

Part: **Public Money and Property**
 Section: **Property**
 Subsection: **Control of Property**
 Policy: **Management of Tangible Capital Assets**

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Management of Tangible Capital Assets

Objective

The objective is to outline requirements to assist management in fulfilling their responsibility to protect government assets and effectively manage them.

Authority

The Financial Administration Act, 1993, clause 5(a) and subsection 10(2)

Applicability

This policy applies to the General Revenue Fund (GRF), and special purpose funds and trust money administered by ministries. See [Appendix C Public Money](#).

Definition

Tangible Capital assets are non-financial assets having physical substance that are acquired, constructed or developed and that:

- are held for use by the Government;
- have a useful life extending beyond a year and are intended to be used on a continuing basis; and
- are not intended for sale in the ordinary course of operations.

Treasury Board Policy

.01 Ministries are required to establish and maintain adequate internal controls to ensure the following:

- the acquisition, construction, development, betterment or disposal of a tangible capital asset is authorized;
- payments relating to the acquisition, construction, development or betterment of a tangible capital asset are properly approved;
- tangible capital asset records are accurate; and
- access to tangible capital assets is restricted to authorized personnel, where practicable.

.02 Each ministry is responsible to implement an accounting and reporting system for capital assets that meets the minimum requirements as or may be prescribed by the Provincial Comptroller.

Provincial Comptroller Directives

.03 Ministries are required to reconcile their tangible capital asset records to the tangible capital asset transactions recorded in the Government's central financial system, on a periodic basis, and follow up any discrepancies. This requirement does not apply to capital costs included in the systems development category.

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- .04 Ministries are required to conduct a physical count of their tangible capital assets on a periodic basis and reconcile the count to their tangible capital asset records. Discrepancies between the asset counts and capital asset records should be followed up.
- .05 Refer to the [Accounting Manual, Section 1300 Tangible Capital Assets](#) for accounting for tangible capital assets of the GRF.

References

[3525 Receipt of Donations](#)

[3800 Control of Tangible Capital Assets and Inventory](#)

[Accounting Manual, Section 1300 Tangible Capital Assets](#)

[Accounting Manual, Appendix A General Revenue Fund Year-end Procedures and Schedules](#)