

**CANADORE COLLEGE
OPERATIONAL POLICY****TITLE: Capital Assets – Recording, Reporting and Safekeeping****EFFECTIVE DATE: January 19, 2021**

1. SCOPE**1.1 Authority**

This policy is issued under the authority of the President.

1.2 Application

This policy applies to all capital assets that are acquired by Canadore College of Applied Arts and Technology (thereafter “Canadore” or “the College”).

2. PURPOSE AND PRINCIPLES

The purpose of this policy is to ensure:

- capital assets are properly and accurately recorded in the College's financial records and annual financial statements at the time of acquisition and beyond, including annual amortization;
- specific purpose funding received to acquire capital assets is amortized annually to surplus / deficit; and
- capital assets are properly accounted for at the time of disposal.

3. POLICY**3.1 Acquisition**

- 3.1.1 Canadore College's [Competitive Procurement Policy \(C-16\)](#) must be followed by the initiator / requester in the acquisition of capital assets.
- 3.1.2 Purchased capital assets are recorded at capital cost.
- 3.1.3 Capital assets that are donated to the College are recorded at fair value at the date of donation.
- 3.1.4 Capital assets with a pre-tax cost of \$3,000 or more, and a useful life greater than one (1) year are capitalized. Capital assets with a pre-tax cost of less than \$3,000 are not considered capital purchases, and are expensed in the period of acquisition.
- 3.1.5 The acquisition of items in bulk or fleet, such as computers, is capitalized regardless of whether or not the individual capital cost of the items may be less than \$3,000.
- 3.1.6 Capital assets that are comprised of several components intended to operate as a single unit with a pre-tax cost of \$3,000 or more, and a useful life greater than one (1) year are capitalized.
- 3.1.7 Software costs included with the purchase cost of hardware with a pre-tax cost of \$3,000 or more, and not identified separately on the vendor's invoice are capitalized.

- 3.1.8 Annual software license fees and maintenance costs are not considered capital assets and as such are expensed in the period to which the fees relate.
- 3.1.9 Renovations and alterations to capital assets that meet the definition of a betterment are capitalized.
- 3.1.10 Renovations and alterations that are considered to be repairs and maintenance are not capitalized but rather expensed in the period the costs are incurred.
- 3.1.11 Use of a College corporate credit card to acquire a capital asset is strictly prohibited in order to ensure that the Approval Authority Policy is not overridden. Purchasing a capital asset and seeking reimbursement through an expense claim form is strictly prohibited.
- 3.1.12 The College will not accept donation of capital assets without the appropriate authorization and applicable departmental approvals.
- 3.1.13 Assets acquired through a capital lease will be considered a capital asset for accounting purposes.

3.2 Disposition

- 3.2.1 The Director of Infrastructure and Project Management is responsible for facilitating the sale of College real property.
- 3.2.2 Deans and Directors are responsible for initiating the disposal of moveable capital assets in their area.
- 3.2.3 Financial Services is responsible for recording and reporting of capital assets.

4. ROLES AND RESPONSIBILITIES

4.1 The President

The President is responsible for the overall management and operation of the College. The President will ensure that the policy is implemented and that compliance is monitored.

4.2 College Senior Financial Officer

The College's Senior Financial Officer is responsible for the effective implementation of this policy and is to resolve any disputes arising over policy interpretation.

4.3 Deans and Directors

- 4.3.1 Collectively, and in a collaborative effort, Deans and Directors College wide are responsible for the safeguarding of College capital assets.
- 4.3.2 Financial Services is responsible for:
- Recording the acquisition of College capital assets in the financial system;
 - Assisting in periodic counts of College capital assets;
 - Calculating and recording the annual amortization revenue and expense for College capital assets;
 - Advertising the sale of capital assets and/or disposing of College capital assets; and
 - Recording the disposal of College capital assets within the financial system.

5. EVALUATION

This policy shall be reviewed every 3 years.