

# Policy - Glendowie School

## FIXED ASSET



### Rationale

- The Board accepts that it has a responsibility to protect the assets of the School. The Board has agreed on the fundamental principles of this Policy, and has delegated responsibility for the implementation and monitoring of this Policy to the Principal.
- In the formulation and approval of this Policy the Board has had due regard to the accepted standards of sound asset management and applied these to the School.
- The Board requires the Principal, as the Board's most senior employee, to implement and manage this Policy. The Principal may, from time to time, further delegate some of their responsibilities, and all such delegations must be attached as appendices to this policy.
- This Policy must be read in conjunction with other Board Policies, and the exercising of all authority and responsibilities conferred under this Policy must be in accordance with the Schedule of Delegations and may not exceed an individual's established level of delegated authority.

### Delegations

- The Principal is delegated the day to day responsibility for ensuring that the programming and funding of general maintenance of the school grounds, buildings, facilities and other assets occurs in order to provide a clean, safe, tidy and hygienic work and learning environment for students and staff. The principal must:
  - Ensure all board assets are adequately insured
  - not allow unauthorised personnel or groups to handle funds or school property
  - not allow plant and equipment to be subjected to improper wear and tear or insufficient maintenance or inappropriate use
  - maintain an up to date asset register for all items of furnishing, plant machinery, equipment, text and library books costing more than \$1000
  - ensure the implementation of the 10 year property maintenance plan
  - engage sufficient property maintenance staff for the school within budget limitations
  - receive board approval for maintenance contracts over \$5,000 for any one contract
  - conduct competitive tenders for all contracting
  - protect intellectual property, information and files from loss or significant damage or unauthorised access or duplication
  - not receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards
  - not invest or hold operating capital in insecure accounts, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions

### Acquisition of Assets

- The Board agrees to review the asset management plan annually and agree a budget for annual asset acquisitions.

- The Principal shall have delegated authority to purchase assets within the annual asset acquisition budget, following good procurement processes, provided that the cost of any individual asset is no more than \$10,000.
- The decision to purchase any asset with a cost of over \$10,000 must be made by the Board, or identified in the school budget or annual plan.
- The Board shall consider the most cost efficient acquisition method for each new assets acquisition decision i.e. whether to buy or lease, and whether to acquire by operating or finance lease.
- The Board shall follow good procurement processes for the acquisition of assets over \$10,000. This may include following the government procurement rules, placing a notice on the Government Electronic Tendering System (GETS) for acquiring assets with a combined value over \$100,000; obtaining several quotes to compare value for money; and managing any potential conflicts of interest appropriately.

### **Information Technology Assets**

- All information technology assets, such as computers and laptops and associated software, must be compatible with the standard operating platform used within the school.
- The Board aims to provide and maintain a suite of IT assets that provides the best possible learning tools for students, within budget constraints, including a replacement programme that matches the expected useful life of each asset.

### **Expected Useful Lives**

- The Board agrees on the expected useful lives of the following types of assets:

Buildings – School	18-40 years
Furniture and equipment	10-15 years
Information and communication technology	4 years
Library resources	8 years
Astroturf	10 years
Leased assets	3 - 5 years

### **Maintenance of Assets**

- The Principal shall have delegated authority to maintain the school's assets in good working order, within the approved budget.

### **Asset Records**

- A fixed asset register for all assets with a cost of \$1,000 or more shall be recorded in the fixed asset register.
- Assets that cost less than \$1,000 shall be recorded in a register of valuable assets.
- A review of assets against the fixed asset and valuable asset registers shall be undertaken at least once a year.
- Generally the budgeted purchase of assets will take place near the end of the financial year, in order to ensure that the operating cash flow does not have a negative result for the year - due to unforeseen expenditure.
- It is desirable for assets to be replaced at the rate they are wearing out. The school's expenditure on assets each year should approximately equal the depreciation expense of the previous year.
- When purchasing fixed assets other associated costs will be taken into account, e.g. teacher or teacher-aide costs to deliver the curriculum, operating costs, maintenance requirements, insurance, extra cabling for it, increased heat, light, water for buildings.

- The Board of Trustees will evaluate whether the asset is just a wish list or really essential in terms of whether the money could be better spent on a different asset and needs to recognise that there will be reduced interest in the bank.
- Items with an individual value less than \$1000 that are purchased in quantity will be capitalised where the total value of the purchase exceeds \$1000, where it meets our definition of a fixed asset.

### **Disposal of Assets**

- The Principal shall have delegated authority to dispose of any asset that has reached the end of its useful life (as recorded in the fixed asset or valuable asset registers), provided the original cost of that asset was less than \$10,000. The principal shall report to the board about reasons for disposal, disposal process and any net disposal proceeds.
- The Board shall approve the disposal of any asset that had an original cost of over \$10,000, including the reasons for disposal, disposal process and use of any disposal proceeds.

### **Valuation**

Land and buildings are owned by the Crown and are occupied on the basis of a property occupancy agreement.

Fixed assets are valued at historical cost and are not re-valued. The initial cost of a fixed asset includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended use. Bequeathed or gifted assets will be recorded at their fair value. Subsequent expenditure that increases or extends an asset's service potential is capitalised.

\* In this policy the term 'fixed assets' has the same meaning as the term 'property, plant and equipment as designated by the institute of chartered accountants

### **GUIDELINES**

- All items which are capitalised will be depreciated while on the asset register, thus reflecting they have a 'useful life'.
- Annually in December the school will review the annual useful life of each category of assets, especially computer, electronic equipment, and furniture. Items which have no 'useful life' will be written off the asset register. For items where the useful life is changed, the depreciation for the current and future year will be adjusted. Any asset no longer in use, stolen or lost, will be written off.
- Fixed items which are capitalised will have the full value recorded including freight, installation etc.
- Textbooks, minor sports equipment, and minor teaching equipment will be expensed when purchased and not treated as a fixed asset.

### **Approval.**

- When the Board approved this Policy it agreed that no variations of this Policy or amendments to it can be made except with the unanimous approval of the Board.
- As part of its approval the Board requires that the Principal put this policy on the school website

**Approved :** 20/03/2018

**Board of Trustees Meeting**

A handwritten signature in black ink, appearing to read 'A. Rose', written in a cursive style.

**Chairperson's signature**

**Reviewed** 30/03/2021