Powell River Action Centre Society – Food Bank

Capital Fixed Asset Policy 2024

1. Fixed assets to be capitalized include tangible or intangible property with a useful life of more than one year (except if there are ever collection items or assets held for investment) and a cost of $1,000 or more.

2. For purposes of determining the cost of a fixed asset, include costs to ship, install and make the asset functional. Include all items within a set, for example: a conference table and eight chairs would make up one asset described as conference table and chairs.

3. Building improvements are currently not capitalized, as the Society does not own the building. In the future, if ownership of a building is realized, items to be capitalized include improvements that meet the capitalizations threshold defined above and are one of the following:

    a. Betterment
        i. Fixes a defect or problem
        ii. Enlarges a space or increases capacity
        iii. Materially improves a building, such as making it more energy efficient
    b. Adaptation of a property to a new of different use
    c. Restoration
        i. Replaces a major component or structural part of the building
        ii. Restores property to good operating condition
        iii. Restores property to like-new condition after the end of its useful life.

4. Capital Assets are recorded at historical costs as of the date acquired. Donated assets are recorded at fair value as of the date acquired based on appraised value or at the price received if the asset was sold.

5. Assets not meeting the above criteria for capitalization can be recorded in an expense account such as “Furniture and Equipment” or “Repairs and Maintenance” as appropriate.

6. Keep accurate and detailed records to pass to the Society Accounting Firm.

7. Depreciation will be calculated as per standard accounting software.

8. Annually, there will be an inventory done of fixed assets. New information will be provided to the Society accounting firm on new assets, asset disposal, and impaired assets in a timely manner.

9. Invoices substantiating the acquisition cost of capital assets are to be retained according to the Societies Act.