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MEMORANDUM

May 26, 2011

To: Agency Heads/Fiscal Officers

From: Simcha Felder 

Re: Reissue of Comptroller's Internal Control and Accountability Directive #10, *Charges to the Capital Projects Fund*

A new version of Comptroller's Internal Control and Accountability Directive #10 is attached. It supersedes the existing version dated June 3, 2005.

Similar to the prior Directive, the new version sets forth guidelines for agency use in determining when capital funds may be used for the acquisition, construction or improvement of a Capital Asset. This Directive identifies the broad categories of projects or purposes appropriate for capital funding and provides updated interpretive guidance for many commonly encountered situations. This Directive incorporates the requirements of Governmental Accounting Standards Board's Statements (GASB) No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, into its guidance.

New policy and guidance has been provided for:

- Operating a construction site during the construction period;
- Statutory housing loan and grant programs;
- Training costs;
- Preventative maintenance costs;
- Extended warranties;
- The purchase of media content, and
- The purchase of multiple laptops.

Expanded guidance has been provided regarding:

- What constitutes a Capital Project;
- The minimum cost eligibility criteria for real property projects, and
- The capital eligibility of costs incurred:
 - For Betterments and Upgrades;
 - In Initial Outfittings, and
 - For equipment systems.

This Directive is being issued in conjunction with the Comptroller's Internal Control and Accountability Directive #30, *Capital Assets*. In addition to complementing Directive #10, by providing a more expanded understanding of Capital Assets, Directive #30 provides accounting standards for the reporting of Capital Assets within The City of New York's financial statements and further guidance on Capital Asset valuation, disposition, and inventory control.

This Directive is effective immediately. Questions should be addressed to the Directives Unit, Municipal Building, 1 Centre Street, Room 827, New York, N.Y., 10007, (212) 669-8216. E-mail directives@comptroller.nyc.gov.

Attachment