

3.2.3 Operating Funds vs Operating Capital Funds

Preface:

- A.1 The distinction between operating funds and operating capital funds is important for funding and reporting purposes.
- A.2 The following guideline as directed by the Ministry of Advanced Education and Labour Market Development, in consultation with the BC College system Senior Finance & Administrative Officers Council, shall take effect April 1, 1997:

	Expected Useful Life	
	< 1 year	≥ 1 year
Cost < \$1000	operating	operating
Cost ≥ \$1000	operating	operating capital

Procedures:

- B.1 Any item, either by itself or by the total of its components, and whether or not it is a replacement item, which costs \$1000 or more **and** which has an expected useful life of 1 year or more, shall be purchased from operating capital funds.
- B.2 Under this Procedure, all purchases are guided by A.2 above.
- B.3 All operating capital purchases must be processed by way of a Purchase Order, and normally processed through the Purchasing Department.
- B.4 It is recognized that some equipment is comprised of components. It is the intent of the College to capitalize the entire piece of equipment as intended for ultimate use.
- B.5 The following Operating Capital acquisitions are subject to standards and/or consultation prior to purchase.

a.	Computers & Peripherals	Manager, IT Services
b.	Reference Materials	Manager, LRC

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c.	Microcomputer Software	Manager, IT Services
d.	Communications Equipment (telephones, faxes, etc.)	Manager, IT Services
e.	Furnishings, office enhancements (other than classroom)	Purchasing Agent
f.	Financial Equipment (postage equipment, cash registers, cheque writers, POS equipment, etc.)	Purchasing Agent
g.	Renovations	Director of Facilities
h.	Public Works	Director of Facilities
i.	Furnishings (classroom)	Director of Facilities

Issue Date:	May 1984	Review Date:	July 2010
Amendment: (5)	July 2010	Concerning:	All Managers
Manager Approval:	<i>Original signed by Dianne Teslak</i>	Title:	Bursar
		Date:	July, 2010
College Approval:	<i>Original signed by Nick Rubidge</i>	Title:	President/CEO
		Date:	July, 2010