



FIXED ASSETS MANAGEMENT

Rationale:

The Board is required under National Education and Learning Priorities Priority 3 to ensure that school assets are correctly recorded and accounted for.

Purpose:

The purpose of this policy is to establish procedures to accurately record assets.

Definitions:

Fixed Assets: are tangible assets that are held by the school to provide educational and related services on a continual basis.

Scope:

This policy applies to all staff.

Guidelines:

1. Expenditure incurred in respect of fixed assets will be capitalised and depreciated on a systematic basis when:
 - The cost is greater than \$1000 (GST exclusive), except for additions to the library collection and text books which will be capitalised on an individual title basis.
 - The asset has a useful life of at least three years; and
 - The expenditure is incurred in the acquisition of, or production of a fixed asset; or
 - The expenditure improves the asset beyond its original service potential.
 - Expenditure incurred to maintain or return the asset to its original condition will not represent capital expenditure and will be treated as an operating expense, in the period incurred.
2. Depreciation

2.1 The cost of fixed assets will be depreciated on a straight line basis over the period of their estimated useful lives apart from library books which are diminishing value at 12.5%. It is assumed that the residual value of all fixed assets will be nil.

2.2 The estimated useful life and depreciation rate for each class of fixed assets is as follows:

Class of Assets	Estimated Useful Life (yrs)	Depreciation Rate (%)
Buildings (including alterations)	40	2.5
Plant and equipment	10	10
Computers, electrical and electronic equipment and software	3	33



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Office equipment	4	25
Furniture and fittings	4	25
Hostel Furniture	20	5
Textbooks	4	25
Motor vehicles	5	20
Library Collection - General	10	10
Sports Equipment	5	20

2.3 Art collections will not be depreciated because their value does not diminish with use. Items included as class sets will be accounted for on a replacement basis.

2.4 For those assets disposed of part way through the year, no depreciation will be charged. For those purchased during the year, a proportionate amount of depreciation will be charged.

3. Recording Valuation

3.1 The school will maintain a Fixed Asset Register.

3.2 Sets of specialist classroom furniture and equipment with an individual value of \$1000 (exclusive of GST) or more per item and having a useful life of three years or more will be recorded in the Fixed Asset Register as one item.

3.3 Sets of Textbooks shall be recorded in the Fixed Asset Register as one item and the year of purchase will form part of the asset name

3.4 Library book purchases will be realised as capital items at the end of each term and recorded in the Fixed Asset Register as one item - the year of purchase shall form part of the asset name

3.5 Assets purchased shall be recorded on the Assets Register at cost. This includes ancillary cost of purchase, e.g. duty paid, delivery and installation cost. Donated assets will be recorded at the value the item would reasonably cost if it was purchased through normal supply channels, taking into account the age and serviceability of the asset.

3.6 Land and Buildings not owned by the Ministry of Education will be stated at cost less depreciation.

3.7 All other fixed assets will be individually recorded and identifiable.

4. Disposals:

4.1 A Fixed Asset will be disposed of/written off when it:

- Can no longer be employed in the ordinary course of business by the school.
- Is lost or stolen.
- Is beyond reasonable repair.

4.2 Fixed assets to be disposed of will be identified to the Board of Trustees by the Principal and/or Business/Financial Manager in writing, with recommendation for disposal.



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- 4.3 The Board will approve of fixed assets disposal, and where possible, agree on the means of disposal and any cost recovery to be sought.
- 4.4 If fixed assets approved for disposal are to be offered to staff for purchase, this will be done by tender and executed by the Business/Financial Manager to recover maximum value.
- 4.5 Disposal of assets that are not on the fixed asset register because the asset is under the required value of \$1000 must be recorded on the school inventory and any disposal will be in the same manner as 4.4.

Related policies:

1. Security, Storage and Use of Assets
2. Finance Policies

References or Sources:

3. National Education and Learning Priorities Priority 3

Review details:

Review Date	Reviewed by
Oct 2023	NEE, SMK
Review cycle: 3 years	Due date for Review: Oct 2026

Management Contact:

Business/Financial Manager