



## Appendix C: Detailed Guidance on Depreciating Facilities and Equipment

Assets begin depreciation in the month the asset was purchased or placed into service, with a full month of depreciation expense recorded at the month-end close. For building assets, the placed in service date is the date the CO or TCO, if use of the building occurred, was issued. If no certificate is needed, the placed in service date will be the Certificate of Substantial Completion has been received from the contractor, or municipal sign-offs on construction permits have been received that allow use of the space/asset. For purchased equipment, the placed in service date is the date on the invoice for purchased equipment; for fabricated equipment, the placed in service date is the date the equipment is sufficiently developed and is available for use or is producing science.

Depreciation categories are grouped separately for research and non-research facilities. The standard useful lives of depreciable assets (other than research facilities) are:

Asset Category	Depreciation Method	Standard Useful Life
Buildings	Straight line	35 years
Building and land improvements	Straight line	35 years
Leasehold improvements	Straight line	35 years OR the remaining period of the lease plus tenant extensions, whichever is shorter
Fixed equipment	Straight line	15 years
Equipment	Straight line	7 years
Computer equipment	Straight line	4 years
IT Networking and Infrastructure	Straight line	15 years
Audio visual equipment	Straight line	5 years
Scientific equipment	Straight line	8 years
Furniture and fixtures – residential	Straight line	3 years
Furniture and fixtures – office	Straight line	7 years
Vehicles	Straight line	4-10 years
Software	Straight line	4 years
Service Center Assets	Straight line	3 – 8 years

Note that land is not depreciated, and therefore does not have an associated useful life.

Assets that remain in use, regardless of net book value, should remain in Oracle Fixed Assets.

Research facilities must be **“componentized,”** meaning assets are grouped and depreciated in separate categories with differing useful lives. The standard useful lives for research facilities are:

Research Facility Component	Depreciation Method	Standard Useful Life
Shell*	Straight line	45 years
Roof	Straight line	15 years
Finishes**	Straight line	10 years
Fixed equipment	Straight line	15 years
Services***	Straight line	20 years

\* Shell represents exterior walls and additions, including windows.

\*\* Finishes represent final construction fit-outs required to make the space useable, such as flooring, carpeting, interior walls, installed table tops, painting, etc.

\*\*\* Services represent internal building systems such as elevators, plumbing systems and heating and air-conditioning systems.



# HARVARD UNIVERSITY FINANCIAL POLICY

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Oracle Fixed Assets utilizes subcategories to capture useful lives that are different from the default useful lives associated with the asset object codes. Below is a table summarizing the additional subcategories and useful lives. Other useful lives are available contact FAR for guidance.

Asset Category	Object Codes	Standard Useful Life*	Optional Subcategory (in Oracle Fixed Assets)
<b>Buildings (PIS)</b>	1200	35 years	Shell, Roof, Finishes, Fixed Equipment, Services
<b>Building improvements</b>	1200	35 years	
<b>Leasehold improvements</b>	1240	35 years OR the remaining period of the lease plus extensions, whichever is shorter	
<b>Land improvements</b>	1230	35 years	
<b>General equipment:</b>			
CO^Equip, General, Nonsponsored	1000	7 years	Service Center Asset
CO^Equip, General, Sponsored	1001	7 years	Service Center Asset
General Equipment, Non-Consolidating School/units	1002	7 years	
CO^Equip, Scientific, Nonsponsored	1003	8 years	Service Center Asset
CO^Equip, Scientific, Sponsored	1004	8 years	Service Center Asset
CO^Equip, Debt-financed, General	1020	7 years	
CO^Equip, Debt-financed, Scientific	1021	8 years	
<b>Computer equipment:</b>			
CO^Equip, Computer, Nonsponsored	1030	4 years	Service Center Asset; IT Infrastructure
CO^Equip, Computer, Sponsored	1031	4 years	Service Center Asset; IT Infrastructure
CO^Equip, Software, Nonsponsored	1032	4 years	
CO^Equip, Software, Sponsored	1033	4 years	
CO^Equip, Debt-financed, Computer	1050	4 years	IT Infrastructure
CO^Equip, Debt-financed, Software	1051	4 years	
<b>Scientific equipment</b>	1003,1004	8 years	Service Center Asset
<b>Furniture and fixtures – residential:</b>			
CO^Equip, Residential F+F, Nonsponsored	1060	3 years	
CO^Equip, Residential F+F, Sponsored	1061	3 years	
CO^Equip, Debt-financed, Residential F+F	1080	3 years	
<b>Furniture and fixtures – office:</b>			
CO^Equip, Ofc F+F, Nonsponsored	1090	7 years	
CO^Equip, Ofc F+F, Sponsored	1091	7 years	
CO^Equip, Debt-financed, Ofc F+F	1100	7 years	
<b>Vehicles:</b>			
CO^Equip, Vehicle, Nonsponsored	1120	4-10 years	Heavy, Medium
CO^Equip, Vehicle, Sponsored	1121	4-10 years	Heavy, Medium
CO^Equip, Debt-financed, Vehicle	1130	4-10 years	Heavy, Medium