WorkplaceNL

Health | Safety | Compensation

Client Services Policy Manual

Policy Number:	**IF-07**
Subject:	**Amortization**
Chapter:	**Injury Fund and Reserves**

Policy Statement

It is the policy of WorkplaceNL to amortize its capital assets over their expected useful life. Amortization is calculated on a straight-line basis.

1. In accordance with generally accepted accounting principles, all capital assets are recorded at historical cost and are amortized at the following rates:

Building	2.5%
Furniture	10.0%
Equipment	20.0%, 25.0%, 33 1/3%
Computer Software	100%
Systems Development	100%

Equipment acquired under capital lease will be amortized over the period covered by the lease. Leased equipment purchased after expiry of the capital lease will be amortized over its useful life or one year, whichever is greater.

All building additions, furniture, equipment, and computer software costing at least $1,000.00 are capitalized and depreciated over their estimated useful life, which is not to exceed the remaining useful life of any asset to which it may relate (i.e. Building additions). Furniture and equipment purchases which cost less than $1,000.00 each but which are purchased in bulk at a cost exceeding $1,000.00 will be treated as a capital asset.

2. Capital asset additions and disposals are accounted for on a itemized asset basis. Additional workstation pieces will be added to the cost of the existing workstations to which they were applied and amortized over the remaining useful life of the asset. This information is maintained on a fixed asset software system by the Finance Department.

3. All acquisitions in a year are depreciated from the month of acquisition. Assets (such as systems development and building additions) which are accumulated over a period of time are depreciated on a one-half year basis for the first year.

Reference: *CICA Handbook Section 3060.*

Amendment History

Original Effective Date 1992 10 16