



PSAB 3150 - Tangible Capital Assets

White Paper

Beginning with fiscal year 2009, local governments must report on their tangible capital assets and move from a modified accrual format to full accrual accounting with new financial statements. This is the essence of PSAB 3150 - Tangible Capital Assets (TCA). What this means is that assets that meet the definition of tangible capital assets will be capitalized on acquisition and their cost allocated to future accounting periods (based on their estimated useful life) through an annual amortization expense. Multi-year projects will be reported as “work-in-progress” and will be capitalized upon completion.

To implement these changes, opening balances including accumulated depreciation for all material assets controlled by local governments will be required to start this process on January 1st, 2009. While this accounting model is already followed by the private sector and other levels of government, this change has been labeled the largest accounting change to impact municipal government in history.

Once the opening balances have been derived, new assets, disposals and write-downs will be required to maintain asset ledgers going forward. For the most part, opening balances will have been calculated using spreadsheet programs such as Excel. However, to track tangible capital asset information going forward a better database and reporting capabilities will be required. Asset information will be required to be maintained by departments (asset owners), boards, agencies and by asset types/categories. In addition, although asset management and long-range financial planning is not a requirement of PSAB, it is fast be-

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coming a requirement of various legislation, grants and funding programs.

With TeamBudget Capital and TeamBudget Operating budgeting solutions, you have the ability to capture new assets purchased through both your Capital and Operating Funds. Asset types, asset categories, estimated useful life (service life), depreciation methods, work-in-progress and other tangible capital asset information can be easily associated with capital projects and operating activity codes. In addition, tangible capital asset information can be customized to meet your reporting requirements. As we move towards the January 1, 2009 deadline, Questica will be developing additional functionality to leverage the TeamBudget Capital and TeamBudget Operating modules to become your complete PS 3150 solution.

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Questica Inc. was established in 1998 to develop and support its flagship product, Questica 2000. With over 13 years of experience in developing full featured business solutions, we take pride in providing our customers with exceptional service from implementing and training to ongoing support. We work closely with our customers to ensure that our solutions are used to their maximum potential.

Clients throughout North America are using Questica's capital and operating budgeting software solutions to streamline their business process and increase productivity and profitability. Our TeamBudget Capital and TeamBudget Operating public sector customers experience shorter budget preparation cycles as our solutions eliminate the need for spreadsheets, centralize budgets, track changes and automate reports.