

Corvus Learning Trust

Policy Documentation

Name of Organisation	Corvus Learning Trust / [School Name]
Name of policy	Fixed Asset and Depreciation Policy
Status of policy	This policy is written in accordance with Accounting Standard FRS15 – Tangible Fixed Assets
Consultation	This policy has been developed following a process of consultation with: The Chief Business and Finance Officer - CBFO The Chief Executive Officer - CEO School Business Managers – SBM Headteachers The Board of Trustees
Relationship with other policies	This policy should be read in conjunction with: Corvus Fixed Asset Register Corvus Finance Policy Corvus Procurement Policy

Additional School/Trust Supporting Documents

Whilst Corvus Learning Trust will be looking to align all policies we do wish to ensure there is an opportunity for Local Governing Bodies to retain some flexibility in order to respond to any identified school need. Should this be the case this will be included as a separate appendix to this document. This is included as Appendix * delete as appropriate

[Insert Appendix Title and Number here]

Date policy was agreed by Trustees	4th December 2018
Date policy was agreed by LGB	
Date for review by Trustees	4th December 2019

1. Introduction

The Purpose of the Fixed Asset and Depreciation Policy is to ensure that the balance sheet correctly reflects the assets of the Trust/school.

This policy defines the treatment of Tangible Fixed Assets.

A Tangible Fixed Asset is one which has a physical form and a monetary value such as land & buildings, fixtures & fittings and machinery & technology.

A Fixed Asset Register is to be maintained and reconciled to the financial statements on a regular basis by the CBFO / SBM.

2. Fixed Asset Register

2.1 The Fixed Asset Register consists of a list of items (or a specific group of items) purchased within the financial year and valued over £1,000 that are considered to have a life longer than the financial year that they were purchased in.

Capitalised assets are not necessarily bought on one order; so long as a group of items is purchased within the same accounting period and meet the monetary criteria they will be capitalised.

2.2 Fixed Assets are categorised as follows:

- a. Land and Buildings
- b. Equipment and Machinery
- c. Fixtures and Fittings

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 by the CBFO/SBM on a regular basis.

2.3 The appropriate accounting transactions are processed for all capitalised assets and recorded on the fixed asset register by the CBFO / SBM.

2.4 The CEO / Headteacher is responsible for the care and custody of all assets within the Trust/school and will maintain proper security for all such assets.

2.5 All items that have been included on the Fixed Asset Register should be security marked, where possible, as the property of the Trust/school and be assigned an asset number.

2.6 The Fixed Asset Register should be reviewed for accuracy at least on an annual basis to ensure completeness. This should include a physical count in order to ensure that staff take responsibility for the safe custody of assets.

2.7 Any discrepancies between the physical count and the register should be investigated immediately by the CBFO / SBM and the CEO / Headteacher. Any unresolved discrepancy will be reported to the Board / LGB at the next available meeting.

3. Purchase of Fixed Assets

- 3.1** All purchases of Fixed Assets should be made in accordance with the Trust/school procurement policy and agreed and signed off within the appropriate sign off limits.

4. Depreciation

- 4.1** Fixed assets are to be depreciated to reflect the recoverable amount in the financial statements over the useful life of the asset.

- 4.2** The Trustees / LGB have agreed the following depreciation rates, asset life and methods:

LAND AND BUILDINGS – 2% - 50 YEARS – STRAIGHT LINE METHOD

EQUIPMENT AND MACHINERY – 25% - 4 YEARS – STRAIGHT LINE METHOD

FIXTURES AND FITTINGS – 10% - 10 YEARS – STRAIGHT LINE METHOD

The Straight Line Method is a method of calculating depreciation by simply dividing the total purchase cost of the asset by its considered useful life in equal instalments. By using this method the carrying amount of the asset is gradually reduced over its useful economic life.

- 4.3** The depreciation amounts will be calculated at least on an annual basis for preparation of the year end accounts.
- 4.4** The depreciation charge will be calculated with a full charge being made in the period that the asset comes into use, regardless of the length of that period.
- 4.5** A reconciliation should be carried out at least on an annual basis between the Fixed Asset Register and the carrying balances held on the Trust/school accounting system.

5. Disposals

- 5.1** It is the responsibility of the CEO / Headteacher to identify assets which are surplus to requirements.
- 5.2** The CBFO / SBM may also identify surplus assets and recommend their disposal to the CEO / head teacher.
- 5.3** The CEO / Headteacher is authorised to sign off assets up to the value of £1000 for disposal.
- 5.4** The CEO / Headteacher should seek authorisation from the Board / LGB for the disposal of assets in excess of his/her sign off limit.

- 5.5 Assets are not normally disposed of to staff because it can be difficult to provide evidence the Trust/school obtained value for money in the sale or scrapping of the asset. However where an asset is disposed of to staff every effort should be made to ensure that full market value is received.
- 5.6 If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner.
- 5.7 The Trust/school agrees to reinvest the proceeds from all asset sales for which capital grant was received and therefore every effort will be made to maximise the sale of such assets.

6. Assets < capitalisation threshold of £1,000

- 6.1 Any items that meet the definition of a fixed asset but are below the £1,000 capitalisation threshold, and are considered to be portable, valuable and desirable, shall be included on a separate inventory log maintained by the CBFO / SBM.

7. Loan of Assets

- 7.1 No assets, whether capitalised or not should be removed from the Trust/school premises without the appropriate authority. A record of any loan should be recorded by the Trust/school and the record updated when the asset is returned.