

---

## Capital Asset Accounting Policy

---

<b>Policy Sponsor:</b>	Vice President Finance and Administration
<b>Policy Contact:</b>	Director Financial Services
<b>Policy Number:</b>	N/A
<b>Effective Date:</b>	January 22, 2015
<b>Approval Group:</b>	Governors of Athabasca University
<b>Approval Date:</b>	January 22, 2015, Motion # 194-07
<b>Review Date:</b>	Biannually
<b>Procedure:</b>	<a href="#">Capital Asset Accounting Procedures</a>

---

### Purpose

To prescribe the basis of accounting for capital assets at Athabasca University (AU).

### Definitions

**Capital Asset** An acquisition that possesses the following characteristics:

- 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 a useful economic life of more than one year under normal use
- is to be used on a continuing basis
- is not intended for sale in the ordinary course of business

A capital asset may be acquired directly by the University, or donated (contributed) to the University. Also, a capital project may produce a capital asset; for example the development of software.



## **Policy Statements**

The acquisition of Capital Assets is to be made in accordance with the Purchasing Policy and its related policies and procedures.

The accounting for Capital Assets will be in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and the application of the Chartered Professional Accountant (CPA) Canada Handbook.

## **Applicable Legislation and Regulations**

[Chartered Professional Accountant \(CPA\) Canada Handbook – Accounting](#)

[Chartered Professional Accountant \(CPA\) Canada Handbook – Public Sector Accounting Standards](#)

## **Related References, Policies, Procedures and Forms**

[Capital Asset Accounting Procedures](#)

[Purchasing Policy](#)

[Athabasca University Donation Acceptance Policy](#)

## **History**

The Governors of Athabasca University, January 22, 2015, Motion # 194-07 (revised)

April 1, 2005 (revised)

April 1, 1999 (revised)

March 30, 1997 (revised)

March 31, 1995 (revised)

September 18, 1990 (revised)

November 24, 1988 (approved)