

Policy Name:	Capital Asset Control Policy		
Policy No:	4.2	Approval Authority:	Board of Governors
Volume	4, Office of Finance and Administration	Responsible Party:	Controller
Chapter	2, Capital Asset Control Policy	Responsible Office:	Office of Finance and Administration
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Policy Statement

NSCAD is accountable to funding providers and the general public in ensuring that funds at its disposal are used for the purposes for which they were intended. All activity related to the acquisition, management and disposition of the University's capital assets is governed by this policy.

Reason for Policy

Capital assets management facilitates control and custody of University property and permits the assignment of direct responsibility for custody and proper use of specific capital assets. It also provides data essential to the proper management of capital assets including repair and maintenance, acquisition, disposal and adequate insurance coverage. It also assists in the proper disclosure and financial recording of capital assets. The purpose of the policy is to define the responsibilities for the acquisition, preservation and disposal of capital assets. This includes assets purchased by, donated to or otherwise acquired by the University whether from Operating, Capital, Research or Special Purpose funds.

Policy Applies to

- All Departments and Divisions of the University

Who Should Read this Policy

- All members of the University community

Contacts

Approval authority: Board of Governors, Finance and Physical Resources Committee c/o Governance Office, 902-494-8114, governance@nscad.ca, nscad.ca/policy

Detail on policy meanings and application: Office of Finance and Administration, 902-494-8219

Definitions

Capital Assets: Include computers, furniture, equipment, land, building, building additions or leasehold improvements purchased and owned by the University. This includes assets purchased by, donated to or otherwise acquired by the University whether from Operating, Capital, Research or Special Purpose funds.

Capital assets are generally non consumable tangible items that have a cost or donated value of \$1000 or more and useful life of more than two years.

Building addition: To be considered a capital asset a building addition must substantially improve the useful life or market value of the building. Generally building additions would have a cost value of \$20,000 or more.

Custodian: Staff, faculty or technician who has exclusive use of an asset as part of their regular term of employment and usually refers to items such as laptops, cellphones and other movable studio and non studio equipment. Where an item is not for the exclusive use of an individual, those assets would normally be under the custody of the applicable Department Chair or Director.

The Policy

1. Principles

- 1.1. Given that assets age and deteriorate over time, it is important that capital assets continue to meet acceptable levels of performance over the long term, and are managed for present and future users, within the University's short and long term fiscal capacity.
- 1.2. The University will maintain appropriate systems for the administration, management and financing of capital assets.
- 1.3. NSCAD is committed to supporting and facilitating the achievement of the University's strategic, operational and financial objectives, by applying recognized principles and practices to provide the services required to support its needs, on an ongoing basis, and all in a sustainable manner.
- 1.4. The University will execute adequate financial planning to support sustainable long term funding to acquire, rehabilitate, replace, or dispose of all of its capital assets.
- 1.5. All Capital Assets purchased with University operating, capital, research or restricted funds, as well as all donated capital assets, remain the property of the University regardless of physical location.

2. Responsibilities

- 2.1. The Vice-President, Finance and Administration is responsible to

- 2.1.1. Establish and oversee planning processes to ensure that the optimum level of maintenance is maintained, to ensure reliability while maximizing the lifecycle;
 - 2.1.2. Ensure that adequate financial planning will support sustainable long term funding to acquire, rehabilitate, replace, or dispose of its capital assets;
 - 2.1.3. Develop and lead implementation of capital asset management and financing strategies and plans directly contributing to the University's achievement of its strategic goals.
 - 2.1.4. Approve acquisition and disposition of all capital assets;
- 2.2. The Controller is responsible to
- 2.2.1. Lead the implementation of planning processes related to capital assets;
 - 2.2.2. Maintain and manage an accurate inventory of all of its principal capital assets;
 - 2.2.3. Record the acquisition, amortization and disposition of all capital assets;
 - 2.2.4. In acquisition, ensure that the investment has an enhanced value-for-money proposition and that the overall expenditure is within the approved budget.
- 2.3. Department or Divisions or employees of the University in possession of University capital assets are responsible for:
- 2.3.1. Asset list tracking;
 - 2.3.2. Ensuring asset is secure; if taken off University property, ensuring it is recorded, and returned in timely manner;
 - 2.3.3. Ensuring disposal in accordance with this policy;
 - 2.3.4. Capital needs identification, prioritization and budgeting functions relative to capital asset management.
3. Specific requirements
- 3.1. Acquisition of capital assets
- 3.1.1. Capital asset purchases should be made within the established capital asset budgets.
 - 3.1.2. Purchases of capital assets should follow the policies set under the purchasing policy 305-004.
 - 3.1.3. Donated assets should follow NSCAD's Gift Acceptance Policy and Gift-in-Kind Policy:
 - 3.1.3.1. Any donated assets including the appraised values should be communicated to the Office of Finance and Administration to ensure proper recording and accounting treatment.
 - 3.1.4. The Office of Finance and Administration should be informed in writing in a timely manner of any changes in an asset's location or condition, to ensure proper accounting treatment.
- 3.2. Capital Inventory Management
- 3.2.1. The Office of Finance and Administration will maintain a central tracking list of capital assets as items are purchased and processed through accounts payable.
- 3.3. "At risk" capital assets
- 3.3.1. At risk items shall include but not limited to: microcomputers, printers, cameras, projectors, film equipment, photo equipment, tools, furniture and other movable assets.
 - 3.3.2. An inventory list of "at risk" items should be kept noting the date of acquisition, cost, serial number, purchase order, custodian if personally assigned or responsible manager if is a departmental item.
 - 3.3.3. All "at risk" items should be properly labeled as property of NSCAD University.
 - 3.3.4. Random test counts of "at risk" capital assets will be conducted by the Controller at least twice a year.

3.4. Safeguarding

- 3.4.1. All individual custodians of assets or department Chairs and Directors shall ensure that use and care of the assets is consistent to prevent damage or loss of such assets. University Capital Assets should remain on campus. If removed from campus it should be for approved University business or activities.
- 3.4.2. An adequate level of insurance coverage should be in place over the capital assets of the University.
- 3.4.3. Loss of assets should be immediately reported to the Office of Finance and Administration. Where the asset lost or stolen may contain private and confidential information, the University Privacy Officer and Director of Computer Services should be immediately contacted.

3.5. Disposal

- 3.5.1. Where an asset becomes obsolete, worn out, damaged beyond repair or no longer meets the requirements of a department, with coordination through the Controller, it may be sold as surplus or outright discarded under the approval of the department Chair or Director and the Vice President – Finance and Administration.
- 3.5.2. Where assets were acquired with research funds, the VP Academic and Research must also approve the disposal.
- 3.5.3. Where possible transfer to another department, donation to a charitable organization, trade-in, or reconfiguration is preferred over discarding the item.
- 3.5.4. Items that are lost, stolen or returned to granting agencies should be communicated to Office of Finance and Administration.
- 3.5.5. Disposal of any IT assets should go through the Director of Computer Services to ensure any private or confidential information is removed from the device before disposal.
- 3.5.6. Any sales transaction on disposal of assets should be coordinated with the Controller and be at market value and appropriate taxes should be charged. A sales receipt should be provided to the purchaser and payment should be made at the Student Accounts Office (Office of Finance and Administration) where possible – see cash handling policy.

3.6. Accounting for capital assets

- 3.6.1. Capital assets are recorded in accordance with recognized Canadian accounting standards for Non Profit Organizations in grouped asset classes.
- 3.6.2. Amortization of assets is determined based on current Canadian accounting standards for Non-Profit Organizations and relies on industry standards to establish the average useful life of asset categories.
- 3.6.3. The Asset classes and amortization rates are presented on the annual audited financial statements as per the Canadian accounting standards.
- 3.6.4. Every year the Controller will evaluate the fair value of capital assets for impairment by ensuring that the market value exceeds the carrying value (purchase price less accumulated amortization).

4. Compliance

- 4.1. Failure to comply with this policy may result in disciplinary action, up to and including termination, in accordance with the relevant collective agreement or employment guidelines. NSCAD also retains the right to pursue any action, including criminal prosecution and civil remedies, when misuse of its information or resources is suspected either during the course of employment or after the termination of employment.

- 4.2. This policy is intended to be complementary to other policies and collective agreements governing the conduct of faculty and staff. In situations where this policy may be in conflict with Collective Agreements, the Collective Agreements shall prevail.

Forms and Tools

N/A