

**Tangible Capital Assets**

Adopted: June 28, 2011

Amended: August 10, 2020

**External References**

- Education Act: Sections 85, 87, 175
- Canadian Institute of Chartered Accountants Public Sector Guideline 7
- Public Sector Accounting Board (PSAB) Handbook, Section 3150

**Internal References**

- AP 512 Tangible Capital Assets – Appendix A – Asset Classes, Threshold and Amortization
- AP 514 Inventory Management

**Background**

To the extent applicable, the Division is to comply with the requirements of the Public Sector Accounting Board (PSAB) Handbook, Section 3150 which provides overall direction for the capitalization of assets, technical guidance and addresses areas that may require professional judgment.

**Definitions**

Asset Categories – A grouping of assets of a similar nature of function in the Division's operations.

Amortization is an annual charge to expenditures for the use of a capital asset.

**Procedures**

## 1. Scope

- 1.1 All property owned by the Division, donated or purchased, which qualifies as a tangible capital asset in accordance with PSAB Section 3150 is included in the scope of this administrative procedure.

## 2. Capitalization Thresholds

- 2.1 Capitalization thresholds shall be consistent with those established by the Ministry of Education.
- 2.2 Thresholds shall apply to capital goods purchased and capital projects constructed where the total cost of the good or project meets the capitalization threshold criteria.
  - 2.2.1 Long term assets are tracked, capitalized and amortized as individual assets until the date they are fully amortized and/or disposed of. Refer to Administrative Procedures 512 Tangible Capital Assets – Appendix A – Asset Classes, Threshold and Amortization.
  - 2.2.2 Improvements shall be capitalized when they extend the useful life of the asset.

## 3. Classification, aggregation and segmentation of capital assets shall be done in accordance with the table in the Administrative Procedures 512 Tangible Capital Assets – Appendix A – Asset Classes, Threshold and Amortization to this administrative procedure. Inventory and Amortization

## 3.1 Amortization

- 3.1.1 Amortization rates shall be on a straight line basis calculated on the number of

years in service less salvage value.

### 3.2 Disposal

3.2.1 Disposal procedures for capital assets shall be in accordance with Administrative Procedures 514 Inventory Management.

3.2.2 All disposals shall be recorded in the Division's financial statements in accordance with the Public Sector Accounting Board Section 3150.

### 3.3 Accounting

3.3.1 Accounting procedures for capital assets shall be in accordance with the requirements of the Public Sector Accounting Board.

3.3.2 Presentation and disclosure of capital assets shall be done in accordance with the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook Guideline 7.

**Administrative Procedures 512 – Appendix A**  
**Asset Classes, Threshold and Amortization**



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**External References**

- Education Act: Sections 85, 87, 175
- Public Accounts Regulations

**Internal References**

<b>Class of Asset</b>	<b>Threshold</b>	<b>Tracking Method</b>	<b>Amortization Method</b>	<b>Useful Life (Years)</b>
<b>Land</b>	10,000	By Asset	n/a	n/a
<b>Land Improvements (pavement, fencing, lighting, etc)</b>	25,000	By Asset	Straight Line	20
<b>Buildings</b>	50,000	By Asset	Straight Line	50
<b>Buildings – Short Term (portables, storage sheds, outbuildings, garages)</b>	10,000	By Asset or Pooling	Straight Line	20
<b>School Buses</b>	10,000	By Asset or Pooling	Straight Line	12
<b>Other Vehicles – Passenger</b>	10,000	By Asset or Pooling	Straight Line	5
<b>Other Vehicles – Heavy (graders, 1 ton trucks, etc)</b>	10,000	By Asset or Pooling	Straight Line	10
<b>Furniture and Equipment</b>	1,000	Pooling	Straight Line	10
<b>Computer Hardware and Audio Visual Equipment</b>	1,000	Pooling	Straight Line	5
<b>Computer Software</b>	1,000	Pooling	Straight Line	5
<b>Books (Only collections with unlimited useful life)</b>	n/a	By Asset or Pooling	n/a	n/a
<b>Assets Under Construction</b>	5,000	By Asset	n/a	n/a