



Capital Expenditures

Category: Operations
Number:
Audience: All University Personnel
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Owner: President
Approved by: Board of Governors
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Introduction

Capital expenditures represent an integral part of the annual expenditures undertaken by the University in any year. They are specifically identified and budgeted for each year and are part of the Board of Governors final Budget ratification. This policy establishes procedures by which the approved expenditures are managed and reported.

Definitions

Capital Expenditures – an expenditure made of at least \$3,000 for an asset with a useful life exceeding one year with the expenditure being written-off or amortized over that useful life.

Policy

Once approved in the annual Budget by the Board of Governors, all capital expenditures must not exceed the maximum approved limits contained in the budget document. Strict and ongoing management of the capital expenditures undertaken, coupled with accurate and timely reporting must be exercised to ensure that spending targets are met. This policy covers the protocols and processes established to ensure that compliance.

Consequences for Noncompliance

Spending in excess of Board approved budgetary limits can result in cash flow difficulties and / or the unnecessary use of unrestricted cash reserves. This may lead to an unplanned reallocation of cash resources that may restrict or eliminate some other important and approved initiative. Personnel in charge of capital project spending will be held accountable for excess expenditures and may be subject to disciplinary action up to and including termination.

Related Information

- [Capital Expenditures Policy – Procedure Statement](#)
- [Annual Budget Policy](#)
- [Procurement Policy](#)