

FIXED ASSET POLICY

Presented to Finance & Resources/Audit and Risk Committee on Wednesday 30th April 2014
Ratified Board of Directors on 17th June 2014

THIS DOCUMENT TO BE REVIEWED ON AN ANNUAL BASIS

For: The Giffard Catholic Primary Academy and Nursery
SS Mary and John's Catholic Primary Academy
St Michael's Catholic Primary Academy and Nursery
St Teresa's Catholic Primary Academy
St Edmund's Catholic Academy

Date of Approval: 30th April 2014
Date to be reviewed: April 2015



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1 Introduction

The purpose of a Fixed Asset Policy is to ensure the Multi Academy's balance sheets correctly reflect the assets of Bishop Cleary Catholic Multi Academy Company.

The policy defines the treatment of Tangible Fixed Assets. Procedures are attached as annexes to the policy. A Fixed Asset Register is to be maintained and reconciled to the financial statements of each of the Academies.

The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.

2 Fixed Asset Register

- 2.1 The Fixed Asset Register consists of a list of items (or specific group of items purchased within the accounting period) valued over £1,000 that are considered to have a life longer than the financial year they were purchased in.
- 2.2 Capitalised assets are not necessarily bought on one order; so long as a group of items is purchased within the same accounting period they will be capitalised.
- 2.3 Fixed Assets are categorised as follows:
 - a. Land and Buildings
 - b. Plant and Machinery
 - c. Furniture and Equipment
 - d. Computer Equipment and Software
 - e. Assets under Construction
- 2.4 The appropriate accounting transactions are processed for all capitalised assets and recorded on the Fixed Asset Register. Transactions will be recorded within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet.
- 2.5 All items that have been included on the Fixed Asset Register are security marked, where practicable, as the property of the Academy.
- 2.6 Physical counts are undertaken against the Fixed Asset Register annually and the evidence presented to the Finance and Resources Committees.
- 2.7 Discrepancies between the physical count and the registers are investigated promptly by the Academy Business Director. Any discrepancies over the value of £500 are reported to the Finance and Resources Committee.
- 2.8 All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements on PS Financials.

- 2.9 All working papers for the purchase of Assets, including invoices, are kept with the Fixed Asset Register.
- 2.10 Attractive and Portable Items of equipment that fall below the capitalisation limit of £1,000 are recorded on the Equipment Inventory and recorded in the appropriate Capital value. (eg single digital camera purchased for £250). Asset control is as for the assets held on the Fixed Asset Register.

3 Depreciation

- 3.1 Non-Current Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.
- 3.2 The depreciation will be calculated on an annual basis for preparation of the year end accounts.
- 3.3 Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Finance and Resources Committee will discuss these items on an individual basis.

ASSET GROUP	DEPRECIATION METHOD
Land	No depreciation
Buildings and Building modifications	(50 yrs) Straight line
Plant and Machinery	(5 yrs) Straight line with nil residual value
Furniture and Equipment	(10 yrs) Straight line with nil residual value
Computer Equipment and Software	(3 yrs) Straight line with nil residual value
Assets Under Construction	These are not depreciated until the asset is brought into use
Motor Vehicles/Minibuses	(5 yrs) Straight line with nil residual value

Version	Approval Date	Action/Notes	Signature of the Chair of Committee/Board
1	30/04/14	Approved by Finance and Resources/Audit and Risk Committee Board Ratified 17/06/14	Chris Walker:



Asset Disposal Procedure

1. The best possible value will be obtained from the disposal of assets. Assets disposed of with a carrying amount (Cost less Accumulated Depreciation) above £500 must be approved by the Finance and Resources Committee, and a Disposal of Equipment form (see over) completed.
2. Equipment is not normally disposed of to staff because it is difficult to provide evidence that the Academy obtained value for money in the sale or scrapping of the equipment. However, if this is the only option available, it is acceptable to do so. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary Interests must also be considered at all times.
3. Under the Academy Funding Agreement the approval of the Secretary of State is required before the sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset (or specific group of assets) for which a Capital Grant in excess of £20,000 was originally paid.
4. The Academy agrees to reinvest the proceeds from all asset sales for which Capital Grant was received and therefore every effort will be made to maximise the sale of such assets.
5. If such proceeds are not reinvested, the Academy will repay to the EFA the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State (i.e. if the Secretary of State purchased 50% of the original cost of the asset the Academy agrees to repay 50% of the proceeds.)
6. The proceeds from the sale of assets acquired with a grant from the Secretary of State cannot be used to contribute to further named grant-aided projects or purchases.

NAME OF ACADEMY _____

DISPOSAL OF EQUIPMENT

The Finance and Resources Committee confirm their agreement to the disposal of:-

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The reason for disposal is that the item is broken/surplus to requirement/irreparable (delete as appropriate).

There is/is not a residual value of the item.

Action to be taken(i.e. disposal/sale) by(name)

I confirm:

- that all obsolete stocks of this item have been destroyed to ensure they are not illegally procured and then resold.
- that all data and hardware has been completely cleared of sensitive data,
- that the Waste Electrical & Electronic Equipment (WEEE) directive has been complied with.
- that tax liabilities have been considered and will be reported as necessary

Signed: (name) Date:..... Designation:

Finance Office use only:-

Value obtained for item	£ (cash/cheque)	Carrying Amount	£
Cost centre code		Grant Received for original purchase	Y/N
Ledger code		Reinvested Grant	Y/N
Fund		Repayment to Secretary of State	Y/N
Original Cost	£	Value Repaid	£
Accumulated Depreciation	£	Removed from Fixed Asset Register	Y/N



CHECKLIST FOR PURCHASING PROCEDURE AND CAPITALISATION

Appendix B to Fixed Asset Policy

1. Is the Asset Purchased above the Capitalisation Value Approved? YES/NO

If NO: normal purchase procedure is followed to record the transaction on PS Financials within the General Annual Grant and the Bank Account.

If YES: process journal entries on PS Financials to record the capitalisation transaction on the Balance Sheet and the Restricted Fixed Asset Fund.

2. Check the Fixed Asset Policy for the approved Depreciation Method.
3. Establish with the Academy Business Director the expected useful life of the asset and any expected residual value.
4. Put a copy of the purchase invoices and any correspondence in the Fixed Asset Register file.
5. Record the asset on the Fixed Asset Register.
6. Fixed asset register is to include:
 1. Type and description of asset
 2. Cost of Asset
 3. Budget Holder for the asset
 4. Amount and date of any grant
 5. Proportion of grant used to finance the acquisition
 6. Expected useful life of the asset
 7. Date of disposal or change of use
 8. Proceeds of disposal
 9. Amount returned to the Secretary Of State on disposal/change of use
 10. Date of receipt of disposal proceeds or date of an approval to change the use.
7. Security-mark the asset where practicable.