

2021 Summer Program Fund Request for Proposals FAQs

Capitalization Level Definition

When organizations purchase relatively expensive items that will be used for more than one year it is common to depreciate those items. Depreciating them means you spread the total cost over multiple years. Organizations that use this accounting method establish a dollar amount as the minimum amount an item must cost in order to be "capitalized," then depreciated over time. That minimum dollar amount is called the capitalization level. If your organization has established a capitalization level less than \$5,000 then you may not use these grant funds for any equipment with a per unit cost more than that level. If your organization does not have a capitalization level, or if it is more than \$5,000, then you may not use these grant funds for any equipment that cost more than \$5,000 per unit.