



# HALL GREEN SCHOOL

## FIXED ASSETS POLICY

<b>Adopted:</b>	10 November 2020
<b>Next Review:</b>	10 November 2021
<b>Governing Committee:</b>	Full Governing Body
<b>Responsibility:</b>	Headteacher Chair of Governors

## **Fixed Assets Policy to be read in conjunction with the School's Financial Regulations Manual**

### **1. Hall Green School**

Is required to establish systems of control to ensure that assets and resources used by the School 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 can be summarised as follows:

- To ensure that staff take responsibility for the safe custody of assets
- To enable independent checks on the safe custody of assets, as a deterrent against theft or misuse
- To manage the effective utilisation of assets and to plan for their replacement
- To help the external auditors to draw conclusions on the annual accounts and the academy's financial system
- To support insurance claims in the event of fire, theft, vandalism or other disasters
- To provide the means for the disposal of redundant or surplus assets.
- To achieve the best possible outcome for Hall Green School by gaining the best available net return when selling and to ensure the school is even-handed, open and honest in all dealings.
- To ensure that a best value outcome to Hall Green School is a major consideration when disposing of assets.
- To consider the identification of any risks and areas most susceptible to fraud.

### **2. Systems of Control**

The system of control for assets incorporates the following features.

#### **2.1. Capital Asset definition**

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

#### **2.2. Capitalisation method**

All capital assets are recorded at historical cost as of the date acquired 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.

#### **2.3. Capitalisation thresholds**

Hall Green School has established the following minimum capitalisation thresholds for capitalising fixed assets:

- Assets costing £1,000 or more individually or as a group are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.
- Assets on conversion over 5 years old are valued at £nil and therefore not capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

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

#### 2.4. Other assets

Detailed records are maintained at the discretion of the Bursar 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 by the Bursar.

### 3. **Purchase of Assets**

All fixed assets purchased with a value over £1,000 must be entered into the asset register.

Approval for purchase of assets must follow the school's purchasing policies.

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

The asset register will detail the following:

- asset description
- asset number
- serial number
- 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
- name of member of staff responsible for the asset.

### 4. **Gifts of Assets**

All fixed assets given to Hall Green School are recorded in the accounts as income in the period in which the fixed asset was given to the school. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the school or the amount actually realised. The key test is what the school 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.

## 5. Security of Assets

All fixed assets recorded in the register are permanently marked as “Property of Hall Green School”, as far as this is practical. The asset register is to be kept up to date and reviewed annually. Items used by Hall Green School but not owned by the school should be recorded as such. Physical counts against the register are undertaken annually at or about June 30th. 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 Governing Body. Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access secure storage areas.

## 6. Depreciation of Assets

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:

- Long leasehold buildings – 2% straight line
- Fixtures, fittings and equipment 25% reducing balance
- ICT equipment 33% straight line
- Plant and machinery 20% reducing Balance.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Land is not depreciated.

## 7. 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.

7.1. All requests for disposal must be submitted to the Bursar, agreed by the Headteacher and reported to the Finance and General Purposes Committee.

7.2. The best possible value must be obtained in the disposal of assets.

7.3. 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 could be sold to the first person to make an offer or via sealed bids, as appropriate.

### *Donation to an appropriate organisation*

All donations must be approved by the 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 Bursar.

## 8. General disposal procedures

- Identify asset for disposal
- Determine market value
- Bursar approve disposal
- Select the best disposal method
- Record disposal in the asset register.

### 8.1. 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 Hall Green School will not be liable for and Health and Safety issues surrounding the use of the equipment.

### 8.2. Disposal Limits

The Academies Financial Handbook 2020 sets limits on the acquisition and disposal of fixed assets in section 5.22 and 5.23.

Academy trusts must seek and obtain prior written approval from EFA for the following transactions:

- acquiring a freehold of land or buildings;
- disposing of a freehold of land or buildings; and
- disposing of heritage assets beyond any limits set out in the trust's funding agreement in respect of the disposal of assets generally. Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as defined in applicable financial reporting standards.

Other than land, buildings and heritage assets, trusts can dispose of any other fixed asset without the approval of EFA. Trusts must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where the assets have a residual value.

Additional guidance is available to help trusts seeking consent for land and buildings transactions. EFA prior approval must be obtained for property transactions which are novel and/or contentious.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence that the school obtained value for money in any sale or scrapping of equipment unless the asset has no residual value. In addition, there are complications with the disposal of computer equipment, as the school would need to ensure licences for software programs have been legally transferred to a new owner.

## 9. **Loan of Assets**

School property must not be removed from school 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 school when it is returned.

If assets are 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 school’s auditors.

## 10. **Responsibility**

Overall responsibility for the asset register is owned by the Bursar, who will make any decisions related to accounting for and disposing of assets subject to approval by the governors, as necessary.

Fixed Assets Policy  
September 2020