

The Newman Catholic Collegiate



"Growing Together for life"

Assets and Disposal Policy

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Contents

1. Introduction	1
2. Purpose	1
3. Fixed Assets.....	2
4. Other assets	2
5. Security of Assets	2
6. Depreciation of Assets	3
7. Disposal of Assets	3
8. Acquisition and disposal of fixed assets	3
9. Loan of Assets	3
10. Responsibility	4

1. Introduction

The Newman Catholic Collegiate is required to establish systems of control to ensure that assets and resources used by the Trust are recorded and adequately safeguarded against loss or theft. Records of some assets and stocks must be kept for accounting purposes but the systems of control should extend to other assets particularly if they are attractive and portable items. This policy will also discuss the procedures for dealing with obsolete equipment. The aims of the policy are in line with the Academies Financial Handbook and 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 collegiate by gaining the best available net return when selling and to ensure the collegiate is even-handed, open and honest in all dealings.
- To ensure that a best value outcome for the collegiate is a major consideration when disposing of assets.
- Asset disposal decisions, and the reasons for taking them, must be documented.
- To consider the identification of any risks and areas most susceptible to fraud.

2. Purpose

The purpose of this Assets and Disposal Policy is to ensure that the balance sheet correctly reflects the assets and liabilities of the collegiate. The Board of Directors will review this Policy annually.

All assets costing more than £1000 are capitalised and entered onto the Fixed Asset Register. Where Fixed Assets have been acquired with the aid of specific grants, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where Fixed Assets have been donated, they are included on the Balance Sheet as having incurred expenditure equal to the market value of these assets at the time they were acquired and depreciated over their expected useful economic life. A Fixed Asset Register is maintained centrally and reconciled to the financial statements. The Fixed Asset Register consists of a list of items (or specific groups 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.

3. Fixed Assets

Fixed Assets are categorised as follows:

- Land
- Buildings
- ICT
- Fixtures, Fittings & Equipment
- Vehicles

The asset register will detail the following:

- asset description
- asset number
- serial number
- date of acquisition
- asset cost
- source of funding
- expected useful economic life
- depreciation
- current book value
- location
- name of member of staff responsible for the asset

4. Other assets

Detailed records are maintained by the Academy Manager for all items below the capitalisation thresholds that should be safeguarded from loss. These items are part of the annual physical inventory. These items include computer equipment that falls below the established thresholds and any other assets specified by the Business Director.

Assets excluded from the Fixed Asset Register are Current Assets and Stock. Current Assets include cash and bank balances, these are reconciled to control accounts on a regular basis and include aged debtors.

5. Security of Assets

All fixed assets recorded in the register should be visibly marked as far as this is practical. The asset register is to be updated and reviewed regularly; this includes physical counts against the register. Someone other than the person responsible for the asset register must carry out this count and the Academy Manager/Business Director must investigate discrepancies. Only authorised personnel may access secure storage areas. The financial procedures should be referred to regarding the security of assets.

6. Depreciation of Assets

Depreciation/Amortisation is calculated on all Fixed Assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over the expected useful lives on the following basis:

- Long-term leasehold land – 125 years
- Long-term leasehold buildings – 50 years
- Building improvements – 10 years
- Fixtures and fittings – 5 years
- Computer equipment – 3 years
- Computer software – 3 years

7. Disposal of Assets

Arrangements must be made for the disposal of items of equipment or stocks that are surplus to requirements or obsolete.

- In disposing of IT equipment, an assessment must be made of such equipment to ensure all sensitive data has been removed.
- Arrangements should be made with the objective of obtaining the best price in accordance with the ESFA guidelines
- Disposal of some items will involve auction or tender procedures, which the ESFA must be made aware of over £45,000

The Schedule of Delegation and Financial Procedures should be referred to when disposing of assets.

8. Acquisition and disposal of fixed assets

Academy trusts must seek and obtain prior written approval from the Secretary of State, via the ESFA, for the following transactions:

- acquiring a freehold on land or buildings;
- disposing of a freehold of land or buildings; and
- disposing of heritage assets as defined in financial reporting standards, beyond any limits in the funding agreement for the disposal of assets generally.

Other than land, buildings and heritage assets, trusts can **dispose of any other fixed** without the ESFA's approval. Academy trusts must ensure that any disposal maintains the principles of regularity, propriety and value for money. This may involve public sale where the assets have a residual value.

9. Loan of Assets

Collegiate property must not be removed from academy premises without the authority of the Academy Manager. A record of the loan must be recorded in a loan book and booked back to the Academy when it is returned. Please refer to the financial procedures.

10. Responsibility

The Central Team have overall responsibility for the asset register. Any decisions related to accounting for and disposing of assets are subject to approval by the Board of Directors, as necessary.