

Fixed Assets Policy

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Fixed Assets Policy

1. Introduction

- 1.1 This policy is intended to cover how documents are developed, maintained, audited and controlled within the College.
- 1.2 The aim of this policy is to ensure that staff and stakeholders have access to structured documents that identify and control all aspects of the College's business

2. Scope

- 2.1 This policy document will act as a pro-forma for all other documents, setting the minimum requirements for policies and procedures, shown in Annex 1.
- 2.2 It will define how documents are produced, audited, revised and communicated to staff and stakeholders.
- 2.3 It will identify how documents are classified.

Policy

3. Responsibility

- 3.1 The Deputy CEO's, Executive Head Teachers, and Heads of School are responsible for safeguarding property, plant and equipment directly under their control and for ensuring that the Trust's procedures in respect of those assets are carried out promptly and effectively.

4. Land

- 4.1 The acquisition or disposal of land must be authorised by the Board of Trustees. A register of land holdings is maintained by the Estates Department

5. Buildings

- 5.1 A building is defined as any structure which has a roof and costs £10,000 or more. The value of a building includes the cost of the building's major internal components, for example, lifts, light and electrical systems, ducted air conditioning systems, fans and doors; and any fees and other incidental expenditure associated with its construction or acquisition. Structures costing less than £10,000 are expensed to the Academy's/School's Income and Expenditure Account.
- 5.2 The acquisition, construction or disposal of a building can only be authorised by the Board of Trustees.
- 5.3 A register of buildings is also maintained by the Finance Service. During the year the Finance Service will provide details of:
 - (a) The acquisition and completion of buildings
 - (b) The value of capital improvements to buildings, and
 - (c) The value of buildings disposed and demolished.

6. Equipment

- 6.1. Equipment is defined as any item of a permanent nature costing £5,000 or and with a life expectancy of over one year, except that;
- All books, glassware, and plastic-ware unless otherwise determined are to be regarded as consumable items;
 - Components to be used in the manufacture of an equipment item by a Department are to be regarded as equipment where they meet the above criteria;
 - Materials, items, or components purchased to repair equipment are to be regarded as consumable items.
- 6.2 The £5,000 threshold applies to individual items of equipment except where several related items, when considered collectively, constitute an item of equipment. The decision as to what constitutes an item of equipment will be decided by the Chief Financial Officer or their nominee with the exception being that a computer, monitor and keyboard are to be regarded as one item. Printers are to be classified as separate items. The definition of equipment also applies to new purchases of computer software.
- 6.3 Computer equipment purchased for less than £5,000 may be capitalised where it is purchased as part of the annual computer refresh. In such cases the total value of the refresh will be capitalised although the individual unit price may be lower than £5,000.
- 6.4 Software licensing and maintenance agreements, which are renewable on a regular basis, do not qualify as equipment.

Cost of Equipment

- 6.5 The cost of equipment includes the purchase cost plus any costs incidental to the purchase, for example, installation and delivery charges, where those costs are included on the same invoice. Where incidental costs are billed separately they must be charged as consumables.
- 6.6 Motor vehicles registration and insurance costs are consumable expenses. These costs do not form part of the cost of acquiring the vehicle.

Registering Equipment

- 6.7 All equipment whether purchased, donated, transferred internally or constructed is to be recorded on the Academy's/School's Fixed Asset Register. An asset addition form is to be completed by Departments in respect of all equipment acquired. The form is attached at Appendix A and is available on Sharepoint.
- 6.8 It is essential that each item of equipment entered onto the Fixed Asset Register is adequately identified by being tagged. Tagging is the responsibility of the Department controlling the equipment.
- 6.9 A tag may take a number of forms; for example, bar code or dymo tape, and should depict the Fixed Asset Number. In some cases, engraving or painting the number will be required. The tag should be located on the equipment where it can be readily sighted for identification, yet at a location where its removal will not be tempting and

where the outward appearance is not disfigured. It is stressed that tagging must be undertaken as soon as the item is received.

Sale and/or Retirement of Equipment

- 6.10 Approval to disposal of equipment will only be granted if recommended by the relevant Head Teacher / Head of Department. Recommendations to dispose of equipment are made on the Disposal of Asset form which is attached at Appendix B and is available on Sharepoint. The Head Teacher / Head of Department is responsible for ensuring that the disposal of equipment is carried out.
- 6.11 Where the Head Teacher / Head of Department identifies equipment which is surplus to the Departments needs or is uneconomical to repair, where appropriate this equipment should be disposed through a competitive tendering by public auction unless it is decided otherwise by the Vice Principal – Finance and Resources (Parent Organisation). The cost of advertising, auctioning and any other costs associated with the sale will be charged to the relevant departmental cost centre.
- 6.12 Where it is possible to arrange a trade-in of existing equipment and the trade-in price is assessed by the Head Teacher / Head of Department to be the most advantageous price for the Academy /School, this shall be an acceptable method of disposal. The Head Teacher / Head of Department concerned must approve all trade-ins in writing. A copy of the approval letter must be attached to the Disposal of Asset form (FA2).
- 6.13 Authority for the disposal of equipment will be required as follows:-

Value of Disposal / NBV	Authorisation
Up to £350	Head of Finance Shared Services Processing Head of Management Accounts, or nominee
Up to £1,000	Head of School Deputy Headteacher Business Manager or equivalent
Up to £5,000	Executive Headteacher or equivalent
Up to £12,500	Group Director of Finance Group CFO
Up to £50,000	Chief Executive Officer Chief Financial Officer
Over £50,000	Board *

Authority shall not be required for disposal of each computer which is replaced as part of the annual renewal programme.

* Following authorisation of the transaction by the Board, signing contracts for disposal of assets is delegated to the Chief Executive Officer, Deputy CEO, Chief Financial Officer, or relevant Executive Headteacher.

7. Stock-takes

Asset Verification and Performance of Stock-takes

- 7.1 It will not normally be necessary to physically verify every asset on an annual basis, rather the Finance Service will select a sample and highlight those items which must be physically sighted and verified by the department in control of the asset. The sample verification will take place in both February and June of each year. The total number, or value of assets to be verified will be determined by the Head of Finance or Head of Management Accounts. Should a department be unable to verify the presence of any of the assets, the sample size selected for verification may be increased.

8 Hire or Loan of Equipment

Inward Loan, Hire and Testing

- 8.1 Equipment received on loan, hire, for testing or for other temporary use is to be recorded by the hiring department in a departmental register or some other suitable record. The register should include, where applicable, name of owner, description of item, date received and location, period of loan or hire, and date of return to owner. Such items must not be recorded on the Fixed Asset Register.
- 8.2 Where the loan arrangement stipulates that the Academy/School is to bear all risks, the Estates Service (who are responsible for insurance) are to be contacted prior to the acceptance of delivery of the item(s).

Outward Loan, Hire and Repair

- 8.3 The Head Teacher/Head of Department must approve all loans and hiring of equipment. Equipment will not be loaned to staff without the approval of the Principal.
- 8.4 Where considered appropriate, the Head Teacher/Head of Department shall require that a formal agreement be prepared covering the lending of equipment to third parties.
- 8.5 A departmental register is to be kept by the department in respect of any items on loan, hire or sent for repairs, to a person or body, including persons or entities within the Academy/School. The register is to include, where applicable, name of borrower, hirer or repairer, description of item, equipment number, date, location, period of loan or hire, and date of return.

9. Infrastructure Assets

- 9.1 All infrastructure assets including roads, footpaths, landscaping, fencing, car parks, external lights, signs etc are to be valued at replacement costs.

10. Maintenance/Capital Expenditure

- 10.1 When maintenance costs are incurred in relation to an existing asset, it is necessary to distinguish between expenditure, which relates to the repair of the asset as opposed to a capital improvement of the asset. Repairs represent work performed to keep an asset in an operating condition and to ensure that the service originally expected of the asset is obtained. Capital building improvements increase the asset's productive capacity, extend the economic life of the asset beyond that originally expected or reduce the level of operating costs.

10.2 Capital improvement expenditure on buildings is to be charged to the relevant asset code and will be depreciated as stated below.

11. Depreciation

11.1 The Academy's/School's fixed asset depreciation policy is stated below.

Asset Type	Depreciation Policy
Building Works * (new build)	Between 30 and 50 Years
Building Works * (improvements)	15 Years
Computer Equipment	3 Years
Smartboards	10 years
Office Equipment	3 Years
Furniture, Fixtures and Fittings	10 Years