



Registered Nurses Association
of the Northwest Territories
and Nunavut

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Administration Finance Policy

Policy Description: Capital Expenditures

Policy Number: AF7

Effective Date: January 19th, 2015

Signature:

Review Date: January 2018

New Policy X

Revision: Partial Complete

Applies To: RNANT/NU Board of Directors, Executive Director and RNANT/NU Auditor.

Purpose: To ensure current best practices are followed for the depreciation of capital expenditures and ensure the Board's stewardship of RNANT/NU finances.

Policy:

Effective January 1, 2014 for the purposes of financial audits and record keeping, the following rates and methods will be used for depreciating RNANT/NU capital assets:

- (1) Furniture and equipment will depreciate over five (5) years calculated using the straight-line method of an equal amount for each year.
- (2) Leasehold improvements will depreciate over the years of the current rental lease calculated using the straight-line method of an equal amount for each year.
- (3) Computer equipment will depreciate over three (3) years calculated using the straight-line method of an equal amount for each year.
- (4) Only capital expenditures for individual items greater than \$1,000 will be considered capital assets to be depreciated. Any capital expenditures less than \$1,000 will be considered minor and will be written off in the period of purchase.

In addition, a new category for net assets invested in capital assets will be shown separately on the balance sheet for net assets in future financial statements.

Conditions and Exceptions: N/A

Authority and Accountability:

This policy is issued under the authority of the RNANT/NU Board of Directors and is governed by the Northwest Territories Nursing Profession Act (2004) s13 (1), Nunavut Nursing Act (2004) s2.

History:

This policy replaces the previous process of writing off capital expenditures in the period of purchase.