



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER

MARK LEVINE
COMPTROLLER

COMPTROLLER'S MEMORANDUM
26-01

To: Agency Heads/Fiscal Officers

From: Jacqueline Thompson ^{DS} JT
Deputy Comptroller for Accountancy

Date: July 16, 2026

Subject: Amendment to the Office of the Comptroller's Directive # 10 – *Charges to the Capital Projects Fund*

This Comptroller's Memorandum (CM) reflects amendments to the Office of the Comptroller's *Directive #10 – Charges to the Capital Project Fund*. The amendments involve updates to Sections 3.1 (10) and 4.4.4. Unless otherwise indicated, all other requirements of Directive #10 remain in full force and effect.

Amended text is *italicized*.

3. BASELINE ELIGIBILITY CRITERIA

3.1 Purpose

City Charter, Chapter 9, Section 210, defines a Capital Project as one that provides for the "...construction, reconstruction, acquisition or installation of a physical public betterment or improvement, which would be classified as a Capital Asset under generally accepted accounting principles (GAAP) for municipalities or any preliminary studies and surveys relative thereto or any underwriting or other costs incurred in connection with the financing thereof."

In general, Capital Projects must be Capital Assets with a multi-year life. Capitalized costs are limited to costs that are necessarily incurred to bring the asset to its intended use.

Projects with the following purposes are typically considered capital eligible subject to the legal reviews described above:

1. The purchase, construction, reconstruction and/or betterment of buildings, structures, facilities, or any element of Infrastructure and, under certain circumstances, building demolition costs (Section 4.4.9 of this Directive).
2. Pollution remediation that meets the provisions of Section 4.4.1 of this Directive.
3. The purchase of furnishings, machinery, and equipment for the Initial Outfitting of a building, structure, facility, or element of infrastructure.
4. The purchase of land and real property easements.
5. The purchase, installation, or upgrade of items of major equipment such as construction equipment, dock cranes and power generators.
6. The purchase, upgrading, and installation of equipment systems such as: telecommunications systems, emergency response systems, security systems, fire prevention systems, and traffic control systems.
7. Upgrading and installation of street Infrastructure, such as street lighting and pedestrian ramps that meets the requirements of Section 4.2 of this Directive.
8. Upgrading and installation of sewer, water, and stormwater Infrastructure such as green infrastructure, catch basins, hydrants and manhole castings and that meets the requirements of Section 4.2 of this Directive.
9. Information Technology that meets the provisions of Section 7.0 of this Directive.
10. The purchase of motor vehicles (excluding passenger vehicles unless such vehicles have a capacity of at least ten occupants), *police emergency response vehicles (as defined by NY Local Finance Law §11.00)*, rapid transit cars, aircraft, and watercraft.
11. The reconstruction, upgrade, betterment or initial outfitting of real property, structures, facilities, or other Capital Assets the City controls under long term lease.
12. The payment of judgments and claims associated with Capital Projects.
13. Funding certain statutorily authorized housing loan programs for work that otherwise meets the requirements of the Directive.

4. IMPROVEMENTS TO CAPITAL ASSETS

4.4 Additional Guidance on Other Matters

4.4.4 Stand-Alone Air Conditioners

The cost of window air conditioners or sleeve (through-the-wall) air conditioners is not eligible as a Capital Project except as part of Initial Outfitting or if each such unit meets the Baseline Eligibility Criteria outlined in Section 3 of this Directive. *Notwithstanding the foregoing, and only within educational school buildings operated by the Department of Education (DOE), and only in those portions of school buildings directly operated by*

DOE where DOE is co-located¹ with other building users, window air conditioners are eligible only if they are part of a centrally managed, Wi-Fi-enabled cooling system where individual units function as interconnected components of a larger, centrally controlled electro-mechanical building infrastructure, and such cooling system meets Baseline Eligibility Criteria outlined in Section 3 of this Directive.

Any questions related to this Comptroller's Memorandum, or Directive #10, should be directed to the Office of the Comptroller, Attention: Directives/Policy Unit, Bureau of Accountancy, Municipal Building, One Centre Street, Room 200 South, New York, NY 10007, via email (directives@comptroller.nyc.gov).

¹ "Co-location" refers to buildings in which space is leased, owned, or operated and maintained separately by different users. Building users may refer to a City Agency, Component Unit, Non-City governmental users or private entities.