



Fixed Assets and Disposal Procedure

1. Purpose:

1.1 The Trust invests significant amount of capital in the acquisition of Fixed Assets and equipment classified as “desirable items”. Therefore, controls are put in place to ensure that these assets and “desirable items” are recorded correctly and safe guarded against loss and theft.

2. Scope:

2.1 The Director of Finance is responsible for ensuring compliance with the Trust Policies and Procedures. This procedure applies to all Trust staff and schools. These standards apply to all Fixed Assets and desirable item transactions and disposals.

3. Associated documents:

3.1 The Bishop Anthony Educational Trust (BAET) Finance Policy.

4. Abbreviations and Definitions:

4.1 Fixed Assets - tangible items within the categories of Computers (including software and hardware), Furniture & Fixtures, Machinery & Equipment, Vehicles, Building Improvements, and Buildings.

4.2 Desirable items are items of equipment which are considered to be “desirable” with a value of over £50 as determined by the Director of Finance. These items are listed on a register.

5. Procedure:

5.1 Purchase of Fixed Assets

- All fixed assets purchased with a value over £2,000 must be entered into the asset register by the Finance staff.
- Approval for purchase of assets must follow the Trust’s purchasing policies.
- The asset register will include the source of funds for the asset.
- The asset register will detail the following:
 - Type and description of asset
 - Date of acquisition
 - Unique identifier of asset, i.e. serial number and asset tag number if any
 - Cost of asset
 - Depreciation of asset
 - Location / room number
 - Budget holder responsible for asset
 - Amount and date of grant funding asset



- Proportion of grant used to finance acquisition
- Expected useful life of asset
- Date of disposal / change of use
- Proceeds of disposal / current market value and change of use
- Amount returned to DCFS on disposal or change of use
- Date of receipt of disposal proceeds or date of approval to retain proceeds or date of approval to change use.

6. Gifts of Assets

6.1 All fixed assets given to the Trust are recorded in the accounts as income in the period in which the fixed asset was received. The value placed on gifts in kind should be either a reasonable estimate of their gross value or the amount actually realized. The key test is what The Trust would have been prepared to pay to purchase the asset.

6.2 Gifted assets are treated and recorded in the asset register in the same way as purchased assets.

7. Security of Assets

7.1 All fixed assets recorded in the register are permanently marked as "Property of The BAET" or with smart water wherever possible.

7.2 The asset register is to be kept up to date and reviewed regularly by Finance staff.

7.3 Items used by the Trust but not owned by the Trust should be recorded as such.

7.4 Physical counts against the register are undertaken at least annually by the Finance Department. This count is to be performed by someone other than the person responsible for the asset register.

7.5 Differences between counts and the register are investigated promptly and significant differences are reported to the Board of Trustees.

7.6 Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access secure storage areas.

8. Disposal of Assets

8.1 All requests for disposal must be approved by the Principal/Head Teacher or the Director of Finance.

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



8.3 The Secretary of State's consent is obtained before the disposal of any asset for which grant of over £20,000 was made, or where land or buildings has been transferred from to The Trust.

8.4 If within any one fiscal year (Sept-Aug) The Trust disposes of items which collectively originally attracted grant of more than £20,000 then the DFE should be informed.

8.5 Disposal authorization should include justification that the asset has become obsolete to The Trust. Assets judged to be obsolete should be destroyed or sold for maximum value.

8.6 Funds gained as proceeds from the sale of fixed assets should be maximized.

8.7 If the sale proceeds are not reinvested, The 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.

8.8 The proceeds from the sale of the assets acquired with grant from the Secretary of State cannot be used as The Trust's contribution to further named grant-aided projects or purchases.

8.9 Disposal of assets to staff is not encouraged.

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

9. Loan of Assets

9.1 Trust property must not be removed from Trust premises without the authority of the Board and Director of Finance. A record of the loan must be record in a loan book and booked back to The Trust when it is returned.

9.2 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 Trust's auditors.



Records:

Record	Where kept	Retention time (Min)	Disposal authority
Invoices	Finance Office	Greater of Life of Asset or Current Year plus 6 years	Director of Finance
Order Forms	Finance Office	Greater of Life of Asset or Current Year plus 6 years	Director of Finance
Orders Placed Books	Finance Office	Current Year plus 6 years	Director of Finance
Goods Received Notes (GRN) and Delivery Documentation	Finance Office	Current Year plus 6 years	Director of Finance
Asset Register	Finance Office	Current Year plus 6 years	Director of Finance