
Capital Asset

Policy No.:	2004
Category:	Finance and Supply Management
Approving Body:	Leadership Team
Executive Division:	Vice-President Finance and Administration
Department Responsible:	Financial Services
Current Approved Date:	2010 Sep 21

Policy Statement

Capital assets management facilitates control and custody of Institute property and permits the assignment of direct responsibility for custody and proper use of specific capital assets. It also provides data essential to the proper management of capital assets, including repair and maintenance, acquisition, disposal management, and adequate insurance coverage. To meet the test of full disclosure, the annual financial report of the Institute includes complete capital assets information.

Purpose of Policy

The purpose of this policy is to establish a framework for the management and control of BCIT capital assets, including:

- Identification of capital assets
- Effective management of all capital assets (acquisition, safeguarding, disposition, and redeployment)
- Compliance with Generally Accepted Accounting Principles (GAAP)
- Providing information for adequate insurance coverage and full reporting disclosure of capitalized costs

Application of this Policy

This policy applies to BCIT Employees.

Related Documents and Legislation

Policies

2003, Purchase of Operating Goods and Services
7000, Gift Acceptance
7525, Protection of Equipment and Property

Applicable Legislation / Regulation

CICA Handbook

Definitions

Capital Asset: a property, whether purchased, donated, or leased, that meets all of the following criteria:

1. It has been acquired with the intention of being used on a continuing basis.
2. It is not intended for sale in the ordinary course of operations.
3. Its useful life extends beyond one year, and its capitalization threshold varies according to its category (see Appendix A – “Recognition and Amortization Guidelines”).

Valuation of Assets

Capital assets will be valued at cost, plus any additional direct costs of getting the asset into the condition necessary for its intended use. Such additional costs may include initial freight and installation costs, import duties and non-refundable purchase taxes, and others.

The cost of donated capital assets will equal the appraised fair market value of the assets at the date of donation.

Duties and Responsibilities

Vice President, finance and Administrative Services

The Vice President, Finance and Administrative Services, or a designate, is responsible for the following:

- Developing and issuing necessary operating procedures and forms for the capital asset accounting functions
- Providing for the operation of the capital asset management system
- Providing supervision of the asset accounting functions

BCIT Employees

Acquisition

When acquiring or adding capital assets, BCIT employees must follow the same procurement policies and procedures for the purchase of equipment and other capital assets as for the purchase of any goods or services.

Custody and Security

Employees responsible for the use and care of capital and non-capital assets are to ensure that reasonable safeguarding measures (including insurance) are in place at all locations where these assets reside, to prevent damage to or the loss of such assets.

Periodic Inventory

Department managers are responsible for verifying the location and condition of all capital assets through a physical inventory that is conducted on a periodic basis, as set out in the Capital Asset Management Procedures. Department managers are to report the results of inventory exercises to the Manager, Capital Accounting.

Disposal

Any faculty or staff member of the Institute who wishes to dispose of any capital asset, must inform the Director, Supply Management Services of any BCIT assets deemed salvage or surplus, regardless of condition.

Director, Supply Management

The Director, Supply Management, is responsible for the final disposition of all capital assets through the transfer to a party outside BCIT, by the way of sale, trade-in, gift, or removal from service due to obsolescence, scrapping, or dismantling. It is the responsibility of the Director, Supply Management to record all assets authorized for disposal.

Duties and Responsibilities

Department Managers

It is the responsibility of department or unit managers to report any stolen or damaged property to the Security Department in accordance with the procedures set out in BCIT policy 7525,

Procedures Associated With This Policy

None

Forms Associated With This Policy

None

Amendment History

- | | |
|---------------|-------------|
| 1. Created | 1988 Jun 28 |
| 2. Revision 1 | 1998 Mar 16 |
| 3. Revision 2 | 2003 Jun 16 |
| 4. Revision 3 | 2010 Sep 21 |

Scheduled Review Date

2015 Sep 30