

## TANGIBLE CAPITAL ASSET MANAGEMENT POLICY

This document is the parent policy for any College or Divisional procedures. Questions regarding this policy are to be directed to the identified Policy Administrator.

<b>Functional Category:</b>	Finance
<b>Approval Date:</b>	June 7, 2016
<b>Effective Date:</b>	July 1, 2015
<b>Policy Owner:</b>	Vice President, College Services and Chief Financial Officer
<b>Policy Administrator:</b>	Director, Integrated Planning and Financial Services
<b>Objective:</b>	<p>This policy and associated procedures are established to confirm that NorQuest College (college) adopts Public Sector Accounting Standards (PSAS) in accounting for tangible capital assets and in reporting tangible capital assets for financial accounting purposes. It establishes financial reporting guidelines and appropriate control thresholds for the capitalization and amortization of tangible capital assets, disposition of tangible capital assets and controls for inventory management of tangible capital assets.</p> <p>Authority to establish this policy is derived from the <a href="#">NorQuest College Board of Governors Policy No. 7</a>, which delegates responsibility for the college's financial planning and activities to the President and CEO and <a href="#">Board Policy No. 5</a>, which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.</p>
<b>Policy:</b>	<p>The college manages tangible capital assets, for financial accounting purposes, in a manner that establishes and adjusts the value of tangible capital assets and their associated amortization expense in accordance with Section PS 3150 of the Chartered Professional Accountants of Canada (CPA Canada) Public Sector Accounting (PSA) Handbook.</p> <p>According to the CPA Canada PSA Handbook, intangible assets cannot be capitalized.</p>
<b>Definitions:</b>	<p><b>Amortization:</b> is an expense that is systematically allocated to operations based on the useful life of a tangible capital asset.</p> <p><b>Intangible Asset:</b> is an identifiable non-monetary asset without physical substance.</p> <p><b>Tangible Capital Assets:</b> are non-financial assets having physical substance that is owned by the college, whose value is recognized for more than one fiscal year and whose cost exceeds the prescribed threshold value.</p> <p>Tangible capital assets specifically:</p> <ul style="list-style-type: none"> <li>• are held for use in the supply of goods and services, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets,</li> <li>• have useful economic lives extending beyond a fiscal year,</li> <li>• are to be used on a continuing basis, and</li> <li>• are not for sale in the ordinary course of operations.</li> </ul>
<b>Related Information:</b>	<ul style="list-style-type: none"> <li>• <a href="#">CPA Canada Public Sector Accounting Handbook</a></li> <li>• <a href="#">Goods and Services Procurement Procedure</a></li> </ul>
<b>Related Procedures:</b>	<ul style="list-style-type: none"> <li>• <a href="#">Asset Inventory Management Procedure</a></li> <li>• <a href="#">Capitalization &amp; Amortization Procedure</a></li> </ul>

**Next Review Date:**

May 2020

**Revision History:**

May 2012: New

June 2013: Revised

August 2013: update for document links and branding

September 2013: corrected effective date to align with adoption and application of Public Sector Accounting Standards.

November 2014: update for document standards

June 2016: update CICA name and related procedure name