

CAPITAL ASSETS AND TRACKING

Background

The treatment of capital assets, for accounting purposes, shall be according to Public Sector Accounting Standards (PSAS). Assets shall be capitalized and amortized according to PSAS and as set out in this Administrative Procedure.

Definition

Capital assets are tangible assets defined as property, plant and equipment that have been acquired, constructed or developed which provide services and benefits for more than one (1) fiscal year until its useful life has expired.

Procedures

1. Capital Assets of Five Thousand Dollars (\$5,000.00) or More
 - 1.1 Assets with a per unit or per item value in excess of five thousand dollars (\$5,000.00) are to be capitalized.
 - 1.2 Costs
 - 1.2.1 The cost of a capital asset includes the purchase price and other acquisition costs such as installation costs, transportation and site preparation costs.
 - 1.2.2 The cost of enhancing the service potential or useful life of a capital asset is to be added to the capital cost of the asset and may result in an enhancement of the remaining life of the asset.
 - 1.2.3 Costs incurred to maintain the useful life and value of the asset are considered repair costs.
 - 1.3 Amortization of a capital asset shall be an annual operating charge against the expenditures of the Division. Amortization will be on a straight-line basis and rates are to reflect the nature of the asset, its limited life, and its use by the Division. For the purposes of this Administrative Procedure the following periods will be used:

| Type of Item | Amortization Period |
|--|---------------------|
| Buildings (masonry) | 40 years |
| Buildings (frame) | 25 years |
| Buildings (major modernization) | 25 years |
| Buildings Retrofit (IMR/CMR) | 10 years |
| Buildings Roof Repairs/Replacement | 25 years |
| Mobile Homes | 15 years |
| Vehicles (light duty and maintenance vans) | 7 years |
| Vehicles (buses and 1 ton +) | 12 years |

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| Equipment (light duty) | 5 years |
| Equipment (heavy duty) | 15 years |
| Land Improvements (paving) | 12.5 years |

- 1.3.1 Salvage value will not be included in amortization schedules.
- 1.3.2 The amortization of the asset will commence in the month following acquisition, except for assets acquired after August 1 which will be amortized in the fiscal year following the date of acquisition.
- 1.4 On disposal of a capital asset the difference between the net proceeds on disposal and the net carrying amount is recognized as a gain or loss in the period of the transaction.
- 1.5 Transitional
 - 1.5.1 Where possible, the Division will use original acquisition and betterment costs, amortized to current values to establish the initial capital asset values for the school year.
 - 1.5.2 For buildings, the Secretary Treasurer or designate will establish a value taking into consideration acquisition costs (if possible), the most current assessment information available from the local municipality and any other appraisal information available.
- 2. Assets of Less than Five Thousand Dollars (\$5,000.00)
 - 2.1 Assets with a per unit or per item purchase cost below five thousand dollars (\$5,000.00) are to be expensed in the year acquired unless they are held for inventory use for the next fiscal period.
 - 2.2 The cost of an asset includes the purchase price and other acquisition costs such as installation costs, transportation, and site preparation costs.
- 3. Asset Inventory Tracking
 - 3.1 Sites shall maintain an asset inventory list for individual asset items purchased for more than one thousand dollars (\$1,000.00).
 - 3.1.1 The Secretary Treasurer or designate shall provide a template asset inventory list for sites.
 - 3.2 Principals and site managers are responsible for changes to the asset inventory list, such as additions, deletions, or modifications.
 - 3.2.1 The list shall have acquisition and disposal dates.
 - 3.2.2 In the event of disposal, principals and site managers must ensure documentation is present for compliance with Administrative Procedures 518 – Disposal of Assets.
 - 3.3 Each June, principals will review the asset inventory list and ensure items listed on the list are still held by the school, and items not on the list are added accordingly.

- 3.3.1 The Principal and Office Manager will sign the inventory list as correct and provide to the Secretary Treasurer or designate before the end of June.
- 3.4 Other site managers must follow the process outlined as above during the month of August.

Adopted/Revised/Reviewed: JUN 2016/FEB 2017/NOV 2019/JUL 2023/APR 2024

Reference: Section 33, 52, 53, 68, 192, 194, 197, 222, 225, Education Act