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## ASSETS AND DISPOSAL POLICY

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Policy Reviewed and Adopted by Board of Trustees

Date of Next Review: October 2024

Responsible Officer: Finance Director

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## Statement of Intent

Vision Academy Learning 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 are in line with the Academies Financial Handbook and can be summarised as follows:

- To provide the means for the disposal of redundant or surplus assets.
- To achieve the best possible outcome for Vision Academy Learning 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.

## 1. Legal Framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- The Data Protection Act 2018 (DPA)
- The UK General Data Protection Regulation (UK GDPR)
- DfE (2022) 'Good estate management for schools'
- ICO (2012) 'IT asset disposal for organisations'
- The Waste Electrical and Electronic Equipment Regulations (WEEE) 2006



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This policy operates in conjunction with the following policies:

- Records Management Policy
- Asset Management Plan
- Premises Management Policy
- Fixed Asset Register
- Data Protection Policy

## 2. Systems of control

The system of control for assets incorporates the following features:

### 2.1 Capital Asset definition

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

### 2.2 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.

## 3. Capitalisation thresholds

**3.1** Vision Academy Learning Trust has established the following minimum capitalisation thresholds for capitalising fixed assets:

- Land, Buildings and improvements £10,000
- Machinery/equipment/vehicles/ICT £3,000

Detailed records shall be maintained in the Financial Management System for all fixed assets above the established thresholds.

### 3.2 Other assets

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



## **4. Procedure**

### **4.1 Purchase of Assets**

- All fixed assets purchased with a value over the threshold must be entered into the asset register.
- Approval for purchase of assets must follow the Academy Trust's 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
- 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

### **4.2 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 Trust. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the Vision Academy Learning Trust or the amount actually realised. The key test is what the 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.

## **5. Security of Assets**

All fixed assets recorded in the register are permanently marked as "Property of Vision Academy Learning 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 Academy should be recorded as such. Physical counts against the register are undertaken annually at or about July/August. 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 Governing Council. Stores and



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

## **6. Depreciation of Assets**

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

- Long-Leasehold Land 50 years
- Long-Leasehold Buildings 50 years
- Plant and Machinery 4 years
- Furniture and Equipment 4 years
- ICT Equipment 4 years

(Freehold Land, if owned, would not be depreciated.)

## **7. Disposal of Assets**

### **7.1 Requests for Disposal**

Assets may be available for disposal for a number of reasons, e.g

- Beyond 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 Finance Director and then approved by the Finance, Resources and Employment Committee.

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

### **7.2 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 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 Resources Committee.



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- **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 CFO.

### 7.3 General disposal procedures

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

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

- All hard disc contents should be erased and re-installed
- The recipient of the equipment should be advised in writing that Vision Academy Learning Trust will not be liable for and Health and Safety issues surrounding the use of the equipment

### 7.5 Disposal Limits

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

## 8. Loan of Assets

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

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’s auditors.

## 9. Responsibility

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