

Section:	Finance (FN)
Subject:	Capital Assets
Legislation:	
Effective:	October 17, 2008
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**APPROVED:** \_\_\_\_\_  
**President and CEO**

**POLICY**

The policy of the Board of Governors is to ensure the effective and efficient acquisition, management and disposal of SAIT capital assets.

**PROCEDURE**

**DEFINITIONS**

- Bulk capitalized assets**                      Selected items of material value to SAIT as a whole that are capitalized into a central pool (bulk capitalized), such as modular furniture. The threshold applies to the combined cost of all items that SAIT purchases, and not to each individual purchase.
  
- Capital asset management**              Any event that affects the asset after it has been acquired and before it is disposed.

**GOVERNING PRINCIPLES**

1. This procedure does not apply to building maintenance or to renovation acquisitions.
2. Bulk capitalized assets are not subject to paragraphs 8, 9, 10 and 11 of this procedure.

**PROCEDURE**

1. Each school/department is required to appoint an employee as its capital asset coordinator.
2. Each school/department is responsible for safeguarding its capital assets from damage, loss and  
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inappropriate or unauthorized use during the school/department's period of stewardship of the asset. If failure to safeguard capital assets results in repair or replacement costs, the school/department is financially responsible for these costs.

3. The Finance department will be responsible for coordinating with the school/department for the identification and estimation of any applicable asset retirement obligations related to capital assets.
4. Each school/department is also responsible for protecting sensitive and confidential data contained within electronic devices and should consult the Information Technology Services department for guidance on data protection.
5. The cost required to keep capital assets in operating condition is considered to be a repairs and maintenance expense. These costs are funded by the school/department's operating budget.
6. The Capital Assets section, Finance, may conduct a physical inspection of school/department capital assets to verify that the asset information has been maintained.
7. Deans, directors or designates are required to approve their school/department's inventory listing as provided by Finance and ensure any required updates are communicated to Finance.
8. Each school/department is responsible for maintaining the following asset information in SAIT's financial records:
  - a) Make.
  - b) Manufacturer.
  - c) Model number.
  - d) Physical location.
  - e) Serial number.
9. Change in Ownership
  - a) When a change in ownership occurs, the responsibility for the capital asset is transferred from the originating school/department to the receiving school/department.
  - b) The dean, director or designate of both the originating school/department and the receiving school/department must approve the change in ownership.
  - c) The originating school/department must communicate the change in ownership by submitting the Capital Assets Change of Ownership form to Capital Assets. This form is attached as Schedule A, an Associated Document to this procedure. The school/department receiving the equipment is responsible for updating the change in location information (refer to paragraph 8 of this procedure), if required.

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## 10. Change in Location

- a) When a change in the physical location of an asset occurs, the school/department is responsible for contacting the Facilities Management department to arrange for the move, for safety reasons.
- b) For computer or network equipment moves, the school/department is responsible for contacting Information Technology Services or the school/department's technical support.

11. A large scale relocation of capital assets may occur due to an event such as construction or renovation. The school/department is responsible for notifying Capital Assets in advance of the relocation. An inventory count may be required prior to and/or after the relocation.

## 12. On-campus loans and off-campus use

- a) Each school/department is responsible for documenting the authorization, tracking and returning of any on campus loans and off campus use of its capital assets. Schools/departments must be able to provide this documentation in the event of an audit test count.
- b) The dean, director or designate may authorize such use providing that:
  - i) The asset is marked as the property of SAIT.
  - ii) The person is qualified to use the asset.
  - iii) The use does not reduce the asset value beyond that of normal wear and tear.
  - iv) The use has no private commercial intent.
  - v) The use is within the scope of SAIT business.
  - vi) There are no donor restrictions for a donated asset.
- c) Assets required for use outside of Canada may require documentation for exit from and entry into Canada. Additional requirements related to insurance issues may apply. The school/department is responsible for contacting Supply Management and/or the coordinator, insurance management, Finance, to make all the necessary arrangements prior to using the asset outside of Canada. If the asset was originally donated, the school/department is responsible for contacting the Alumni and Development department to ensure there are no restrictions on the use of the asset prior to using the donated asset outside of Canada.

## 13. Compliance

- a) Non-compliance with these procedures constitutes misuse of SAIT property.
- b) Depending on the nature and magnitude of lack of compliance, Capital Assets will notify:  
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- i) The employee’s direct supervisor, manager, dean and/or director.
- ii) The director of Finance, the division vice president and the CFO and vice president, corporate services, if the non-compliance is serious.
- c) Lack of compliance may result in disciplinary action, up to and including termination of employment, as per procedure [HR.4.4.1 Corrective Action Procedures](#).

## ASSOCIATED DOCUMENTS

Schedule A Capital Assets Change of Ownership form

## POLICY/PROCEDURE REFERENCE

FN.14.1 Capital Assets policy  
FN.14.1.1 Acquisition of Capital Assets procedure  
FN 14.1.3 Disposal of Capital Assets procedure

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