

Pacific Lutheran University

Capital Equipment Purchases

7502, Computing Equipment:

Purchase of an individual or single item of computer hardware that has a cost of \$5,000 or more (including sales tax and shipping & handling charges). The 7502 account code should also be used when purchasing component parts of a large computer system (usually on a single purchase order) and the total system will cost \$5,000 or more (incl. sales tax, and shipping & handling charges.) In other words, the hardware components will be put together to form a large unit of computing equipment. Such a purchase is considered capital in nature, and the capitalized item will be depreciated annually over its useful life on the university's financial statements.

7503, Equipment and Furnishing (other than computing equipment):

Individual item, including sales tax, and shipping & handling charges, has a cost of \$5,000 or more, and is considered a capital equipment purchase. (See detailed explanation above.)

Non-Capital Equipment Purchases

7151, Equipment Purchases (other than computing equipment):

Individual item of equipment, including sales tax and shipping & handling charges, has a cost of less than \$5,000. Examples are office chairs, file cabinets, and adding machines, despite the quantity purchased.

7154, Computer Hardware:

Individual item of computer hardware has a cost of less than \$5,000. Examples include most desktop or notebook computer purchases, and/or the purchase of computer monitors or printers, despite the quantity purchased.

(Non-Equipment) Supply Purchases

710X Series of Account Codes:

Purchase of a supply item that has an individual cost of less than \$5,000. Supply purchases are non-equipment in nature, and for the most part, are items that can be used up in one year or less.