



**NYU**

Financial Operations  
and Treasury

**To:** CDV Community + Research Community

**From:** David Ngo, AVP Grants, Gifts and Investments Accounting & Compliance  
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**Subject:** New Equipment Capitalization Threshold

Dear Colleagues,

As a reminder from our presentation at the last Research Administrator Forum, effective September 1, 2021, NYU has a new equipment capitalization threshold of \$5,000 to align with federal requirements prescribed in the Uniform Guidance regulations. This applies to the purchase and fabrication of equipment and furniture with a useful life of more than one year regardless of the source of funding.

This change will allow NYU faculty and staff more time to focus on the important teaching, research and public service for which NYU is recognized around the world, and put us in alignment with all our peers.

The primary reasons for the change are: (1) a significant reduction in both faculty and staff administrative burden and (2) to enhance the overall stewardship of the University's assets by alleviating the requirement to perform a physical inventory of relatively low valued items.

The anticipated impact will be that thousands of NYU's total inventory (items below the \$5,000 threshold) will no longer require tagging, recording and tracking. Time and resources (administrative costs) currently needed for physical inventory of these lower value assets is significant.

Additionally, this change will align NYU's capitalization threshold with research standards and should also help reduce confusion when working with sponsors, especially Federal, State and City sponsors who have long utilized the \$5,000 threshold.

We are collaborating across pre- and post-award to provide guidance to researchers, administrators and fiscal officers on proposals and awards. The new rates will be applied to all **new, renewal, and supplemental** research and sponsored project awards with a start date on or after September 1, 2021. For more information, please visit [NYU Capitalization Threshold FAQ's](#).

If you have any questions, please contact Joanne Goldstein, Assistant Controller, Costing & Analysis ([joanne.goldstein@nyu.edu](mailto:joanne.goldstein@nyu.edu)).