
 <p>Registered Nurses Association of the Northwest Territories and Nunavut</p> <p>Page: 1 of 1</p>	<p>Administration Finance Policy</p> <p>Policy Description: Capital Expenditures</p> <p>Policy Number: AF7</p>
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<p>Effective Date: February 2020</p> <p>Signature:</p>  <p>Review Date: February 2023</p>	<p>New Policy <u> X </u></p> <p>Revision: Partial <u> </u> Complete <u> </u></p>
<p>Applies To: RNANT/NU Board of Directors, Executive Director and RNANT/NU Auditor.</p>	
<p>Purpose: To ensure current best practices are followed for the depreciation of capital expenditures and ensure the Board's stewardship of RNANT/NU finances.</p>	

Policy:

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 at 20% over five (5) years calculated using the straight-line method of an equal amount for each year.
- (2) Leasehold improvements will depreciate over the remaining 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 expensed in the period of purchase.

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.