



Nunavut Tunngavik Inc.

CAPITAL ASSETS POLICY

*Approved by the Board of Directors in January 1997
Last Amended in August 2011*

I. PURPOSE

This policy is to ensure that all NTI capital assets are accounted for on auditable records until disposal or write-off, and the control, accounting, auditing, depreciation, and disposal of capital assets is done in accordance with generally accepted accounting principles.

II. APPLICATION

This policy applies to all capital assets acquired by NTI.

III. ACCOUNTING

All capital assets with a normal life expectancy of one year or longer and an acquisition cost of \$5,000 or greater are to be recorded in the accounting records at their acquisition cost and depreciated over their expected useful life using the following annual rates and in accordance with the generally accepted accounting principles.

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|--------------------------|---------------------------------------|
| • Buildings | 5% declining balance |
| • Furniture and fixtures | 20% declining balance |
| • Computer equipment | 30% declining balance |
| • Automobiles | 30% declining balance |
| • Leasehold improvements | straight line over term of the lease. |

IV. CUSTODY AND CONTROL

Upon acquisition of a capital asset the Director of Finance shall record the asset in a capital asset sub ledger. This requirement applies both to assets purchased by NTI and assets to be donated (e.g. carvings, prints and other works of art).

The Director of Finance shall then inform the departmental director having custody of the asset of its identification number and provide an identification tag which must be affixed to the asset. The person assigned custody of the asset will sign a "Receipt of Asset Custody" form to acknowledge their custodial responsibility.

The Director of Finance is responsible for maintaining the capital asset sub ledger, ensuring that all additions, disposals and changes are recorded in the sub ledger and properly reflected in the corporation's financial statements.

On an annual basis the Director of Finance shall have taken a physical inventory of capital assets in the custody of each department. This inventory must be performed under the direction of the Director of Finance and by persons independent of the custodian. A record of the results of the annual inventory shall be kept by the Director of Finance.

Departmental directors are responsible for taking reasonable steps to ensure that all capital assets for which employees under their direction have custody are adequately protected against loss through theft or misuse. They shall also maintain a record of all capital assets in the possession of their departments.

V. DISPOSAL AND WRITE-OFF

Departmental directors shall advise the Director of Finance of the planned disposal of capital assets including the planned method of disposal and the estimated recovery value if any.

The Director of Finance shall provide written authorization to departmental directors of both the disposal and the planned method of disposition. No assets may be disposed of without the above written authorization.

Where the asset to be disposed of has an estimated recovery value of \$10,000 or greater it should be disposed of through the tender process, public auction or such other method as will maximize the recovery proceeds to NTI.

Where the asset to be disposed of has an estimated recovery value of less than \$10,000, the CEO shall decide the proper method of disposition. However, no asset may be transferred to an NTI executive member or employee (including their immediate family members) unless the CEO is satisfied, based on recommendations from the Director of Finance, that a reasonable estimated recovery has been paid to NTI.

A write-off of a capital asset is required when the annual physical count of assets is completed and the counts indicate that NTI has fewer assets than are recorded in the accounting records.

Upon request, Department directors shall provide a written explanation of all unaccounted for assets in the custody of employees in their departments. A summary of all assets written-off shall be provided to Executive Committee by the Director of Finance on a quarterly basis.

Directors shall report losses of capital assets through either theft or negligence immediately to the Director of Finance who shall investigate the cause of the loss and, where appropriate, notify NTI's insurance carries.

(Last Amended in August 2011)