



Stapeley Broad Lane CE Primary School

Asset Control and Accounting Policy

October 2020

1 Introduction

The policy defines the treatment of non-current, current, tangible and intangible assets (group of assets) including depreciation, capitalisation and other accounting treatments. The Accounting Standard FRS15 Tangible Fixed Assets has been applied when determining this Policy.

A Fixed Asset Register must be maintained by the school and should be reconciled to the financial statements of RCAT. Details of what is to be included in the register are defined below.

2 Asset Control and Fixed Asset Register

The assets (group of assets) to be included in the fixed asset register are as follows:

- Any items (or specific group of items) valued over £500 that are considered to have a life longer than the financial year they were purchased in.
- Capitalised assets are not necessarily bought on one order, so as long as the group of items is purchased within the accounting period they can be capitalised.
- Fixed Assets to be included are :

- A Land and Buildings
- B Plant and Machinery
- C Furniture and Equipment
- D Computer Equipment and Software
- E Motor Vehicles
- F Assets under Construction

Assets excluded from the Fixed Asset Register are Current Assets and Stock. Current assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis. Stock includes uniform stock which is monitored on a regular basis.

The appropriate accounting transactions should be processed for all assets capitalised and recorded on the fixed asset register. The transaction must be recorded within the fixed asset fund account in addition to the transaction in the Balance Sheet.

Attractive and portable items of equipment included in the fixed asset register must be security marked as the property of Stapeley Broad Lane CE Primary School.

Physical counts will be undertaken by the school against the register annually and the evidence will be available to the Governing Body or the Responsible Officer if requested.

Discrepancies between the physical count and the registers will be investigated promptly by the school and any discrepancies over the value of £500 will be reported to the resources committee.

All assets disposed of will be recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements.

Attractive and portable items of equipment that fall below the capitalisation limit will be recorded on the Equipment Inventory, and follow the same asset control as the assets held on the Fixed Asset Register (for example a digital camera purchased singularly for £250).

All working papers for the purchase of the Asset(s) must be kept, with the Fixed Asset Register. Invoices will be kept in accordance with Financial Regulations.

3 Depreciation

It is acknowledged that non-current assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.

The two standard methods of depreciation are recognised as Straight Line and Reducing Balance.

- The depreciation will be calculated on an annual basis for preparation of the year end accounts. A budget can be set within the fixed asset fund to provide an indicative charge for depreciation for the year to the fixed asset fund account.
- Groups of assets will use the same method of depreciation.

Recommended Depreciation Methods and Rates:

There may very occasionally be an asset that does not completely fit into one of the categories below and the resources committee should discuss these items on an individual basis.

- Depreciation should be calculated on a pro rata basis in the months in year of purchase.

Depreciation Method

Asset Group

Land and Buildings (buildings element only)	2% (50 yrs) Straight Line
Plant and Machinery	20% (5 yrs) Straight line with nil residual value.
Furniture and Equipment	20% (5 yrs) Straight line with nil residual value.
Computer Equipment and Software	20% (5 yrs) Straight line with nil residual value.
Assets Under Construction	These are not depreciated until the asset is brought into use.

The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.

- A reconciliation will be completed between the independent Fixed Asset Register and the carry balances held on file.

4 Asset Disposal

The best possible value should be obtained from the disposal of assets. Assets disposed of with a carrying amount (cost less accumulated depreciation) above £500 must be approved by the resources committee and a Disposal of Equipment Form completed (Annex A). The form will confirm the asset is no longer of use to Stapeley Broad Lane CE Primary School (obsolete) and that all obsolete stocks are destroyed to ensure they are not illegitimately procured and then resold. Stapeley Broad Lane CE Primary School will take appropriate steps to ensure all data and hardware is completely cleared of sensitive data, and considerations are given to the Waste Electrical & Electronic Equipment (WEEE) directive that is now law.

Disposal of equipment to staff is discouraged, as it may be more difficult to evidence that the school obtained value for money in the sale or scrapping of the equipment. There are also complications with the disposal of computer equipment, as the school would need to ensure licences for software programmes have been legally transferred to a new owner. Pecuniary Interests must also be considered at all times.

Items purchased via Capital Grant

Under the Funding Agreement between Stapeley Broad Lane CE Primary School and the Secretary of State, the approval of the Secretary of State is required before the sale, or disposal by other means, or reinvestment of proceeds from the disposal, of an asset (or specific group of assets) for which a Capital Grant in excess of £20,000 was originally paid.

Stapeley Broad Lane CE Primary School agrees to reinvest the proceeds from all asset sales for which capital grant was received and all efforts will be made to maximize the sale of assets.

The proceeds from the sale of assets acquired with a grant from the Secretary of State cannot be used as the school's contribution to further name grant aided projects or purchases.

5 Opening Balances and Gifted Assets

It is agreed that Assets Gifted on conversion should be valued at 'Fair Value' and subject to the same Depreciation Process as detailed in the Asset Control and Accounting Policy from the first year of conversion.

Gifted Assets will impact Voluntary Income in the Statement of Financial Activities and will also be entered on the Fixed Asset Register.

Staff are required to inform the Headteacher of any donated items received in school.

Opening balances of Fixed Assets on conversion will accumulate depreciation in the same manner at the end of the first year.

6. Review of this policy

The Board of Directors through its Resources Committee reviews this policy every year. It may review this policy earlier than this if the government produces new regulations, or if it receives recommendations on how this policy might be improved.

This policy was written in November 2013 and reviewed in October 2020.

Signed _____ (Head Teacher)

Signed _____ (Chair of Governors)