

CENTRAL COAST REGIONAL DISTRICT
POLICIES

F-13 - Capitalization

Purpose: The purpose of this policy is ensure consistent treatment of purchases and to appropriately establish a threshold. It will also comply with Public Sector Accounting Board (PSAB) handbook section PSAB 3150

Policy: It is the policy of the Central Coast Regional District to capitalize assets when the useful life is greater than one year and the costs of acquisition exceeds the threshold of \$2,500.

Definition: Tangible Capital Assets are non-financial assets having 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 bases; and
- (iv) are not for sale in the ordinary course of operations.

TCA's and Amortization:

Tangible Capital Assets are recorded at cost in the General Capital Fund and Water Capital Fund. Contributed TCAs are recorded at fair value at the date of contribution. The regional district amortizes its tangible capital assets as follows:

Buildings	4%	Paving	5%
Furniture and equipment	20%-30%	Water Distribution System	4%
Parks and Recreation	20%	Computer hardwares, softwares	
Vehicles	30%	20%	

Groups/Classes of assets:

Where individual asset items are less than the capitalization limit, but when multiple identical or interrelated components are purchased and when added together and the dollar amount then exceeds the threshold, that group or class of assets will be capitalized.

Authorization:

The final determination of operational vs. capital expenditures rests with the CFO or CAO.

Adopted: September 8, 2011

Amended: May 14, 2015

Amended: May 14, 2020