

## RENOVATIONS

Major repairs and renovations are capitalized, and depreciated over multiple periods, only if they meet the following criteria:

1. They ***significantly extend*** the original useful life of the underlying asset,
2. They ***increase the efficiency*** or output of the underlying asset, or
3. They ***improve the condition*** or quality of the asset to be more than it was when first constructed or acquired.

Then determine:

- What is being renovated (details/contracts)?
- What is the total cost of the project?
- When did it start? (month/year)
- When will it end? (month/year)
- What portion (%) of the project was done in “***Calendar Year***” (i.e. - “***2020***)?
- How much was spent in “***Calendar Year***” (i.e. - “***2020***)?