

SAHTU HEALTH AND SOCIAL SERVICE AUTHORITY

Policy

TOPIC:

PURCHASE OF FIXED TANGIBLE ASSETS

INDEX:	FIN.101
CANCELS & SUPERCEDES:	28 MARCH 2006
EFFECTIVE DATE:	28 MARCH 2006
DISTRIBUTION:	ALL MANUALS
RECOMMENDED BY:	FINANCE

DEFINITION:

A fixed tangible asset is an asset with a useful life expectancy of more than one year.

POLICY:

Fixed tangible assets whose cost exceeds \$5000.00 are to be capitalized and the funds shall be allocated from the capital budget. Fixed tangible assets whose cost is less than \$5000.00 and greater than \$250.00 shall be considered as minor capital and the funds shall be allocated from the Operation and Maintenance budget (O&M).

All requisitions for purchase of fixed tangible assets from either the capital budget or the O&M budget must be clearly justified. All such intended purchases shall be approved and signed by the appropriate spending authority prior to being routed to the Finance Department for payment authority approval.

PURPOSE:

To ensure proper control over the acquisition of fixed tangible assets.

PROCEDURE:

CAPITAL BUDGET:

An overall capital budget is prepared annually in March. Department heads shall submit required capital purchases with justifications annually in February. The CEO and Directors of the IRHSSA will prioritize the submissions and decide which will be purchased from the current year's capital budget.

O&M BUDGET:

All departments must request minor capital funds based on anticipated purchases when preparing their O&M budgets.

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PROCEDURE CONTINUED:

PURCHASE REQUISITIONS FOR MINOR CAPITAL:

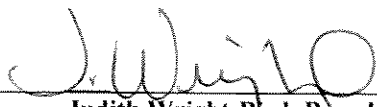
All purchase requisitions for minor capital items must be clearly marked "Minor Capital" and must be signed off by the Director of Finance and Operations.

Purchases shall not be split in order to get around the \$5000.00 cut-off differentiation between capital and operating budgets items.

AUDIT:

Procedural guidelines compliance.

Approved by:



Judith Wright-Bird, Board Chair