

## Capital Asset Policy

Approved: November 2019

### **Purpose:**

To provide guidance for the recognition and valuation of capital assets under their stewardship.

### **Policy:**

The threshold for recognizing the purchase or development of physical assets as capital assets is \$5,000. This threshold is based on discussions with the external auditors and an analysis of similar sized NFP organizations.

The development of any computer systems (e.g. registration system/database/website) will initially be recorded as “Work in Progress” and amortization will only begin when the asset is put into production.

Capital Assets are recorded at their historical cost.

Capital Assets are amortized on a straight-line basis using the following annual rates:

- Computer equipment/systems – three years
- Furniture and equipment – five years

The CEO of fmi\*igf evaluates the productivity of the capital assets on an annual basis, and if an asset is deemed to be no longer meeting its productivity levels then the CEO will recommend to the Finance and Audit Committee (FAC) to authorize writing down the asset value.

