

Finance Department Policies			
SECTION: Tangible Capital Assets			POLICY FIN-03
POLICY: Thresholds			
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PURPOSE:

The objective of this policy is to prescribe the financial criteria necessary to capitalize tangible assets on the financial statements of the County of Renfrew.

THRESHOLDS:

Tangible assets shall be capitalized and recorded in the capital asset module according to the following thresholds:

- a) *All land*
- b) *Land improvements* (parking lots, retaining walls, sidewalks, sprinkler systems, etc) with a unit cost of \$10,000 or greater
- c) *Buildings* with a unit cost of \$25,000 or greater
- d) *Leasehold improvements* with a cost of \$25,000 or greater
- e) *Linear assets* (built assets such as roads, bridges, communication networks, etc) with a unit cost of \$25,000 or greater
- f) *Roofing systems* with a cost of \$5,000 or greater
- g) *Machinery/Equipment/Furniture* with a unit cost of \$5,000 or greater
- h) *Vehicles* with a unit cost of \$5,000 or greater
- i) *Road allowances* shall be capitalized at a nominal value of \$1.00 per block or segment
- j) Any other asset that is deemed necessary to capitalize by the Treasurer of the County of Renfrew

Studies and other initiatives that relate *directly* to the acquisition of a tangible capital asset shall be capitalized. If the study/initiative does not relate *directly* to the acquisition of a tangible capital asset, then the expense shall be recorded in the year(s) in which they occur.

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Tangible capital assets that are to be developed or constructed shall be recorded as “Capital Work in Progress”. Amortization shall begin on the earlier of the day that the asset goes into service or that ownership / responsibility / control is transferred to the County. Subsequently, the asset will be transferred from “Capital Work in Progress” to the applicable asset category. Any interest (paid or accrued) that is directly attributable to the construction/development project shall be capitalized up to the “in service date”.

Expenditures that qualify as betterments to existing assets should be capitalized when unit costs exceed the threshold. Consult the [General Definitions](#) policy to determine what will qualify as a betterment.

In the event of disagreement on the interpretation or implementation of these policies and procedures, the Treasurer shall make the final decision, guided by the Municipal Act, Public Sector Accounting Handbook Section 3150, and the Ontario Municipal Benchmarking Initiative’s “Municipal Guide for Accounting for Tangible Capital Assets”.