Are costs incurred to prepare property in anticipation of sale?*

Yes
- Will capitalization of amounts result in carrying value of property exceeding fair value?
  - Yes: Capitalize costs as incurred only up to the fair value of property. Record an expense and a liability for any excess.
  - No: Capitalize all costs as incurred.

No

Are costs incurred to prepare property for use when the property was acquired with known or suspected contamination that was expected to be remediated?*

Yes
- Are costs necessary to place the asset in its intended location and condition for use?
  - Yes: Capitalize all costs.
  - No: Capitalize costs to the extent deemed necessary or initially anticipated. Record an expense and liability for any excess.

No

Are costs incurred to perform remediation that restores a contamination-caused decline in service utility that was recognized as an asset impairment?*

Yes
- Do the costs exceed an amount necessary to place the asset into its intended location and condition for use?
  - Yes: Capitalize costs to the extent necessary to restore the asset to its intended location and condition for use. Record an expense and liability for any excess.
  - No: Capitalize all costs as incurred.

No

Are costs incurred to acquire property, plant or equipment that have a future alternative use for other than remediation purposes?*

Yes
- Will service utility associated with the cost exist after the remediation activity is concluded?
  - Yes: Capitalize costs to the extent there will be remaining service utility. Record an expense and liability for any excess.
  - No: Cost does not qualify for capitalization. Record an expense and a liability.

No

*Implicit in the criteria is that costs will take place within a reasonable period prior to the expected sale or following acquisition of the property, respectively. If not, record an expense and a liability.