

Rural Municipality of West River

Tangible Capital Asset Policy

Policy # 2022-02

BE IT ENACTED by the Council of the Rural Municipality of West River as follows:

1. Title

1.1 This Policy shall be known as, and may be cited as, the "Tangible Capital Asset Policy."

2. Purpose

2.1 The purpose of this policy is to establish the parameters for recognizing, recording and reporting on Tangible Capital Assets on a consistent basis and in accordance with Public Sector Accounting Standards.

3. Pertinence

3.1 This policy applies to all Departments of the Rural Municipality of West River.

4. Tangible Capital Asset Definition

4.1 Tangible Capital Assets are non-financial assets having a physical substance that:

- i. are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible capital assets;
- ii. have useful economic lives extending beyond an accounting period;
- iii. are to be used on a continuing basis; and
- iv. are not for sale in the ordinary course of business.

5. Tangible Capital Assets thresholds

- 5.1 Tangible Capital Assets meeting the criteria established in section 4 above should be capitalized, in accordance with Schedule A of this policy, when they have a value of more than \$500.00 (five hundred dollars).

6. Tangible Capital Asset Depreciation

- 6.1 Capital Assets must be capitalized and depreciated over their useful lives for financial statement and/or bookkeeping purposes.
- 6.2 Capital assets are depreciated on a straight-line basis as Schedule A "Estimated Useful Life of Assets."

7. Capitalization Method and Procedure

- 7.1 Tangible Capital Assets are recorded at cost.
- 7.2 Cost in accordance with section 4 above, is the gross amount of consideration given to acquire, construct, develop, or better a tangible capital asset, including all costs directly attributable to the acquisition, construction, development, or betterment of the tangible capital asset including costs to install the asset at its final location in the condition required for its use, interest and other applicable costs.
- 7.3 Cost, in accordance with section 3 above, does not include taxes paid in regard to the asset that is recoverable through other levels of government by the Rural Municipality of West River.

8. Recordkeeping

- 8.1 Invoices substantiating the acquisition cost of each unit of property must be filed and destroyed according to Records Retention Bylaw #2021-04.

9. Policy Review

- 9.1 This policy is subject to any change in Public Sector Accounting Standards pertaining to Tangible Capital Assets and the direction of the Rural Municipality of West River auditors as may be necessary from time to time.

Schedule A
Policy # 2022-02

Asset	Estimated Useful Life
Buildings	25 years
Park and playground equipment	15 years
Furniture and fixtures	15 years
Land improvements	15 years
Parks, playgrounds, and trails	20 years
Computer equipment	5 years