

<b>Policy Title:</b>	Asset Management
<b>Policy ID:</b>	#4-430
<b>Manual Classification:</b>	Section 4 – Corporate Services
<b>Approved by:</b>	Board of Governors
<b>Revision Date(s):</b>	Original: March 24, 2021
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<b>Next Policy Review Date:</b>	April 2024
<b>Contacts for Policy Interpretation:</b>	Vice President, Corporate Services Director Financial Services and Controllorship

## 1.0 - Policy Overview

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Fleming College (the “**College**”) is required by law to follow the Public Sector Accounting Standards when preparing financial statements. These rules state that the College must capitalize and amortize its capital assets, must periodically verify the continued existence of its assets, and must remove assets from its books when they are no longer owned and/or used by the College. Additionally, the Infrastructure for Jobs and Prosperity Act, 2015 (IJPA) requires asset management planning for public sector entities.

This policy (the “**Policy**”) describes how the College will plan for the strategic allocation of resources for the purpose of asset management including the safeguarding and verifying continued existence of its assets and asset investment under the College integrated planning policy.

## 2.0 - Purpose

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The purpose of this Policy is to ensure the College capital and/or moveable assets (the “**College assets**”) are:

- captured as part of a college capital asset management strategy; and
- properly planned for, purchased, monitored/safeguarded and maintained;
  - properly classified within the College financial statements
  - properly recorded on the College's asset register
  - accounted for through periodic inventory counts
  - properly accounted for when they are disposed.

## 3.0 - Definitions and Acronyms

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**Asset Portfolio** A grouping of like assets that are to be planned for, monitored/safeguarded and maintained led by an assigned college leader.

<b>Asset Register</b>	Comprehensive asset inventory, including an assessment of the physical condition, functionality (i.e. ability to support current program delivery) and utilization (i.e. capacity) of assets.
<b>Asset Tag</b>	A unique asset identifier, which is permanently affixed to all capital assets and movable assets of the College.
<b>Betterments</b>	The cost incurred to enhance the service potential or effectiveness of a capital asset. Service potential may be enhanced when there is an increase in the previously assessed service capacity, operating costs are lowered, the useful life is extended, or the quality of output is improved.
<b>Capital assets</b>	Identifiable tangible properties, such as land, building and equipment that meet ALL of the following criteria: <ul style="list-style-type: none"> <li>• Are held for use in the provision of services/program delivery, for administrative purposes, or for the maintenance, repair, development or construction of other capital assets;</li> <li>• Have been acquired, constructed or developed with the intention of being used on a continuing basis; and</li> <li>• Are not intended for sale in the ordinary course of business.</li> </ul>
<b>Capital cost</b>	The total cost of acquiring a capital asset. The cost includes the purchase price and all normal and reasonable expenditures necessary to make the asset operational (e. g. shipping, installation, duty, non-recoverable HST, etc.).
<b>Maintenance</b>	Costs required to maintain the current service potential of a capital asset or facilities.
<b>Moveable assets</b>	Assets that are able to be moved or rearranged and include major equipment, furniture and equipment, vehicles, computers and software.
<b>Repairs</b>	Costs required to repair or restore current facilities or a capital asset at the College.

#### **4.0 - Scope**

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This policy applies to all College employees who are responsible for:

- The development of asset management plans
- The acquisition of the College assets and tagging assets
- Recording the acquisition of the College assets in asset register
- Taking periodic counts of the College assets
- Maintenance and safeguarding of the College assets
- Disposal of the College assets

## **5.0 - General Principles**

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### **5.1 - Overview**

Capital asset management planning is the process of identifying current and future capital needs, developing strategies and managing resources and projects to address those needs. Every division within the college is responsible for delivering a range of core services, as set out in the Strategic plan, Academic plan and Annual Business plan. This should be the central factor driving the capital planning process. This process should utilize ongoing asset assessment using the findings to continually update multi-year, rolling capital asset plans and college asset management strategy.

Fleming College uses a consolidated capital planning process wherein school and departmental plans are consolidated into asset portfolios to implement projects to manage and monitor the service of acquired assets. Asset management requires a thorough understanding of the characteristics and condition of assets, as well as the service levels expected from them. The College will develop and maintain capital asset plans and capture asset details in asset registers based on asset portfolios and asset portfolio owners. These asset portfolios and asset portfolio owners will be listed in the College's Asset Management Procedure.

Finally, asset management planning requires the development of a financial plan. As part of this process, asset portfolio owners are required to develop rolling, multi-year capital asset management plans that flow from and support college business plans. These plans should reflect the operating (i.e. utilization, repair & maintenance) and capital cost of managing assets through their life cycles. These plans will support the annual capital budget as well as provide input for college advancement in securing donated assets.

### **5.2 - Roles and Responsibilities**

- a) Senior Management will review and approve all portfolio capital asset management plans and as a consolidated package approve a College Asset Management Strategy annually.
- b) Senior Management may delegate asset portfolio owner roles to appropriate Directors or Deans.
- c) Asset portfolio owners are accountable to ensure asset register are set up and maintained containing sufficient and accurate detail to meet the college internal and external reporting needs.
- d) Asset portfolio owners are accountable for development and maintenance of capital asset management plans, for maintaining capital assets and coordinating procedures to safeguard the College assets within the portfolio.
- e) Asset portfolio owners, Director of Financial Services and Controllorship and Director of Advancement will form a Capital Planning Steering Committee to monitor progress on asset management planning and to recommend annualized resources allocation through the college budget process.

- f) Directors and Deans and other delegated Budget Managers in organizational units are accountable for safeguarding the College assets in their area, and for the use, location tracking and initialization of disposal of these assets.
- g) All College assets as prescribed within the College's Asset Management Procedure must have a unique asset tag identifying the asset, which is to remain on the asset permanently.
- h) Directors and Deans are responsible for completing a physical count of capital assets in their area as co-ordinated through asset portfolio owners.
- i) Vice President Corporate Services is accountable to ensure adequate insurance on all College assets with individual items valued greater than \$100,000 being separately insured.

## **6.0 - Related Documents**

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- Infrastructure for Jobs and Prosperity Act, 2015 (IJPA)
- Integrated Planning Policy (#4-427)
- Asset Management Procedure (#OP 4-430) **\*currently being developed**

## **History of Amendments/Reviews**

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Approved by Board of Governors March 24, 2021