

	POLICY	NO.	1000-02
	POLICY TITLE: Capital Asset Category Policy	EFFECTIVE DATE:	08-20-2020
		REVISION LETTER	B
		FINAL APPROVAL	RESOLUTION 214-20

1.0 PURPOSE

1.1 The purpose of this policy is to list the capital asset categories, examples of assets and includes costs in each 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 3rd Party Auditing**

3.0 POLICY

3.1 This policy states that:

- a) The following categories shall guide the implementation of **TCA Policy 1000** and **TCA Policy 1000-01**

4.0 Definitions

4.1 Please find all terms referenced in the **TCA 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

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs
Land	<ul style="list-style-type: none"> • Parks and recreation • Conservation purposes • Building sites and other programs • Facilitate construction of road surfaces, drainage areas, and allowances or future expansions 	<ul style="list-style-type: none"> • Purchase price • Professional fees for title searches, architect, legal, engineering, appraisals, surveying, planners environmental reports • Improvement and development costs: land excavation, filling, grading, drainage, demolition of existing buildings (less salvage).

<p>Land improvements</p>	<ul style="list-style-type: none"> Fencing and gates, parking lots, paths and trails, landscaping, playgrounds 	<ul style="list-style-type: none"> Original purchase price or completed project costs including costs of material and labour or costs of a contractor
<p>Buildings – high quality construction</p> <p>Buildings – medium quality construction</p> <p>Buildings – average quality construction</p> <p>Buildings – short term</p>	<ul style="list-style-type: none"> Buildings with fireproofed structural steel frames with reinforced concrete or masonry floors and roofs. Buildings with reinforced concrete frames and concrete or masonry floors and roofs. Buildings with masonry or concrete exterior walls, and wood or steel roof and floor structures, except for concrete slabs on grade. Operational storage facilities, sheds, small buildings, inventory storage buildings and pump houses. 	<ul style="list-style-type: none"> Original purchase price or completed project costs including basic costs of material and labour or costs of a contractor. Costs to remodel, recondition or alter a purchased building to make it ready to use for the acquired purpose. Preparation of plans blueprints, and specifications. Costs of building permits, studies, tests (pre-acquisition costs). Professional fees for title searches, architect, legal, engineering, appraisals, surveyors, planners, and environmental surveys. Operating costs such as temporary buildings used during construction.
<p>Building improvements</p>	<ul style="list-style-type: none"> Major repairs that increase the value or useful life of the building such as structural changes, installation or upgrade of heating and cooling systems, plumbing, electrical, telephone systems. 	<ul style="list-style-type: none"> Complete project costs including basic costs of material and labour or costs of a contractor. Preparation of plans, blueprints, and specifications. Cost of building permits, studies, tests. Professional fees for building official, architect, legal, planning, engineering, appraisals, surveying, and environmental surveys. Operating costs such as temporary buildings used during construction
<p>Operating equipment</p>	<ul style="list-style-type: none"> Equipment specific to maintenance, shop and sanitation, appliances.: such as forklifts, welding machines, utility trailers, security systems, snowplows, refrigerators, waters meters. 	<ul style="list-style-type: none"> Original contract price or invoice price. Freight charges. Sales taxes on acquisition. Installation charges. Charges for testing and preparation. Costs of reconditioning used items when purchased.

		<ul style="list-style-type: none"> • Parts and labour associated with the construction of equipment.
Heavy equipment	<ul style="list-style-type: none"> • Power and construction equipment such as graders, tractors, mowers, Hotsy, gravel reclaimer, backhoe, ripper, mulcher, and trucks one ton and over. 	<ul style="list-style-type: none"> • Original contract price or invoice price. • Freight charges. • Sales taxes on acquisition. • Installation charges. • Charges for testing and preparation. • Costs of reconditioning used items which purchased. • Parts and labour associated with the construction of equipment.
Vehicles	<ul style="list-style-type: none"> • Used primarily for transportation purposes such as automobiles, trucks under one ton. 	<ul style="list-style-type: none"> • Original contract price or invoice price. • Freight charges. • Sales taxes on acquisition. • Costs of reconditioning used items when purchased.
Computer software	<ul style="list-style-type: none"> • Off the shelf software and related upgrades, software licenses after removing any maintenance or similar charges. 	<ul style="list-style-type: none"> • Purchase price of off the shelf software and related upgrades. • Sales taxes on acquisition. • Installation charges.
Computer hardware	<ul style="list-style-type: none"> • Servers, scanners, printers, hard drives, and modems 	<ul style="list-style-type: none"> • Purchase price. • Installation charges. • Freight and transit charges. • Sales taxes on acquisition.
System development	<ul style="list-style-type: none"> • Consultation fees, web site development. 	<ul style="list-style-type: none"> • External direct costs of materials and services such as consultation fees. • Web site developments costs. • Costs to acquire software and any custom development. • Salary and related benefits of employees directly associated with the application development stage. • Costs of upgrades that improve the functionality of the system.
Office furniture and equipment	<ul style="list-style-type: none"> • Desks, tables, chairs, filing cabinets, fax machines, photocopiers, and projectors. 	<ul style="list-style-type: none"> • Original contract price or invoice price. • Freight and installation charges. • Sales taxes on acquisition. • Costs of reconditioning used items when purchased. • Pats and labour associated with the construction of furniture.

<p>Roads/Streets – construction</p>	<ul style="list-style-type: none"> • Municipal roads 	<ul style="list-style-type: none"> • Direct costs of construction including tender construction costs, labour, materials, survey costs, and project specific design costs. • Construction and material costs related to overhead structures and signage. • Salary and travel costs for employees assigned to the project for direct management duties such as project management, inspection, and quality control.
<p>Culverts</p>	<ul style="list-style-type: none"> • Culverts 	<ul style="list-style-type: none"> • Direct costs of construction including tender construction costs, labour materials, survey costs, and project specific design costs. • Salary and travel costs for employees assigned to the project for direct management, inspection, and quality control.
<p>Road/Streets – other</p>	<ul style="list-style-type: none"> • Light systems (traffic, outdoor, street), new signage initiative, rumble strips and aggregate pit acquisition costs 	<ul style="list-style-type: none"> • Original purchase price • Installation charges • Charges for testing and preparation • Parts and labour associated with construction and installation.
<p>Water infrastructure</p>	<ul style="list-style-type: none"> • Docks, sewer systems, sewage lagoons, reservoirs, pumping facilities, tanks and associated infrastructure, fire hydrants, manholes, sewer systems. 	<ul style="list-style-type: none"> • Original purchase price • Direct costs of construction including labour and materials • Salary and travel costs for employees assigned to the project for direct management duties such as project management, inspection, and quality control.
<p>Other infrastructure</p>	<ul style="list-style-type: none"> • Landfills, dump stations and transfer station 	<ul style="list-style-type: none"> • Costs that support infrastructure but are not included in any other category.
<p>Pavement A</p>	<ul style="list-style-type: none"> • Is an Asphalt surface that has been fully designed to carry heavier (primary) traffic. The structure is usually thicker than 200 mm. 	<ul style="list-style-type: none"> • The value of each type of road is determined per square meter based of the cost of the materials and labour required to construct each structure. • Quantities used in each structure, are also available, but using quantities expands the calculations significantly.

		<ul style="list-style-type: none"> The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.
Pavement B	<ul style="list-style-type: none"> Is an Asphalt surface that has been only partially designed and is capable for only moderate traffic with secondary weights. Usually less than 150 mm thick. 	<ul style="list-style-type: none"> The value of each type of road is determined per square meter based on the cost of the materials and labour required to construct each structure. Quantities used in each structure, are also available, but using quantities expands the calculations significantly. The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.
Pavement C	<ul style="list-style-type: none"> Is a non-engineered Asphalt surface that is thin and is placed on the subgrade with very little preparation. These may be referred to as oil treatments. These surfaces are usually less than 60 mm in thickness. 	<ul style="list-style-type: none"> The value of each type of road is determined per square meter based on the cost of the materials and labour required to construct each structure. Quantities used in each structure, are also available, but using quantities expands the calculations significantly. The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.
Gravel 1	<ul style="list-style-type: none"> Is a gravel surfaced road with a buildup of gravel and maintained to good standard. The width is great enough to be used on a residential street. 	<ul style="list-style-type: none"> The value of each type of road is determined per square meter based on the cost of the materials and labour required to construct each structure. Quantities used in each structure, are also available, but using quantities expands the calculations significantly. The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.

<p>Gravel</p>	<ul style="list-style-type: none"> Is an Asphalt surface that has been dully designed to carry heavier (primary) traffic. The structure is usually thicker than 200 mm. 	<ul style="list-style-type: none"> The value of each type of road is determined per square meter based on the cost of the materials and labour required to construct each structure. Quantities used in each structure, are also available, but using quantities expands the calculations significantly. The streets/roads replacement cost has been multiplied by a “remaining life” factor (0.1-0.9) to give an assessment of the condition and the value remaining.
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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