Fixed Asset Policy

November 2022

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Trust Mission Statement

We are a partnership of Catholic schools and our aim is to provide the very best Catholic education for all in our community and so improve life chances through spiritual, academic and social development.

We will achieve this by:

- Placing the life and teachings of Jesus Christ at the centre of all that we do
- Following the example of Our Lady of Lourdes by nurturing everyone so that we can all make the most of our God given talents
- Working together so that we can all achieve our full potential, deepen our faith and know that God loves us
- Being an example of healing, compassion and support for the most vulnerable in our society

1 Corinthians 14: 40 (GNT)

Everything must be done in a proper and orderly way

1. Introduction

1.1 The purpose of this policy is to ensure that the Balance Sheet correctly reflects the value of assets owned by the Our Lady of Lourdes Catholic Multi-Academy Trust and that the assets are managed in accordance with the ESFA's Academies Financial Handbook.

1.2 Fixed Assets are physical items that are purchased for long-term use and are not likely to be converted quickly into cash.

2. Asset Register

2.1 All items purchased with a value over the Trust's capitalisation threshold of £5,000 (and meet the definition to be capitalised) must be entered on the fixed asset register with the following details (where applicable):

- asset number
- asset description
- date of acquisition
- purchase cost
- expected useful economic life
- depreciation
- current book value
- location

2.2 Assets purchased that are under the capitalisation value should be recorded on an asset log at each Academy.

2.3 Improvements to Diocesan owned buildings are not capitalised and are treated as a donation to the Diocesan trustees.

2.4 Maintaining a record of assets helps:

- ensure that staff take responsibility for the safe custody of assets
- 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
- help the external auditors to draw conclusions on the annual accounts
- support insurance claims in the event of fire, theft, vandalism or other disasters

2.5 Examples of items to include on the asset log include:

- Land and buildings if owned by the Trust or held on a long term lease
- Motor vehicles
- ICT hardware and software
- Reprographic equipment, for example photocopiers, comb binders, laminators
- Office equipment, for example telephones, switchboard, shredders

- Furniture
- AV equipment, for example TVs, projectors, cameras, speakers
- Cleaning equipment, for example vacuum cleaners, polishers
- Catering equipment, for example ovens, fridges, dishwashers, food processors
- Technology equipment, including sewing machines, craft machinery
- Premises equipment, for example lawn mowers, power tools, generators
- Other equipment for example musical instruments, PE equipment Security of assets

3. Security of Assets

3.1 All the items in the register should be permanently and visibly marked as the Trust's property.

3.2 Equipment is, where possible, stored securely when not in use.

3.3 An annual asset check is undertaken by the Head of Finance and the Management Accountant and reported to the COO. Where discrepancies between the physical check and the amount recorded in the register are found these are investigated promptly and, where significant, reported to the Audit and Risk Committee.

3.4 Physical assets may be checked periodically by the internal and external auditors.

4. Depreciation

4.1 Assets are depreciated using the straight-line method.

4.2 Assets will be depreciated based on their useful economic life; this will typically be:

- Land and Buildings – 600 months
- Furniture and Equipment – 60 months
- IT Equipment – 36 months
- Motor Vehicles – 60 months

5. Disposals

5.1 Items which are to be disposed of by sale or destruction must be authorised for disposal by the Head of Finance or COO, and in the first instance check that there is not a need for the asset elsewhere in the Trust.

5.2 The Trust must seek the approval of the ESFA in writing if it proposes to dispose the freehold of land or buildings or heritage assets.

5.3 The Trust must ensure that the disposal achieves the best price than can be reasonably obtained and maintains the principles of regularity, propriety and value for money. Particular

care should be given if employees purchase assets to ensure that the best price is being obtained.

5.4   Ebay can be used to dispose of assets. The Central Finance Team will need to arrange a business account before assets can be disposed of using Ebay, and agree a minimum selling price based on the asset value.

6.   Loan of Assets

6.1   Items belonging to the Trust are for Trust business use only and must not be loaned out for non-Trust business unless approved by the Head Teacher, Head of Finance, COO or CEO.

6.2   Where approval is given, a log must be kept that shows the asset being loaned and record when it has been returned.

6.3   If assets are on loan for extended periods, or to a 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 Trust External Auditors.

7.   Review of policy

7.1   This policy is reviewed every two years by the Our Lady of Lourdes Catholic Multi-Academy Trust. We will monitor the application and outcomes of this policy to ensure it is working effectively.

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Author	Daniel Moore