



**SUPPLEMENTAL INFORMATION FOR REQUISITIONS OVER \$250,000 AND BULK PURCHASES**

1. Please describe in layman's terms exactly what is being purchased and its intended use.

2. Is the entire requisition for maintenance?  Yes  No

**STOP if you answered Yes to the question above and sign the form below.**

3. This requisition is for:

Asset Type	Line Item # (CLIN)	Asset Type	Line Item # (CLIN)
<input type="checkbox"/> Equipment		<input type="checkbox"/> Leased Software	
<input type="checkbox"/> Equipment Upgrade		<input type="checkbox"/> Leasehold Improvement	
<input type="checkbox"/> Leased Equipment		<input type="checkbox"/> Services	
<input type="checkbox"/> New Software		<input type="checkbox"/> Other (explain below)	
<input type="checkbox"/> Software Upgrade			

4. Is this requisition part of a partial order?  Yes  No

If **Yes**, please list related requisition numbers

5. Does this requisition consist of multiple items?  Yes  No

If **Yes**, do these individual items operate independently or as a system?  Independently  System

If operating **Independently**, does any one item cost \$500,000 or more?  Yes  No

If operating **Independently** and no one item costs \$500,000 or more, is this a bulk purchase where the individual items cost \$50,000 or more?

Yes  No

6. Does this requisition extend the useful life of the asset?  Yes  No  N/A – New Asset

If **Yes**, by how long will this extend the useful life of the asset?  # of years

**Only answer questions 7 and 8 for lease requisitions**

7. If this requisition consists of a lease, does asset ownership transfer to HUD at the end of the lease?  Yes  No

8. Is this requisition for enhancements to leased space paid for by HUD?  Yes  No

**Only answer questions 9-11 for software requisitions**

9. Is this requisition for a Commercial Off the Shelf (COTS) or Internally Developed Software (IDS)?

COTS  IDS  Other

10. What is the total costs to develop the software?

11. Are the costs for Contractor labor included in this requisition?  Yes  No

If No, which requisition number are Contractor labor costs included on?

Requisition Number:	Phone Number:	Date:	Digital Signature:



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### **Instructions for Preparing the Supplemental Information Request Form**

*Please send an email to [BOCPrismReqReview@hud.gov](mailto:BOCPrismReqReview@hud.gov) if you have questions.*

1. Please provide a straightforward interpretation about the element(s) that is being procured and it's intended use.
2. Does the entire requisition consist of maintenance only? If no, is maintenance included with other items within individual line items? Annotate as needed. If yes, the remaining questions do not need to be answered, so please complete the bottom of this form and electronically sign and include in your PRISM documentation package.
3. What is being purchased for this requisition? Please select the best choice and provide the Contract Line Item Number (CLIN). If Other, please explain in the box below.
4. Are there any requisitions that relate to this one? If yes, please note them in the box.
5. Does the requisition include multiple items? If yes, please notate if the individual items operate independently or as a system. An example is a security system that contains cameras, monitors, and computer equipment that can operate independently, but was purchased with the intention of being used as a security system.
6. Does the purchase extend the useful life of an existing asset? If Yes, please note how many years the existing asset's life will be extended. This question pertains to enhancing the existing Property, Plant, and Equipment, not if you are procuring a new asset. If this is a new asset, the answer is N/A – New Asset.
7. If a lease is involved, will ownership transfer to HUD at the end of the lease?
8. If this is office space, is HUD paying for the enhancements?
9. If this is a software requisition, is this requisition for Commercial Off the Shelf (COTS) software or is this requisition for Internally Developed Software (IDS) or otherwise noted as Government Off the Shelf (GOTS) software?
10. What is the total cost to develop the software? Do not include costs to sustain the software system once already in use.
11. Are the costs for Contractor labor included in this requisition? If not, which requisition number are Contractor labor costs included on? If there are no labor costs associated with this software, please write "N/A" to indicate that there are no Contractor labor costs.

*At the bottom of the Form, please enter the following fields: Requisition Number, Phone Number & Date and then electronically sign.*



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### Interpreting the Supplemental Information Request Form

The interpretations found below are meant to be used as a guide and may not hold true in every situation. Experience has shown that there is a certain amount of gray area between capitalization and expense. Situations falling in this gray area will have to be reviewed more closely. If you have questions, please send an email to [BOCPrismReqReview@hud.gov](mailto:BOCPrismReqReview@hud.gov) for any questions and to assist with a determination.

#### **Capitalization Criteria and Thresholds**

- \$500,000 minimum for equipment purchase, capital lease, and leasehold improvements
- \$750,000 minimum for Internal Use Software purchase
- \$1,000,000 minimum bulk purchase with individual items costing \$50,000 - minimum
- Estimated useful life of 2 years - minimum
- Must be a new asset or significant improvement or enhancement to an existing asset, not merely maintenance, repair or restoration to original condition of old asset
- For a lease to be capitalized, ownership must transfer to the agency at the end of the lease

#### **Miscellaneous Guidelines**

- **If Question # 2** is marked yes, then the requisition should be expensed
- **Question # 5** is used to determine if there are other requisitions that relate to the asset and would therefore add to the capitalized cost of the asset
  - Please see the examples below to assist with identifying an individual item or system versus bulk purchase question:
  - If there are multiple items functioning together as a system costing \$500,000 or more, then the requisition should be capitalized. For example, if there is a security system comprised of a camera, a monitor, and computer equipment, these items could all work independently as a camera, etc. If the camera costs \$300,000, the monitor costs \$350,000, and the computer costs \$400,000, none of these items would individually be capitalized. However, if they were purchased as a security system, the total cost of the security system would be capitalized for \$1,050,000. If the total purchase was less than \$1,000,000, the requisition would not be capitalized since it wouldn't meet the minimum purchase threshold.
  - If there are multiple items functioning independently with one of the items costing \$500,000 or more, then only the item costing \$500,000 or more should be capitalized. For example, if there is a request totaling \$1,000,000 that consists of \$400,000 worth of PC's and \$600,000 for a printer and all items on the request function independently, then the PC's should be expensed and the printer should be capitalized.
  - If there are multiple items purchased in bulk which operate independently and cost \$50,000 or more each, then the requisition should be capitalized if it totals \$1,000,000 or more. An example of this is PC's that are normally purchased in large quantities. If the requisition totals \$1,000,000 or more and each PC costs \$50,000 or more, then the requisition should be capitalized. However, as is often the case, the total will exceed \$1,000,000 with individual items being less than \$50,000. In this case, the requisition should be expensed.
- **Question # 6** is critical in determining if the purchased asset has a life expectancy of greater than 2 years or if it extends the life of an existing asset. Enhancements and life extensions would generally be capitalized
- **If Question # 7** is marked yes, then the lease should be capitalized if it meets the capitalization dollar threshold
- **If Question # 8** is marked yes, then the leasehold improvement should be capitalized if it meets the capitalization dollar threshold
- **Question # 10** intends to determine the total amount of the purchased software. This dollar amount will determine if it meets the capitalization threshold dollar amounts for Internal Use Software.