



## BIG LAKES COUNTY POLICY



<b>TITLE: Tangible Capital Assets</b>	
<b>POLICY NUMBER: ADMIN-34</b>	
<b>LEGAL AUTHORITY:</b>	
<b>APPROVED BY COUNCIL: November 26, 2008</b>	
<b>EFFECTIVE DATE: November 26, 2008</b>	<b>REVISED DATE: October 24, 2018</b>

### Policy Statement

The Council of Big Lakes County recognizes that responsible long-term financial & capital planning requires management of tangible capital assets to demonstrate good stewardship and the total cost of delivering programs and services.

Big Lakes County shall take appropriate and reasonable measures to identify, safeguard, track and record all tangible capital assets.

### Policy

Accounting for tangible capital assets will be completed in accordance with Public Sector Accounting Standards section PS 3150; Tangible Capital Assets.

### Definitions

1. For the purposes of this policy:
  - a. "Amortization" shall refer to a rational and systematic manner of allocating the cost of an asset over its estimated useful life. For the purposes of this policy the terms "amortization" and "depreciation" shall have the same meaning.
  - b. "Attractive Items" are fixed asset items with a monetary value under the threshold amount to be classified as a tangible capital asset, or those items of a historical, cultural or other intangible value. Attractive items will



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be recorded and tracked independently of tangible capital assets.

c. "*Fixed Assets*" shall refer to those assets which have a physical substance that:

- i. Are used on a continuing basis in municipal operations; or
- ii. Have useful lives extending beyond one year; and
- iii. Are not held for re-sale in the ordinary course of operations.

For the purposes of this policy, the term "fixed assets" includes both attractive items and tangible capital assets.

d. "*Tangible Capital Assets*" shall refer to fixed assets with a monetary value that meets the threshold amount as shown in Appendix A.

2. A comprehensive inventory of all fixed assets owned and/or managed by Big Lakes County shall be maintained by Corporate Services.
3. A record of each fixed asset shall include the acquisition date, item, description, original cost, annual amortization costs, asset life and any other information that is pertinent. Both the Chief Administrative Officer and the Director of Corporate Services shall ensure that all records relating to this policy are current, accurate, and complete.
4. The Director of Corporate Services or designate shall, upon receipt of approved invoice, update the General Ledger to record the fixed asset and issue a fixed asset number to the respective department for identification.
5. Department Heads shall ensure that the fixed asset number or another approved, unique identifier is placed on the item for asset management purposes.
6. The existence and valuation of fixed assets shall be verified on a regular basis, at least every four years. Where applicable, fixed assets shall be written off or written down.
7. The Director of Corporate Services shall ensure physical inspection, verification of items, acknowledgement and date of inspection have been recorded.



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8. Annually, prior to December 31 of each year, the Director of Corporate Services shall prepare a recommendation to Council for the write-off and disposal of fixed assets that are no longer needed for municipal operations.
9. For the purposes of this policy an asset shall be deemed to be surplus if, in the opinion of the department head responsible for the asset, the asset no longer meets the needs of standard operating procedures. Disposal of a surplus asset shall be the responsibility of the department head having control over the asset and shall be in accordance with policy and standard municipal procedures. The decision as to how best to dispose of an asset shall rest with the department head, and may include trade-in, recycling, or donation.
10. Assets shall be amortized on a rational and systematic basis which best recognizes the cost of an asset's use in the provision of services.

Reeve

Chief Administrative Officer

October 31, 2018

Date of Final Signature





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### Appendix A

The thresholds for fixed assets to be recorded as tangible capital assets are as follows:

<b>Asset Class</b>	<b>Capitalization Threshold</b>	<b>Amortization Method</b>
Land	\$1	Not amortized
Land improvements	\$5,000	Straight-line, 5-80 years
Buildings	\$25,000	Straight-line, 20-50 years
Engineered Structures	\$25,000	Straight-line, 20-80 years
Machinery and Equipment	\$5,000	Straight-line, 5-20 years
Vehicles	\$5,000	Straight-line, 5-30 years
Cultural, Historical and other Intangible Assets	\$1	Not amortized