



St.Cuthbert's
Roman Catholic Academy Trust

Asset Register and Disposal Policy

Policy reviewed and adopted by the Board of Directors	15 June 2016
Version	1
Review frequency	Annually
Date of next review	June 2017
Responsible Officer	CFO

1 Introduction

St Cuthbert's RC Academy Trust is required to establish systems of control to ensure that assets and resources used by the academy are recorded and adequately safeguarded against loss or theft. Records of assets and stocks must be kept for accounting purposes- this is known as the fixed asset and inventory registers .

This policy will also discuss the procedures for dealing with obsolete equipment. The aims of the policy can be summarised as follows:

- To provide the means for the disposal of redundant or surplus assets.
- To achieve the best possible outcome for the Academy by gaining the best available net return when selling and to ensure the Academy is even-handed, open and honest in all dealings.
- To ensure that a best value outcome to the Academy is a major consideration when disposing of assets.
- Asset disposal decisions, and the reasons for taking them, must be documented. Not only does this assist in audit and other examinations, but it highlights successes and problems for future reference.
- Non-disposal of obsolete equipment only takes up space, potentially incurs on-going maintenance costs and deprives the Academy of income without any offsetting benefit. The Academy should therefore dispose of such equipment in line with the processes set out below.
- To consider the identification of any risks and areas most susceptible to fraud.
- To ensure all Assets are recorded correctly and checks are made to ensure the value is correctly recorded and the asset is safeguarded.

2 Systems of control

The system of control for assets incorporates the following features:

Capital Asset definition.

Capital assets are defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.

Capitalisation method

All capital assets are recorded at historical cost as of the date acquired, gifted or constructed. If historical cost information is not available, assets are recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

Capitalisation thresholds

St Cuthbert's Academy Trust has established the following minimum capitalisation thresholds for capitalising fixed assets:

- Land, Buildings and improvements £1,000
- Machinery/equipment/vehicles/ICT £1,000

Detailed records shall be maintained for all fixed assets above the established thresholds.

Other assets

Detailed records are maintained at the discretion of the CFO for all items below the capitalisation thresholds that should be safeguarded from loss. These items are part of the annual physical inventory discussed below. These items include computer equipment that falls below the established thresholds and any other assets specified however if there is a lot of stock of a particular item this stock will be consolidated and recorded as a group value i.e ipads.

Procedure:

Purchase of Assets

Approval for purchase of assets must follow the Academy's procurement and purchasing policies as detailed in the Finance Policy and the Academy's Scheme of Delegation.

All fixed assets purchased must be entered into the asset register.

The asset register will include the source of funds for the asset.

The asset register will detail the following:

- asset description;
- asset number allocated by the accounting system;
- serial number recorded on the physical asset;
- date of acquisition;
- asset cost ;
- source of funding (% of original cost funded from DFE grant and % funded from other sources);
- expected useful economic life;
- depreciation;
- current book value;
- location; and
- name of member of staff responsible for the asset.

Gifts of Assets

All fixed assets given to the Academy are recorded in the accounts as income in the period in which the fixed asset was given to the Academy. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the Academy or the

amount actually realised. The key test is what the Academy would have been prepared to pay to purchase the asset.

Gifted assets are treated and recorded in the asset register in the same way as purchased assets.

Security of Assets

All fixed assets recorded in the register are permanently marked as the property of each school as far as this is practical. The asset register is to be kept up to date and reviewed on a six monthly basis. Physical counts against the register are undertaken annually at or about May to June. This count is to be performed by someone other than the person responsible for the asset register. Differences between counts and the register are investigated promptly and significant differences are reported to the board of directors. Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access secure storage areas. Keys for such areas should be kept secure.

Depreciation of Assets

All fixed assets will be depreciated using a straight line method of depreciation at the following rates unless the item on its own right has a shorter lifecycle

- Improvements to Land and Buildings 4-10% on straight line basis (dependent on useful life of asset);
- Lease hold land over the residual life of the lease;
- Computer equipment 33% on straight line basis; and
- Furniture 20% on straight line basis.

Impairment of Assets

Where an asset is worth less than the value recorded in the Academy's asset register, the value recorded will be written down to the market value.

This may occur through damage to the asset, which can still be used but is not longer in the condition an asset of its age and use would be.

Disposal of Assets

Assets may be available for disposal for a number of reasons, e.g:

- Beyond repair
- No longer complying with Health and Safety requirements
- No longer required due to changed procedures or functions
- Not capable of running required software

All requests for disposal must be submitted to the CFO and then approved by

1. The Finance and General Purposes Committee of the Trust Board.

The best possible value must be obtained in the disposal of assets.
Acceptable methods of disposal are:

- Private Sale

To ensure a fair price is received, a market valuation should be obtained. The sale should be publicised appropriately, via advertising or e-mailing and sold at the best price offered.

- Donation to an appropriate organisation

All donations must be approved by the Personnel, Finance and General Purposes Committee.

- Recycled or Destroyed

Items with no market value or no use to another organisation should be appropriately and safely destroyed. The asset disposal should be approved by the CFO.

Following disposal of the asset, record this in the academy fixed asset register and the academy's accounting software.

Sale or donation of ICT equipment – specifics

- All hard disc contents should be erased and re-installed
- The recipient of the equipment should be advised in writing that St Cuthbert's RC Academy Trust will not be liable for any Health and Safety issues surrounding the use of the equipment

Disposal Limits

For information disposal of land and buildings must be agreed in advance with the Secretary of State. The buildings and land are not owned by the Academy and are on lease agreements and right to occupy licences, so this should not apply to the St Cuthbert's RC Academy Trust.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

Loan of Assets

Academy property must not be removed from Academy premises without the authority of the Head Teacher.

A record of the loan must be recorded in a loan book and booked back to the Academy when it is returned.

If assets were to be on loan for extended period or to single member of staff on a regular basis, the situation may give rise to a "benefit-in-kind" for taxation purposes. Loans

should therefore be kept under review and any potential benefits discussed with the Academy's auditors.

Responsibility

Overall responsibility for the recording and control of the fixed asset register rests with the board of directors who delegate the day to day management to the CFO, who will make any decisions related to accounting for and disposing of assets subject to approval by the Board, as necessary in Consultation with the Accounting Officer and this matter will be referred back to the Finance and General Purposes Committee