

**public sector accounting handbook
highlight summary no. 22
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HIGHLIGHT SUMMARY

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

Tangible capital assets, Section PS 3150

This Section revises and replaces existing Section PS 3150. The main features of the Section are as follows:

- The definition of cost has been amended to clarify that cost is the gross amount, and that capital grants are not to be netted against the cost of the related tangible capital asset. Guidance on the cost of leased tangible capital assets is also provided.
- The 40-year guideline on the amortization period has been removed.
- There is additional guidance on the commencement and cessation of capitalizing carrying costs.
- During the period of transition, local governments should follow PUBLIC SECTOR GUIDELINE PSG-7, Tangible Capital Assets of Local Government.

The Section now applies to all levels of government. It applies to local governments for fiscal years beginning on or after January 1, 2009.

Statement of recommended practice

- Public performance reporting (SORP-2)

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