**Property, Plant & Equipment Procurement Requisitions Decision Tree**

**Is the order part of a Construction in Progress (CIP) Project?**
- **YES**
  - **Does the order being placed cost at least $5,000?**
    - **YES**
      - **Does each piece being ordered cost at least $5,000?**
        - **YES**
          - **Do all pieces being ordered work together as a system with each system totaling at least $25,000?**
            - **YES**
              - **Mark “Capital Expense” No.**
            - **NO**
              - **Mixed Capital, Non Capital and/or Expensed Items**
                - **YES AND NO**
                  - **Create separate req line(s) for items on the order which should not be included in capital asset-equipment**
                    - **Use non-equipment or expensed equipment NC/Expenditure Type**
                  - **Create separate req line(s) for non capital equipment – GL strings and/or PTAEOs with Natural Classes and/or expenditure types in the range for $5,000-$24,999 equipment**
                    - **Create separate req line(s) for capital assets**
                      - **GL strings: Use the E.O.F.A.SA(s) to be charged for the equipment costs, but use NC 1700 for all GL strings.**
                        - **PTAEO(s): Use Expenditure Types in the range for $25,000 and greater**
                    - **Mark “Capital Expense” Yes.**
                  - **Create separate req line(s) for items on the order which should not be included in non-capital asset-equipment**
                    - **Use non-equipment Natural Class/Expenditure Type**
            - **NO**
              - **Create separate req line(s) for items on the order which should not be included in capital asset-equipment**
                - **Use non-equipment or expensed equipment NC/Expenditure Type**
              - **Create separate req line(s) for non capital equipment – GL strings and/or PTAEOs with Natural Classes and/or expenditure types in the range for $5,000-$24,999 equipment**
                - **Create separate req line(s) for capital assets**
                  - **GL strings: Use the E.O.F.A.SA(s) to be charged for the equipment costs, but use NC 1700 for all GL strings.**
                    - **PTAEO(s): Use Expenditure Types in the range for $25,000 and greater**
                  - **Mark “Capital Expense” Yes.**
              - **Create separate req line(s) for items on the order which should not be included in non-capital asset-equipment**
                - **Use non-equipment Natural Class/Expenditure Type**
        - **NO**
          - **Mark “Capital Expense” Yes.**
      - **NO**
        - **Does each piece being ordered cost at least $5,000?**
          - **YES**
            - **Mark “Capital Expense” No.**
          - **NO**
            - **Use assigned CIP Funding and Activity plus specified Natural Class(es) (17xx, 18xx, 54xx)**
    - **NO**
      - **Does each piece being ordered cost at least $5,000?**
        - **YES**
          - **Mark “Capital Expense” Yes.**
        - **NO**
          - **Mark “Capital Expense” No.**

**Notes:**
(A) Evaluate what pieces work together as a system and their combined value to determine the threshold for equipment type. Individual pieces that stand alone should be evaluated based on their individual values.
(B) E - Entity, O - Org, F - Funding, A - Activity, SA - SubActivity, NC - Natural Class.
(C) Parts of an equipment order that should not be included in equipment Ncs: training, service agreement, maintenance contract, extended warranty, consumable supplies, equipment leases, life less than one year.
(D) If adding lines to an existing PO, regardless of amount follow the accounting logic of the original order.
(E) The cases above are the only time when Capital Expense should be set to Yes. It should be No in any other scenario.
(F) If equipment is being traded in as part of the purchase, reference Property, Plant and Equipment Policy (ID 024-0001) Appendix G Trade In and Credit Processing Instructions.