

Tangible Capital Asset Accounting Policy			
Policy Sponsor	Vice President Finance and Administration & CFO	Category	Administrative
Policy Contact	Director, Financial Services	Effective Date	January 6, 2020
Approved By	Executive Team	Review Date	January 6, 2025
Approved Date	January 6, 2020		

1. Purpose

This policy sets out the principles guiding the basis of accounting for Tangible Capital Assets at Athabasca University. It along with associated procedures are established to confirm that Athabasca University adopts Public Sector Accounting Standards (PSAS) in accounting for tangible capital assets and in reporting tangible capital assets for financial accounting purposes. It establishes financial reporting guidelines and appropriate control thresholds for the capitalization and amortization of tangible capital assets, disposition of tangible capital assets and controls for inventory management of tangible capital assets.

2. Scope

All members of the University Community who purchase, lease, receive in kind, or who internally develop Tangible Capital Assets are subject to this policy and its related procedures.

This policy does not apply to the following:

- Intangible assets such as goodwill, patents and copyrights (e.g. cannot be seen, touched or physically measured);
- Inventory held for resale that are recognized as financial assets;
- Natural resources; and
- Collections.

3. Definitions

Acquisition	The act of acquiring or obtaining a Tangible Capital Asset.
Amortization	The process of allocating the cost of an asset to the periods of benefit, over its useful life in a systematic manner.
Capitalization	Recording the cost as a capital asset (to be amortized over several accounting periods) instead of an expense (charged against revenue in one accounting period).

Collections	Works of art, cultural and historical properties, and archival materials held for public exhibition, education or research; and are protected, cared for and preserved.
Disposition	The act of disposing (i.e. removal from service) of a Tangible Capital Asset.
Tangible Capital Asset	<p>A non-financial asset having a physical substance (e.g. that can be seen, touched or measured) that:</p> <ul style="list-style-type: none"> • Is 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 capital assets, • has value or useful economic life recognized over more than one fiscal year, and, • has a cost exceeding the prescribed threshold amount. <p>They may be acquired directly by the University, donated (contributed) to the University, or produced as a result of a building project or part of a Digital Initiative. Tangible Capital Assets include such items as land, building, equipment, furniture, computer hardware and software, and vehicles.</p> <p>They do not include such items as inventories held for consumption or resale; intangible assets like goodwill, patents and copyrights or assets acquired by right such as forests, water and mineral resources; collections; or assets below the threshold amount.</p>
Threshold Amount	The minimum total cost (internal and external resources) that an individual Tangible Capital Asset, Composite Tangible Capital Asset, or capital project must have before it is recorded as a Tangible Capital Asset in the financial records.
University	Athabasca University
University Community	All faculty and staff, students, Board Members, contractors, postdoctoral fellows, volunteers, visitors and other individuals who work, study, conduct research or otherwise carry on business of the University.

4. Guiding Principles

4.1 The accounting for Tangible Capital Assets will be in accordance with Public Sector Accounting Standards (PSAS) and the application of the Chartered Professional Accountant of Canada (CPA) Handbook.

4.2 The University manages tangible capital assets, for financial accounting purposes, in a manner that establishes and adjusts the value of tangible capital assets and their associated amortization expense in accordance with Section PS

3150 of the Chartered Professional Accountants (CPA) of Canada Public Sector Accounting (PSA) Handbook.

- 4.3** The acquisition of Tangible Capital Assets is to be made in accordance with the Tangible Capital Asset Procedures, and the Purchasing Policy and its related procedures.

5. Applicable Legislation and Regulations

None

6. Related Procedures/Documents

[Chartered Professional Accountant \(CPA\) Canada Handbook – Accounting](#)
[Chartered Professional Accountant \(CPA\) Canada Handbook – Public Sector Accounting Handbook](#)
[Tangible Capital Asset Accounting Procedures](#)
[Purchasing Policy](#)
[Donation Acceptance Policy](#)

History

<i>Date</i>	<i>Action</i>
January 6, 2020	Executive Team (Policy Approved)
January 22, 2015	Approved, Motion # 194-07