

FINANCIAL AND OPERATIONAL POLICY
APPENDIX 3.2.1A



Policy Title: 3.2.1A Capital Asset Schedule - Capital Assets Categories, Thresholds, and Estimated Useful Lives

Section: 3.0 Operations

Last Approved: April 2016

Capital Asset Category	Examples of Capital Assets	Examples of Capital Asset Costs	Thresholds	Estimated Useful Lives
Land	<ul style="list-style-type: none"> Land acquired for building site 	<ul style="list-style-type: none"> Purchase price Professional fees for title searches, architect, legal, engineering, appraisals, environmental surveys Improvement and development costs such as land excavation, filling, grading, drainage, demolition of existing buildings (less salvage) 	All	Indefinite
Land improvements	<ul style="list-style-type: none"> Fencing and gates, parking lots, and landscaping 	<ul style="list-style-type: none"> Original purchase price or completed project costs including material and labour or costs of a contractor 	\$20,000	20 years
Buildings		<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 cost of building permits, studies, tests (pre-acquisition costs) professional fees for title searches, architect, legal, engineering, appraisals, environmental surveys operating costs such as temporary buildings used during construction 	\$50,000	40 years

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Building improvements	<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"> completed 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, test professional fees for architect, legal, engineering, appraisals, environmental surveys operating costs such as temporary buildings used during construction 	\$50,000	20 - 40 years
Leasehold and occupancy improvements	<ul style="list-style-type: none"> improvements that increase the functionality of leased or similar accommodations (refer to the assets listed under the "building improvements" category) 	<ul style="list-style-type: none"> costs similar to those listed under the "building improvements" category 	\$50,000	Lesser of useful life or lease term/ occupancy arrangement
Vehicles	<ul style="list-style-type: none"> used primarily for transportation purposes such as automobiles, trucks, and vans. 	<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 	\$10,000	5 years
Computer software	<ul style="list-style-type: none"> off the shelf software and related upgrades, software licenses after removing any maintenance or similar charges applicable to the post-implementation or operating stage. consultant fees, web site development and custom developed software 	<ul style="list-style-type: none"> purchase price of off the shelf software and related upgrades sales taxes on acquisition installation charges external direct costs of materials and services such as consultant fees web site development 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 	\$50,000	2 - 5 years

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Computer hardware	<ul style="list-style-type: none"> • servers, voice logging equipment, scanners, printers, hard drives, modems, tape drives, and plotters 	<ul style="list-style-type: none"> • purchase price • installation charges • freight and transit charges • sales taxes on acquisition 	\$10,000	3 – 5 years
Office furniture and equipment	<ul style="list-style-type: none"> • desks, tables, chairs, filing cabinets, fax machines, photocopiers, videoconferencing stations, projectors, and digital cameras 	<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 • parts and labour associated with the construction of furniture 	\$10,000	5 - 10 years