

Durable Equipment Depreciation for research projects

From the 1st January 2018 LENS has adopted a new accounting program. According to the agreement between LENS and UNIFI we have implemented the accounting program for the depreciation of the Durable Equipment, with the percentages established by the University of Florence, (see attachment) making small changes in relation to the use of some tools used for research projects.

Regarding the recordings of the depreciation in the field of specific research projects, we have established the following percentages of yearly depreciation:

We have divided durable equipment in 5 categories following their use in the laboratory. Inside categories we have further divided the equipment in subcategories following the nature of the material. Amortization time varies between categories and subcategories. We adopted two different criteria to establish the various amortization times: wear and obsolescence.

In the following we explain the application of the criteria to different categories

1. Laser Sources: depreciation 33%
Laser sources and amplifiers contain active media of different nature. These media are subject to wear and have to be substituted on average every 36 months. Usually the cost of this substitution is comparable to the cost of the instrument.
2. Furniture: depreciation 15%
Furniture is subject to moderate wear allowing the longest amortization time. An exception is given by Laminar Flow Chambers where the presence of movable parts increase the wearing reducing the lifetime to an average of 60 months: depreciation at 20%
3. Optical Instruments: depreciation at 33%
Optical Instruments are generally fragile and normally contain electronics that rapidly become obsolete reducing their lifetime to an average of 36 months.
4. Vacuum Systems: depreciation at 33%
Vacuum pumps are subject to wearing, ionic pumps need frequent reconditioning while mechanical pumps contain fast moving parts that are subject to considerable wear. Pumps lifetimes have then to be established at 36 months. Vacuum gauges are also subject to wear and are normally fragile therefore reducing their lifetime to 36 months.
5. Electronic Instruments: depreciation 33%
Electronic Instruments rapidly become obsolete due to the fast development of such instruments

The nature of LENS is such that the present list can only be taken as indicative. It is assumed that whenever an instrument does not fall precisely into any of the tabulated categories a technical report on estimated amortization time will be required.

Equipment	Depreciation percentage
1. Laser Sources	33 -
a. Gas Lasers	33
b. Solid State Lasers and Amplifiers	33
c. Diode Lasers and Amplifiers	33
d. Fiber Lasers and Amplifiers	33
2. Furniture	15
a. Optical Tables and Benches	15
b. Racks	15
c. Laminar Flow Chambers	20
d. Drawers	15
e. Cupboards	15
f. Generic Furniture	15
3. Optical Instruments	33
a. Optical Isolators	33
b. Optical Modulators	33
c. Power meters	33
d. Lambda meters	33
e. Spectrometers and Monochromators	33
f. IR viewers	33
4. Vacuum Systems	33
a. Ionic Pumps	33
b. Turbo Pumps	33
c. Rotary and Membrane Pumps	33
d. Other Pumps	33
e. Gauges	33
5. Electronic Instruments	33
a. Spectrum Analyzers	33
b. Oscilloscopes	33
c. Function Generators and Synthetizers	33
d. Multimeters	33
e. Current and Voltage Sources	33
f. Other electronic equipment	33
g. Monitors	33
h. CCD Cameras	33
i. Computers	33

Note: For assets whose unit cost is not 'up to 516.46 euro is allowed full deduction of acquisition costs in the period in which they were incurred