

AMORTIZATION

SCOPE

All capital assets reported in the ledgers of the *Society* excluding land. Assets have a useful life beyond one year and a purchase price over \$2,000.00.

POLICY

All assets acquired through mortgage advances and capitalized will be amortized at a rate equal to the annual mortgage principal payment.¹

The cost, less any residual value of a capital asset with a limited life, shall be amortized over its useful life on a straight-line basis. The *Society* shall maintain complete and separate accumulated amortization accounts for each significant and meaningful capital asset category. At the minimum the following categories shall be required:

| | |
|---------------------------------------|--|
| (a) Buildings | 35 years |
| (b) Building Renovations | 15 years |
| (c) Household Furnishings & Equipment | 5 years |
| (d) Office Furniture and Equipment | 10 years |
| (e) Computer Hardware | 3 years |
| (f) Computer Software | 2 years |
| (g) Vehicles - New | 6 years |
| (h) Vehicles – Used | 2 – 6 years, depending on age of vehicle |
| (i) Office Leasehold Improvements | 10 years |
| (j) Household Improvements | 2 years |

On an annual basis the Finance Committee and the external auditor will review, and amend as necessary, the *Society's* policy on amortization. If applicable, the basis of the *Society's* policy on amortization shall be included in the year-end notes to the audited financial statements.

¹ Applicable to financed assets only.