

Asset Management Policy

This policy (and the procedure outlined within) applies across all partner schools in the Stephen Sutton Multi-Academy Trust (SSMAT). It is available on the SSMAT website and is accessible from our schools' websites.

POLICY APPROVAL and REVIEW

Review date: **Sep. '20**

Approval needed by: **Trust Finance, Audit and Risk Committee**

Adopted: **Sep. '18**

Next review date: **Oct. '22**

1. Introduction / Overview

1.1 This policy provides a framework for the management of the Trust's 'fixed assets' (defined by International Accounting Standard (IAS) 16 as 'assets whose future economic benefit is probable to flow into the entity, whose cost can be measured reliably'). It aims to ensure that the Trust's balance sheet accurately reflects its assets and liabilities in order to support the effective functioning of the Trust. Furthermore, it outlines the systems of control to ensure that assets are recorded and adequately safeguarded against loss or theft and that obsolete equipment is dealt with appropriately and sales of assets are handled to the clear benefit of the Trust and its schools.

2. Fixed Asset Register

2.1 Stephen Sutton Multi-Academy Trust (SSMAT) partner school has a Fixed Asset Register (FAR), with separate sections for each partner school. The FAR comprises a list of items (or specific groups of items purchased within an accounting period) valued over £1,000, that are considered to have a life that is longer than the financial year in which they were bought.

2.2 Fixed assets include:

- land and buildings (including assets under construction);
- plant and machinery;
- furniture and equipment; and
- ICT: hardware and software;

2.3 The FAR does not include:

- current assets – cash and bank balances (which are controlled through regular reconciliation); and
- stock – including stationery, fuel and other temporary provisions.

2.4 Where practicable, items included on the FAR are 'security marked' as the property of the school.

2.5 The FAR details the following:

- a description of the asset;
- an identification number;

- where the asset is located;
- the name of the member of staff responsible for the asset;
- the date of acquisition
- the source of funding for the acquisition of the asset;
- the amount of depreciation so far;
- the expected useful 'life';
- the current value.

2.6 Physical counts are undertaken against the FAR on an annual basis and the evidence is presented, by the Trust Business Manager (TBM), to the Trust's Audit and Risk Committee. Any discrepancies between the physical count and the FAR are investigated thoroughly and promptly by the Executive Headteacher (or nominated senior leader), assisted by the TBM. Discrepancies over the value of £500 must be reported clearly and specifically to the Trust's Audit and Risk Committee.

2.7 In relation to disposal of assets (see Section 4), all disposals are recorded in the FAR and the related transactions are recorded in the financial management system.

2.8 Purchases of fixed assets with a value of £1,000 or more are entered into the FAR and all working papers relating to the purchase, including invoices, are stored with the FAR.

2.9 Fixed assets that are given to the school, or Trust, are recorded in the accounts as income for the period in which they were given. The value placed on the gift should be the amount that the school/Trust would have been prepared to pay to purchase the asset. Gifted assets are recorded in the FAR in the same way as purchased assets.

2.10 Items of less than £1,000 in value that are both portable and 'attractive', e.g. an expensive digital camera, should be recorded in the school's Equipment Inventory.

3. Depreciation of fixed assets

3.1 Non-current assets are depreciated over their useful 'life', in the Trust's financial statements to reflect the amount that is recoverable. The depreciation is calculated on an annual basis.

3.2 Assets in the same category (see below) are depreciated on the same basis. Where an asset seems not to fit into a group, or is deemed exceptional in some other way, the basis for depreciation is determined by the Trust's Audit and Risk Committee.

Asset Category	Depreciation Methodology
Land – freehold	No depreciation
Land – leasehold	0.8% (125 yrs.) – straight line
Buildings	2% (50 yrs.) – straight line
Assets under construction	Not depreciated until asset is brought into use
Building enhancements	5% (20 yrs.) – straight line
Plant and machinery	20% (5 yrs.) – straight line / no residual value
Furniture and equipment	10% (10 yrs.) – straight line / no residual value
ICT: hardware and software	33% (3 yrs.) – straight line / no residual value
Motor vehicles	20% (5 yrs.) – straight line / no residual value

3.3 The expected useful life of assets is assessed prior to depreciation calculations and recorded in the FAR.

3.4 A reconciliation is completed, at the end of March and again at the end of the financial year, between the FAR and the carrying balances held on the financial management system.

4. Disposal of fixed assets

4.1 An asset may be disposed of because:

- it is beyond economical repair;
- it no longer complies with Health and Safety requirements;
- it is no longer required, due to changed procedures, or functions; or

- it is no longer compatible with other equipment / software.

4.2 Requests for disposal of fixed assets with a market value of up to £5,000 are made by the Executive Headteacher (often on the recommendation of the Business Manager) and, following consultation with the TBM, are approved by the Local Governing Body. Disposal of assets with a value of more than £5,000 requires approval by the Trust's Audit and Risk Committee. Disposal of assets of a value of more than £50,000 during one reporting period needs authorisation from the DfE.

4.3 Disposal authorisation includes justification that the asset has become obsolete. Assets judged to be obsolete are sold for maximum value or, where no residual value remains, destroyed or donated to charity. Disposal of equipment to staff is not encouraged, as it is difficult to demonstrate that the school/Trust has achieved best value. Disposal of land requires explicit advance authorisation from the DfE.

5. Loan of assets

5.1 Equipment must not be taken off school premises without the authority of the head of department / team leader. A record of the loan should be made and the item should be 'booked in' on its return.

Stuart Jones; Sep. '20