
 <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><b>Effective Date: February 2020</b></p> <p><b>Signature:</b></p>  <p><b>Review Date: February 2023</b></p>	<p><b>New Policy</b> <input checked="" type="checkbox"/> <b>Complete</b></p> <p><b>Revision:</b> <b>Partial</b> <input type="checkbox"/> <b>Complete</b> <input type="checkbox"/></p>
<p><b>Applies To:</b> RNANT/NU Board of Directors, Executive Director and RNANT/NU Auditor.</p>	
<p><b>Purpose:</b> 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.