

Capital Asset

Policy No:	2004
Version:	5
Category:	Finance and Corporate Services
Approval Body:	Board of Governors
Executive Sponsor:	CFO & Vice President, Finance & Corporate Services
Department Responsible:	Finance
Directory of Records Class:	0650-10
Approval Date:	2023 Apr 04

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

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Who This Policy Applies To

This policy applies to all BCIT Employees.

Related Documents and Legislation

Chartered Professional Accountants Canada, CPA Canada Handbook – Accounting

BCIT Policies

2003, Purchase of Operating Goods and Services

7000, Gift Acceptance

7525, Protection of Equipment and Property

Definitions

Capital Asset: a property, whether purchased, donated, or leased, that meets all 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.

Guiding Principles

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

Chief Financial Officer and Vice President, Finance and Corporate Services

The Chief Financial Officer and Vice President, Finance and Corporate 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. 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, Corporate Services of any BCIT assets deemed salvage or surplus, regardless of condition.

Director, Corporate Services

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

Department Managers

It is the responsibility of department or unit managers to report any stolen or damaged property to the Safety, Security, and Emergency Management Department in accordance with the procedures set out in BCIT policy 7525, Protection of Equipment and Property.

Procedures Associated with this Policy

None

Forms Associated with this Policy

None

Amendment History

		<u>Approval Date</u>	<u>Status</u>
Created:	Capital Asset v1	1988 Jun 28	
Revised:	Capital Asset v2	1998 Mar 16	Replaced
Revised:	Capital Asset v3	2003 Jun 16	Replaced
Revised:	Capital Asset v4	2010 Sep 21	Replaced
Revised:	Capital Asset v5	2023 Apr 04	In Force

Scheduled Review Date

2025 April 04