

CAPITAL ASSETS AND CAPITAL PROJECTS

Background:

Capital asset acquisitions in the Division are made in accordance with recognized accounting principles and Alberta Education guidelines.

Definitions:

Amortization:

is the process of expensing the cost of an asset over its estimated useful economic life.

Buyout:

is the process of charging the full cost of a capital asset to a school or department at the time of acquisition, with subsequent amortization recorded to an administrative cost centre.

Capital Asset:

is an expenditure for a single item or system that provides services and benefits for more than one fiscal year and has a value of more than \$5,000. Capital assets are recorded individually by the Division and require special treatment upon disposal.

Capital Project:

is a capital asset with numerous payments to one or more vendors and/or is to be completed over an extended time frame.

Procedures:

1. Capital Assets

- 1.1. Capital assets purchased with Division funds are the property of the Division.
- 1.2. Principals/directors shall initiate purchase of an individual capital asset where payment will be made to one vendor using the [Capital Asset Addition Form](#) (Form 516-1).
- 1.3. All invoices for capital assets shall be processed by the Director of Financial Services to ensure capitalization entries can be recorded and capital assets tracked.

2. Amortization

- 2.1. Capital projects and assets (with the exception of land) shall be systematically amortized over the useful economic life of the asset.
- 2.2. Amortization shall be charged to either:
 - 2.2.1. the school/department; or
 - 2.2.2. a Division cost centre if the buyout option has been approved.

Reference:

Section 52, 53, 68, 85, 197, 222, 229 *Education Act*
Freedom of Information and Protection of Privacy Act
School Buildings and Tendering Regulation 383/88
Agreement on Internal Trade; Annex 502.4
Trade, Investment, and Labour Mobility Agreement
New West Partnership Trade Agreement