes (if any) would be footnoted in the Financial Statements during the year the change is made.

Appendix 1 – Tangible Capital Asset Classes, Thresholds and Estimated Useful Lives

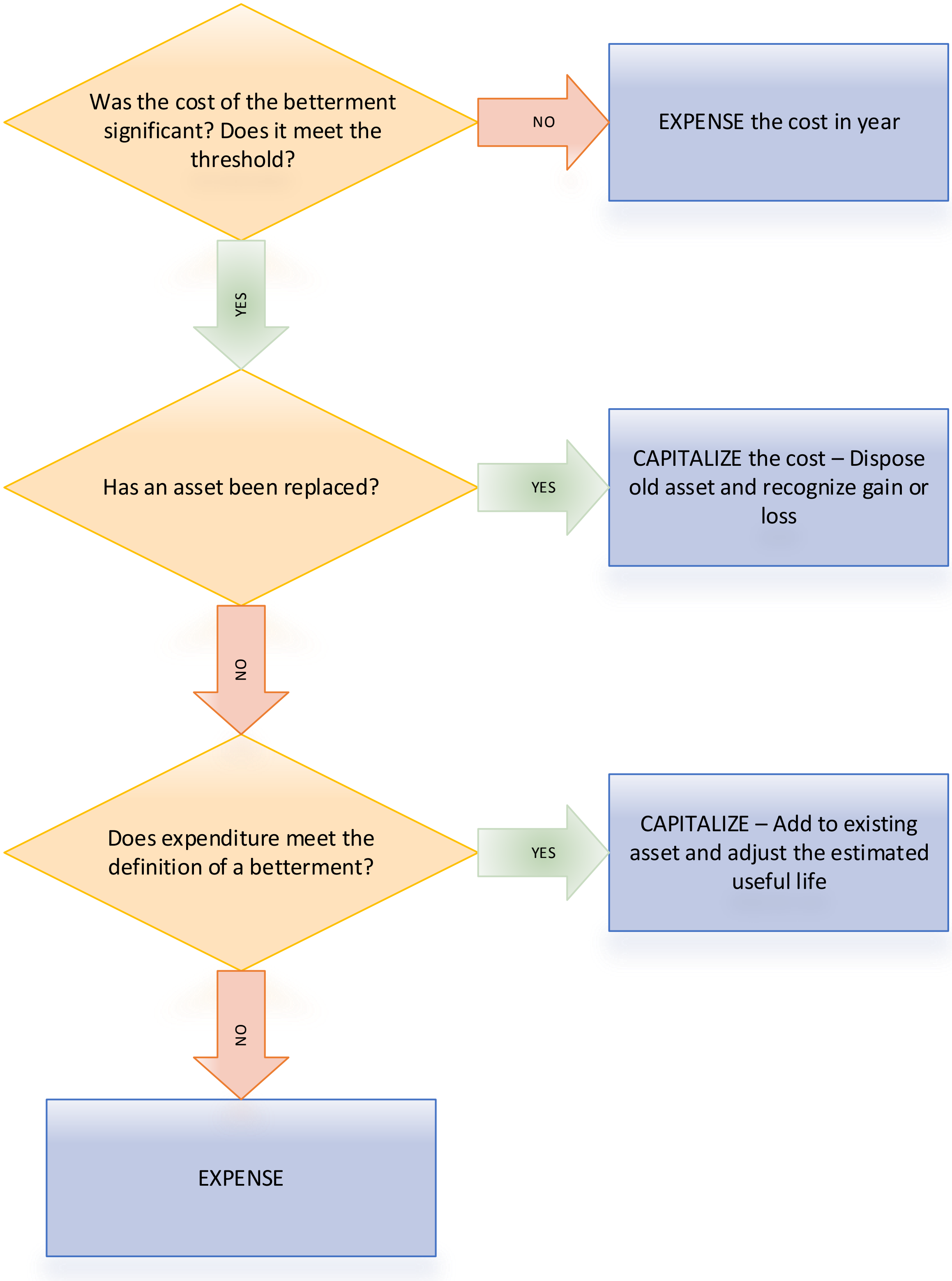
Category	Segment	Component	Threshold Value	Useful Life	Pool?
Land	Land		All	N/A	
	Landfills		N/A	Output	
Buildings	Structure	Structure Frame / Foundation	$ 25,000	50	
		Water, Drainage, Fire Systems	$ 10,000	30	
		Electrical Systems	$ 10,000	25	
		Mechanical & HVAC, Elevator	$ 10,000	20	
		Security, Smoke, Fire Alarm Systems	$ 10,000	15	
	Exterior	Brick Mortar	$ 25,000	40	
		Roofing – pitched metal	$ 25,000	40 - 50	
		Roofing – flat SBS membrane and tar gravel	$ 25,000	30	
		Roofing – pitched shingle	$ 25,000	20	
		Windows, Doors, Siding	$ 10,000	20	
	Interior	Millwork / Shelving / Cabinetry (res)	$ 25,000	25	
		Drywall / Common Space Flooring	$ 25,000	10	
		Interior Fixtures – lighting, bathroom	$ 25,000	15	
	Site Elements	Sidewalks, Curbing, Driveways, Parking Lots, Concrete Patios/Porches, Walkways	$ 25,000	20	
		Retaining Walls, Pavilions, Gazebos, Ramps	$ 25,000	15	
		Fencing, Playgrounds, Exterior Lighting	$ 25,000	10	
		Landscaping	$ 25,000	30	
	Leasehold Improvements		$ 10,000	Varies per lease	
Infrastructure	Bridge		$ 50,000	50	
	Culvert (>3m)		$ 50,000	50	
	Road / Parking Lot (Asphalt)	Surface	$ 50,000	20	
		Base (storm)	$ 50,000	50	
	Road / Parking Lot (Gravel)		$ 50,000	50	
	Traffic Signals		$ 50,000	20	
	Street Signs		$ 50,000	20	
	Street Lighting (Outdoor)		$ 50,000	20	
	Trails		$ 25,000		
	Structural Walls	Roadside Retaining Walls	$ 50,000	50	
Vehicles and Equipment	Licensed		$ 10,000	7	
	Unlicensed		$ 10,000	15	
	Equipment		$ 10,000	7-20	
	Police Equipment		$ 10,000	7	
Furniture and Fixtures	Office Buildings		$ 50,000	15	Y
	Social Housing / Police		$ 25,000	5	Y
	Long Term Care Home		$ 50,000	15	Y
Technology and Communications	Hardware	Computers, desktops, laptops, tablets	$ 25,000	4	Y
	Network	Servers & Storage, WAP	$ 25,000	5	Y
	Software		$ 25,000	5	Y
	Network	Firewalls, switches & Routers	$ 25,000	7	Y
	Network	IP Cameras	$ 25,000	10	Y
	Communication Infrastructure	Data Centre – UPS, AC, Fire Suppression	$ 25,000	10	Y
	Communication Infrastructure	Fiber Optic Cabling	$ 25,000	7	Y
Library Books			$ 25,000	5	Y

Additional Notes:

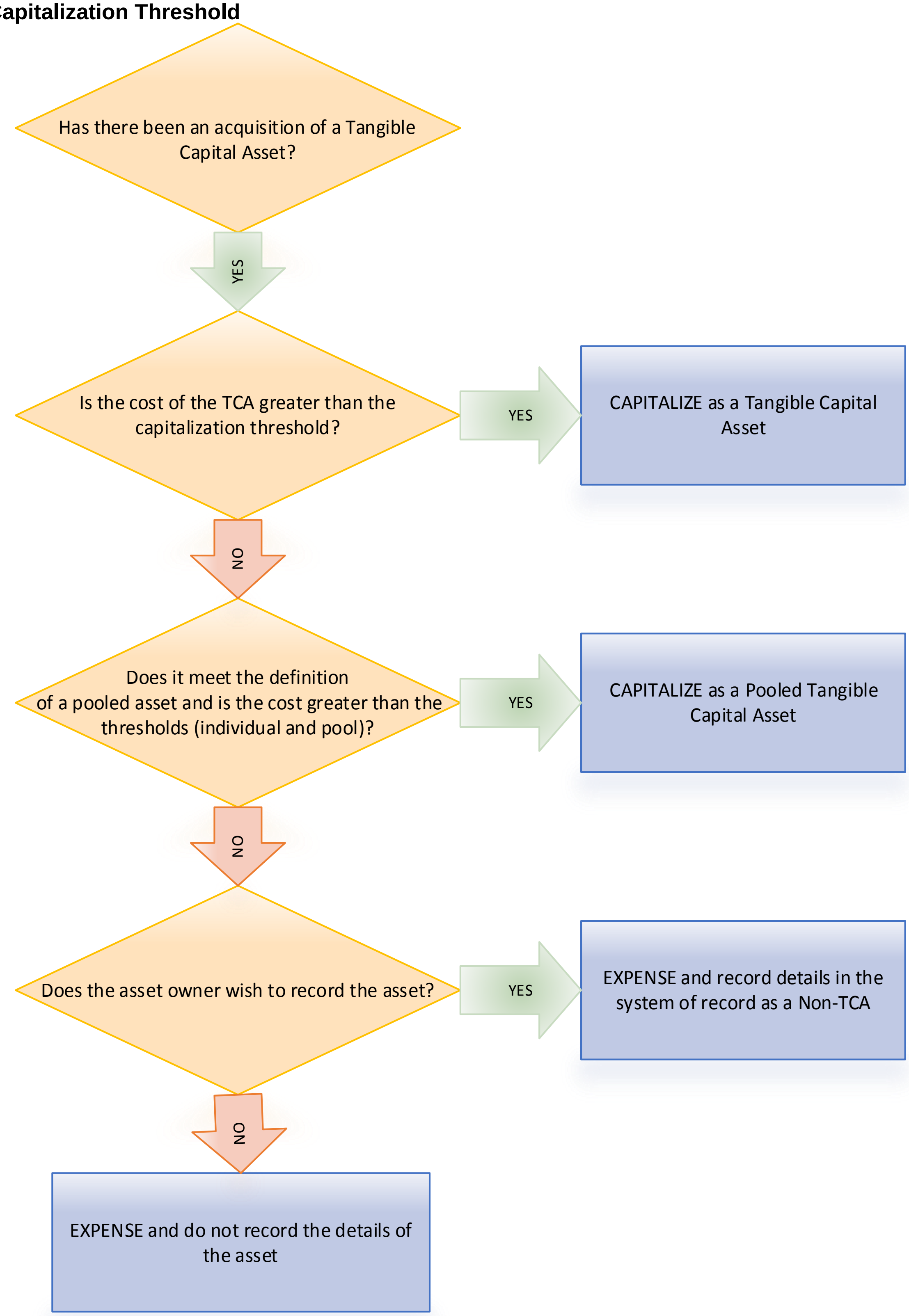
- Where applicable, Stormwater assets are included in the ‘base’ component of the road (asphalt)
- The Machinery and Equipment category includes tools and equipment
- Furniture & Fixtures include office furniture, shelving storage fixtures, medical equipment, and appliances
- It is assumed that all land, including parcels under County roads (for use under roads or road allowance), be capitalized as land. Land is not amortized.
- Corporate and Department Software systems meeting the cost threshold are recorded as separate assets. (e.g., JDE, FMW, etc.)
- Software costs that can be capitalized are:
  - One-time license fees to use the software
  - Installation, configuration, consulting, testing, and training directly associated with implementation
  - Application development
  - Costs for upgrades and new version **IF** it provides new functionality
- Software Costs that are considered operating:
  - Ongoing/yearly software licensing/maintenance fees, including any subscriptions
  - On-going training, post implementation (including end-user training)
  - Costs for upgrades to keep software compatible with technology or to provide “bug fixes” - it does **NOT** deliver new functionality.
- Library Books asset pool include books (hardcover and softcover), and audio-visual materials (compact disc, DVD, multimedia kit, etc.). Costs for shipping, processing, and binding are not capitalized
- Leased books are replaced every year and should not be capitalized.
- Electronic resources, magazines and other periodicals are not included in the pool as their useful life is typically less than one year as the individual items are renewed by annual subscription or replaced by more current issues.
- Costs are capitalized on interest paid between date of debt issue and when the asset is in service
- Typically, the County issues debt after the assets are in service – in this case the County would not capitalize the interest paid

Appendix 2 - Decision Trees and Expenditure Treatment Schedule

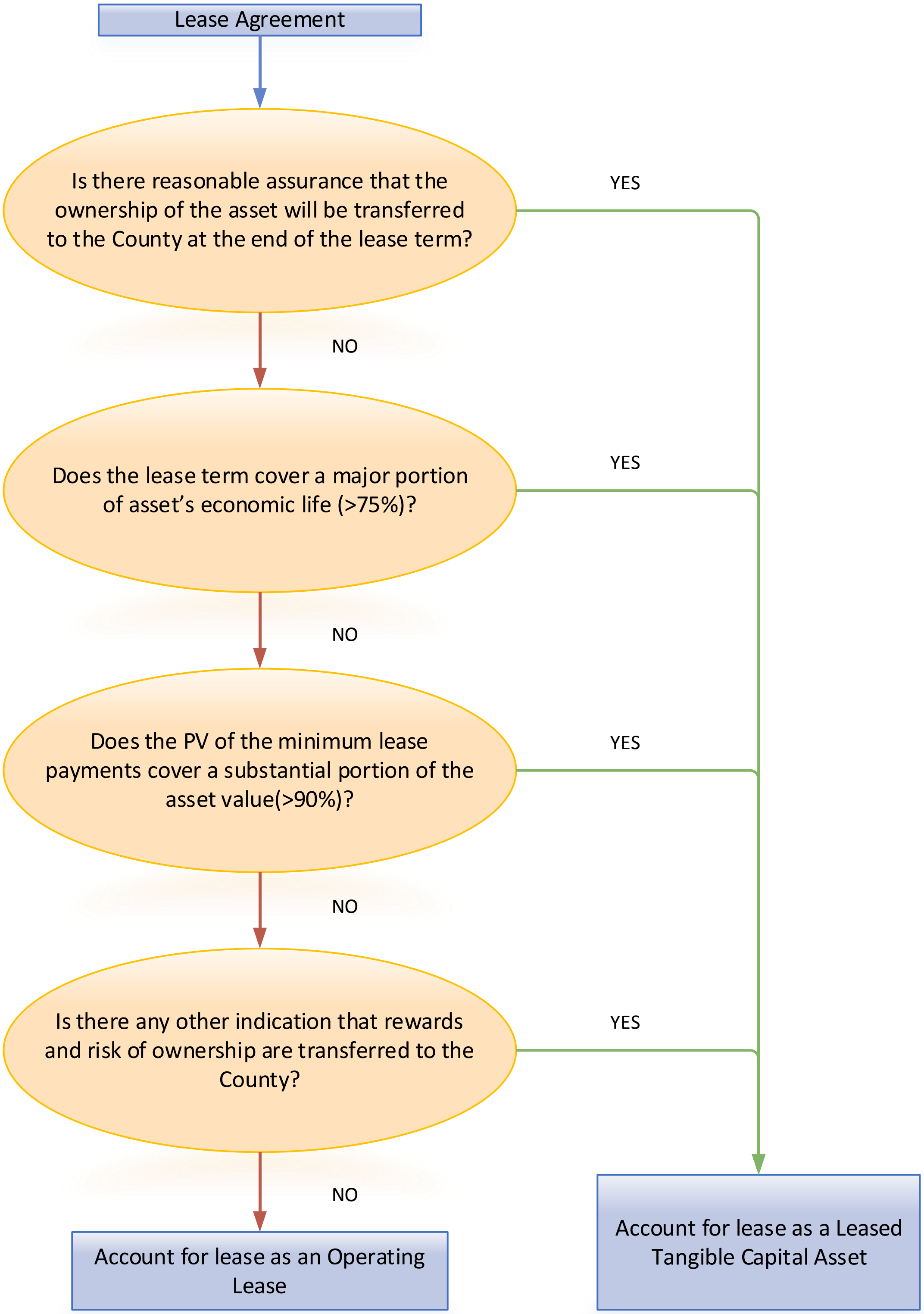
Capitalization of Betterments



Capitalization Threshold



Leased Tangible Capital Asset



Expenditure Treatment Schedule: Operating vs. Capital

COSTS	Accounting Treatment
Master Plan costs	Operating expense
Environmental assessments	Capital (associated with Capital Projects)
Feasibility study costs	Capital (associated with Capital Projects)
Warranty Works	Operating expense
OMB hearings	Operating expense
Development charges studies	Operating expense
County Official plan	Operating expense
Growth Management study	Operating expense
Building condition assessments	Operating expense
Land acquisition costs	Capital
Design and engineering fees	Capital (associated with Capital Projects)
Site preparation costs	Capital (associated with Capital Projects)
Internal direct labour	Capital (associated with Capital Projects)
Direct materials	Capital (associated with Capital Projects)
Equipment usage (heavy & tools)	Capital (associated with Capital Projects)
Legal and survey	Capital (associated with Capital Projects)
Contracted services	Capital (associated with Capital Projects)
Freight, transportation, insurance, duties /brokerage fees	Capital (associated with Capital Projects or TCA)
Interest during construction	Capital
Decommissioning	Capital
Rehabilitation	Capital (if it meets the definition of "betterment")
Maintenance	Operating expense
Repairs	Operating expense

Note: Some expenses that go through operating accounts can be capitalized if it meets the capitalization criteria. This usually includes assets that are pooled.

Expenditure Treatment Schedule: Operating vs. Betterments

Expenditure Example	Capitalized Expenditures (Betterments)	Operating Expenditures
Carpet/Flooring	A project to replace all or a significant portion of the floors of a building (i.e.. More than 25% of the building)	Repairs or patching of a small area of the floors.
Drywall	A project to replace all or a significant portion of the drywalls of a building (i.e.. More than 25% of the building)	Repairs or patching of a small area of drywall
Backsplash	A project to replace all or a significant portion of the backsplashes in a building (i.e.. More than 25% of the building)	Repairs or patching of backsplash in less than 25% of the units of a building
Countertops	A project to replace all or a significant portion of the countertops in a building (i.e.. More than 25% of the building)	Repairs or replacement of countertops in less than 25% of the units of a building
HVAC Systems	Replacement of the HVAC system with an upgraded model (Chillers, cooling towers, air handling units, VAV boxes, pneumatic controls, cooling coils, humidifier/thermostats)	Replacement of HVAC system with the same model. Repairs and replacement of parts
Elevators	Modernization of the elevators which may include items such as voice communicators, buttons, etc.	Replacement of individual parts and repairs including routine services and emergency repairs
Exterior Doors	A project to replace all exterior doors of the building	Repair or occasional replacement of a small number of doors or emergency repairs
Fire Alarms/Security Systems	a project to upgrade the systems including critical components	replacement of individual components & repairs including routine service and emergency repairs
Electrical	A project to re-wire the whole building and install new electrical panels. A project to install new panels and wiring as a result of an extension or creation of a new building space	repairing or occasional replacement of individual units such as panels, switches, or outlets
Boilers	A project to upgrade the boiler or replace it with a more energy efficient model	Routine repairs such as pumps, expansion tanks, water treatment on the existing boiler

Interior Painting	A reno or construction that includes painting	repainting walls as maintenance
Lighting	A project to upgrade the internal and external lighting systems and light fixtures (fixture body, ballast, and light bulb)	Occasional replacement of individual parts and repairs to light fixtures including replacement of light bulbs
Parking Lots	Extension of parking lot or resurfacing of entire parking lot. Including lamppost and entry/exit barriers	Maintaining and covering occasional potholes. Resurfacing of repainting part of the parking lot. Repairs and occasional replacement of lampposts and lightbulbs
Plumbing	a project to install or upgrade the majority or all plumbing of the building	occasional replacement of individual units or emergency repairs
Plumbing Fixtures	a project to install or upgrade the majority or all plumbing fixtures of the building	occasional replacement of individual units or emergency repairs
Power Generators	A project to install or upgrade backup and emergency generators, UPS batteries, Transformers	Replacement of individual parts and repairs including routine services, testing and emergency repairs
Roofs	a project to replace or upgrade the roof. Roof is replaced towards the end of the useful life of the building and the roof extends the life of the building.	Maintaining and patching small areas. Roof is replaced in the early life of a building and does not extend it's useful life. i.e.. Building has 40 years useful life. Roof has useful life of 20 years. If roof was replaced on year 20, this does not extend life of the building.
Telecommunications	a project to upgrade the communication of a building such as installing a fiber optic cable	Repairs or extensions to individual lines
Windows	a Project to replace all the windows of a building or an entire wing of a building. A project to replace caulking of windows	Repairing or occasional replacement of a single or small number of windows due to damage
Minor Capital	Expenses coded to a capital project account	Any expenses coded to operating accounts
Sprinklers	A project to upgrade all or majority of sprinkler units and systems (fire hoses, sprinkler heads, hydrants)	Replacement of individual parts and repairs including routine services and emergency repairs