



# Kenton Schools Academy Trust

## Asset Policy

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Date approved by Academy Trust: 7 February 2019

Date to be reviewed: February 2020

## **1 Introduction**

Kenton Schools Academy Trust 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 can be summarised as follows:

- To provide the means for the disposal of redundant or surplus assets.
- To achieve the best possible outcome for Kenton Schools Academy Trust by gaining the best available net return when selling and to ensure the Academy Trust is even-handed, open and honest in all dealings.
- To ensure that a best value outcome to the Academy Trust is a major consideration when disposing of assets.
- Asset disposal decisions, and the reasons for taking them, must be documented. Not only does this assist in audit and other examinations, but it highlights successes and problems for future reference.
- Non-disposal of obsolete equipment only takes up space, potentially incurs on-going maintenance costs and deprives the Academy Trust of income without any offsetting benefit. The Trust should therefore dispose of such equipment in line with the processes set out below.
- 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:

### **Capital Asset definition.**

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

### **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.

## **Capitalisation thresholds**

The Academy Trust has established the following minimum capitalisation thresholds for capitalising fixed assets:

- Land, Buildings and improvements £7,500
- Machinery/equipment/vehicles/ICT £3,000

Detailed records shall be maintained in Sage 200 and on Excel spreadsheets for all fixed assets above the established thresholds.

## **Other assets**

Detailed records are maintained at the discretion of the Director of Finance 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 Director of Finance.

## **Procedure:**

### **Purchase of Assets**

All fixed assets purchased with a value over £3,000 must be entered into the asset register.

Approval for purchase of assets must follow Kenton Schools Academy Trust 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

## **Gifts of Assets**

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

## **Security of Assets**

All fixed assets recorded in the register are permanently marked as "Property of Kenton Schools Academy Trust", as far as this is practical. The asset register is to be kept up to date and reviewed regularly. Items used by the Academy Trust but not owned by the Trust should be recorded as such. Physical counts against the register are undertaken annually at or about 30<sup>th</sup> June. 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 Trustees. Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access certain secure storage areas.

## **Depreciation of Assets**

All fixed assets will be depreciated using a straight line method of depreciation at the following rates:

- Buildings 50 years
- Plant and Machinery 5 years
- Furniture and Equipment 5 years
- ICT Equipment 3 years

Land is not depreciated.

## **Disposal of Assets**

Assets may be available for disposal for a number of reasons, for example:

- Beyond economical repair
- No longer complying with Health and Safety requirements
- No longer required due to changed procedures or functions
- Not capable of running required software

All requests for disposal must be submitted to the Director of Finance and then approved by the Finance and General Purposes Committee.

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

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 Director of Finance

#### **General disposal procedures**

- Identify asset for disposal
- Determine market value
- Director of Finance approve disposal
- Select the best disposal method
- Record disposal in the asset register

#### **Sale or donation of ICT equipment - specifics**

- All hard disc data should be erased
- The recipient of the equipment should be advised in writing that Kenton Schools Academy Trust will not be liable for and Health and Safety issues surrounding the use of the equipment

#### **Disposal Limits**

The Secretary of State's consent is obtained before the disposal of any asset for which a grant of over £20,000 was made, or where land or buildings has been transferred from the LA at no cost to the Academy Trust.

If within any one academic year (September - August) the Academy Trust disposes of items which collectively originally attracted a grant of more than £20,000 then the DfE should be informed. Disposal authorisation should include justification that the asset has become obsolete to the Academy Trust. Assets judged to be obsolete should be destroyed or sold for maximum value.

Funds gained as proceeds from the sale of fixed assets should be maximised. If the sale proceeds are not reinvested, the Academy Trust must repay to the Secretary of State the same proportion of the proceeds as equates to the proportion paid for the acquisition of the fixed asset. The proceeds from the sale of the assets acquired with

a grant from the Secretary of State cannot be used as the Trust's contribution to further grant aided projects or purchases.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence that the Academy Trust obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Academy Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

Disposal of land must be agreed in advance with the Secretary of State.

### **Loan of Assets**

Academy Trust property must not be removed from Trust's premises without the authority of the Curriculum Leader or Head of Department. A record of the loan must be recorded in a loan book and booked back to the Academy Trust on its return.

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 Academy Trust's auditors.

### **Responsibility**

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

<b>Revision Record of Published Versions</b>			
<b>Author</b>	<b>Creation Date</b>	<b>Version</b>	<b>Status</b>
David Everitt	May 2013	1.0	
<b>Changed by</b>	<b>Revision Date</b>		
David Everitt	22.05.14	2.0	
David Everitt	19.05.16	3.0	
David Everitt	27.04.17	4.0	
Craig Hart	31.01.19	5.0	