

Name	Assets Policy
Reference	BoM Resolution #19-17
Date Approved	July 14th, 2017
Date Revised	N/A
Approval	Board of Management
Point of Contact	Treasurer

1. Purpose

- a. The purpose of this policy is to provide appropriate controls over the purchase, recording and disposition of assets.

2. Scope

- a. This policy applies to the Board of Management, the ED and all employees involved in the purchasing and handling of organization assets.

3. Policy Statements

- a. Only capital assets with a cost exceeding \$1,000 shall be capitalized. Only costs that are disbursements to third parties may be capitalized: internal costs such as salaries and overhead costs may not be capitalized.
- b. Fixed asset purchases or leases approved in the capital budget must be authorized by the Executive Director.
- c. Fixed asset purchases not approved in the capital budget must be authorized by the Board of Management.
- d. Fixed asset purchases greater than \$50,000 will not be approved without an accompanying business case including cash flow impact.
- e. All fixed asset purchases will follow expense authorization procedure except where superseded by this policy.

- f. The BIA shall carry insurance at replacement levels for all fixed assets.
- g. Physical inventories of both fixed assets and sales inventories will be conducted once annually and reconciled to records. Discrepancies will be investigated and reported to the Board of Management.

4. Procedures

a. Capital Purchase Authorization

- i. Authorization for any capital asset purchase must be made in advance in accordance with expense policy except where otherwise indicated in this policy.
- ii. Authorizations for barter transactions involving assets shall follow the same process as for a standard purchase.
- iii. For all capital asset purchases greater than \$5,000, whether already approved in the capital budget or not, the Executive Director will perform an assessment on cash flow impact and overall financial impact taking replacement insurance costs into account.
- iv. Where cash flow impact and overall financial impact are not of concern and the purchase is approved in the budget, the Executive Director may authorize the purchase.
- v. Where cash flow impact and overall financial impact are of concern, the Executive Director will refer the decision, along with his or her analysis, to the Finance Committee.
- vi. For capital asset purchases greater than \$50,000, the Executive Director will develop a business case for the purchase taking cash flow, insurance costs and overall financial impact into account. Where a lease option is available for the asset, information about this option will be included. The business case will be reviewed and approved by the Treasurer and Finance Committee before referral to the Board of Management for a final decision on the purchase.
- vii. Upon purchase of a fixed asset, a record of the purchase must be added to the Fixed Asset record and entry into accounts.
- viii. Upon purchase of a fixed asset, the Executive Director will obtain a quote for replacement insurance for the asset and provide this to the Treasurer.

b. Asset Records

- i. The following information will be recorded for each fixed asset:
 - 1. Tag Number if applicable
 - 2. Description
 - 3. Location if applicable
 - 4. Date acquired
 - 5. Value at acquisition
 - 6. Accumulated amortization
 - 7. Date of disposition
 - 8. Proceeds at disposition
 - ii. Annually, the Executive Director will perform a physical inventory of fixed assets and investigate any differences that arise. A copy of the inventory will be submitted to the Treasurer.
 - iii. Annually, the fixed asset accounts will be adjusted to reflect the actual fixed assets on hand.
- c. Disposition of Fixed Assets
- i. The Procurement Policy contains procedures for disposing of assets; those procedures are to be followed when disposing of fixed assets.