

	<b>POLICY</b>	<b>NO.</b>	<b>1000-01</b>
	<b>POLICY TITLE:</b> Capital Asset Threshold, Estimated Useful Lives and Amortization Policy	<b>EFFECTIVE DATE:</b>	<b>08-20-2020</b>
		<b>REVISION LETTER</b>	<b>B</b>
		<b>FINAL APPROVAL</b>	<b>RESOLUTION 214-20</b>

## 1.0 PURPOSE

- 1.1 The purpose of this policy is to outline the threshold and estimated useful life application to each capital asset category for the Rural Municipality of Beaver River No. 622.

## 2.0 DEPARTMENT(S) AFFECTED (SCOPE)

- 2.1 Department(s) Affected: **Asset Management, Accounting, Yearly 3<sup>rd</sup> Party Auditing**

## 3.0 POLICY

- 3.1 This policy states that:
- a) A threshold of ALL means that all capital asset purchases, regardless of cost, are recorded.
  - b) This policy aligns with **Accounting for Tangible Capital Asset Policy 1000**, and **Capital Asset Category Policy 1000-02**.

## 4.0 Definitions

- 4.1 Please find all terms referenced in the Policy 1000 for further description.

## 5.0 RESPONSIBILITIES

- 5.1 The Administrator is responsible for ensuring compliance to this policy.
- 5.2 Council shall review all policies for compliance and effectiveness of the policies.

## 6.0 IMPLEMENTATION - PROCEDURE

<u>Capital Asset Class and Category</u>	<u>Threshold</u>	<u>Estimated Useful Life</u>	<u>Amortization</u>
<b>Land and land improvements</b>			
Land	All	Indefinite	N/A
Land improvements	\$5,000	15 years	Straight-Line
<b>Buildings and building improvements</b>			
Buildings	\$10,000	40 years	Straight-Line
Building improvements	\$10,000	40 years	Straight-Line
Engineered structures	\$10,000	40 years	Straight-Line
<b>Machinery and equipment</b>			
Heavy equipment	\$5,000	20 years	Straight-Line
Operating equipment	\$5,000	10 years	Straight-Line
<b>Transportation equipment</b>			
Vehicles	\$5,000	10 years	Straight-Line

<b>Office and information technology</b>			
System Development	\$2,500	2 Years	Straight-Line
Computer hardware	\$5,000	3 years	Straight-Line
Computer software	\$2,500	2 years	Straight-Line
Office furniture and equipment	\$2,500	5 years	Straight-Line
<b>Infrastructure</b>			
*Pavement A	ALL	40 years	Remaining life factor
*Pavement B	ALL	35 years	Remaining life factor
*Pavement C	ALL	25 years	Remaining life factor
*Gravel 1	ALL	40 years	Remaining life factor
*Gravel	ALL	35 years	Remaining life factor
Bridges – construction	ALL	40 years	Straight-Line
Bridges – upgrades	ALL	15 years	Straight-Line
Culverts	ALL	35 years	Straight-Line
*Road/Street – other	ALL	15 years	Straight-Line
Water infrastructure	ALL	40 years	Straight-Line
Infrastructure – other	ALL	15 years	Straight-Line

*\* Need to be further define by either Bylaw or Policy of the RM.*

## 7.0 DOCUMENT APPROVAL

ROLE	POSITION	NAME OF THE APPROVER	DATE APPROVED
AUTHOR	Northbound Planning	Council	06/01/2020
OWNER	Administrator	Nicole Neufeld	07/15/2020
FINAL APPROVER	TOWN COUNCIL	RESOLUTION # 214-20	08/20/2020

## 8.0 REVISION HISTORY

EFFECTIVE DATE	REVISION LETTER	DOCUMENT AUTHOR	DISCRIPTION OF CHANGE
06/01/2020	A	Northbound Planning	INITIAL RELEASE
08/21/2020	B	Northbound Planning	Additions: Resolutions, Editing and completing the Policy