



## ATLAS Multi Academy Trust

### FIXED ASSET POLICY

**Trust sub-committee: Resources Committee**

**Co-ordinator: Mr P O'Neill**

**Last Reviewed: New Policy**

**Next Review: Spring 2022**

**St Albans Girls' School : Beech Hyde Primary School and Nursery : Adeyfield School**

**Signed by:**  
**Margaret Chapman**  
*Executive Head Teacher*

**Signed by:**  
**Rachael Kenningham**  
*Chair of ATLAS Board of Directors*

Note: In this policy the Headteacher or Principal will be referred to as the Headteacher.

<b>1.</b>	<b>RATIONALE</b>
<b>1.1</b>	FRS15 defines a tangible fixed asset as 'Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in the reporting entity's activities.'
<b>1.2</b>	The purpose of this Fixed Asset Policy is to ensure that the school's balance sheet correctly reflects the assets and liabilities of all schools in Atlas MAT
<b>2.</b>	<b>AIMS</b>
<b>2.1</b>	The policy defines the treatment of Non-Current, Current, Tangible and Intangible Fixed Assets. Procedures are attached as annexes to the policy.
<b>2.2</b>	A Fixed Asset Register is maintained and reconciled to the financial statements of the school.
<b>2.3</b>	The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.
<b>2.4</b>	The policy will be reviewed by the Resources Committee every three years.
<b>3.</b>	<b>PROCEDURES</b>
	Fixed Assets
<b>3.1</b>	The Fixed Asset Register consists of a list of items (or specific group of items purchased within the accounting period) valued over £2,500 that are considered to have a life longer than the financial year they were purchased in.
<b>3.2</b>	Capitalised assets are not necessarily bought on one order; so long as a group of items is purchased within the same project they will be capitalised.
<b>3.3</b>	Fixed Assets are categorised as follows: <b>a.</b> Land and Buildings

	<ul style="list-style-type: none"> <li>b. Plant, Machinery and Vehicles</li> <li>c. Furniture and Equipment</li> <li>d. Computer Equipment and Software</li> <li>e. Assets under construction</li> </ul>														
3.4	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.														
3.5	The appropriate accounting transactions are processed for all capitalised assets and recorded on the Fixed Asset Register (Parago). Transactions will be recorded within the Fixed Asset Fund account in addition to the transaction to the Balance Sheet (see Appendix A).														
3.6	All items that have been included on the Fixed Asset Register are security marked, where practicable, as the property of Atlas.														
3.7	Physical counts are undertaken against the Fixed Asset Register annually and the evidence presented to the Resources Committee.														
3.8	Discrepancies between the physical count and the registers are investigated promptly by the Trust Finance Manager. Any discrepancies over the value of £500 are reported to the Trust Business Manager and Resource Committee.														
3.9	All disposals of assets are recorded in the Fixed Asset Register and the appropriate transactions recorded through the financial statements on the finance system (SAGE) (see Appendix B).														
3.10	All working papers for the purchase of Assets, including invoices, are kept with the Fixed Asset Register.														
3.11	Attractive and portable items of equipment that fall below the capitalisation limit of £2,500 are recorded on the Equipment Inventory – Prago (eg single digital camera purchased for £100).														
	<b>Depreciation</b>														
3.12	Fixed Assets are to be depreciated to reflect the recoverable amount in the financial statements, over the useful life of the asset.														
3.13	The depreciation will be calculated on an annual basis for preparation of the year end accounts with a full year to be charged in the year of acquisition and none charged in the year of disposal.														
3.14	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.														
3.15	Groups of assets will use the same method of depreciation. There may very occasionally be an asset that does not completely fit into one of the categories below and the Resources Committee will discuss these items on an individual basis.														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">ASSET GROUP</th> <th style="text-align: left;">DEPRECIATION METHOD</th> </tr> </thead> <tbody> <tr> <td>Land</td> <td>No depreciation</td> </tr> <tr> <td>Buildings and Building modifications</td> <td>2% (50 years) Straight line</td> </tr> <tr> <td>Plant and Machinery</td> <td>20% (5 years) Straight line with nil residual value</td> </tr> <tr> <td>Furniture and Equipment</td> <td>20% (5 years) Straight line with nil residual value</td> </tr> <tr> <td>Computer Equipment and Software</td> <td>25% (4 years) Straight line with nil residual value</td> </tr> <tr> <td>Assets Under Construction</td> <td>These are not depreciated until the asset is brought into use.</td> </tr> </tbody> </table>	ASSET GROUP	DEPRECIATION METHOD	Land	No depreciation	Buildings and Building modifications	2% (50 years) Straight line	Plant and Machinery	20% (5 years) Straight line with nil residual value	Furniture and Equipment	20% (5 years) Straight line with nil residual value	Computer Equipment and Software	25% (4 years) Straight line with nil residual value	Assets Under Construction	These are not depreciated until the asset is brought into use.
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3.16	The expected useful life of all assets will be assessed prior to depreciation calculations and recorded in the Fixed Asset Register.														
<b>4.</b>	<b>MONITORING</b>														
4.1	This policy will be reviewed every three years by the Finance, Resources Committee.														

## Appendix A to Fixed Asset Policy

### Checklist for Purchasing Procedure and Capitalisation

1. Is the Asset Purchased above the Capitalisation Value Approved? YES /NO  
  
If NO: normal purchase procedure is followed to record the transaction on the finance system (FMS) within the General Annual Grant and the Bank Account.  
  
If YES: process journal entries on the finance system (FMS) to record the capitalisation transaction on the Balance Sheet and the Restricted Fixed Asset Fund
2. Check the Fixed Asset Policy for the approved Depreciation Method.
3. Establish with the School Business Manager the expected useful life of the asset and any expected residual value.
4. Put a copy of the purchase invoices and any correspondence in the Fixed Asset Register file, ensure the asset has been added to the Parago System.
5. Record the asset on the Fixed Asset Register – Parago.
6. Fixed asset register is to include:
  - i. Type and description of asset
  - ii. Cost of Asset
  - iii. Amount and date of any grant
  - iv. Expected useful life of the asset
  - v. Date of disposal or change of use
  - vi. Proceeds of disposal
  - vii. Amount returned to the Secretary of State on disposal / change of use.
  - viii. Date of receipt of disposal proceeds or date of an approval to change the use.
7. Security-mark the asset where practicable.

## Appendix B to Fixed Asset Policy

### Asset Disposal Procedure

1. The best possible value will 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 Finance and Audit Committee, and a Disposal of Equipment form (see over) completed.
2. Equipment is not normally disposed of to staff because it is difficult to provide evidence that the School obtained value for money in the sale or scrapping of the equipment. If computer equipment is disposed of, licences for software programmes must be legally transferred to the new owner. Pecuniary Interests must also be considered at all times.
3. Under the Academy Funding Agreement 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.
4. The 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.
5. If such proceeds are not reinvested, the School will repay to the DfE the same proportion of the proceeds of the sale or disposal as equates to the proportion of the original cost met by the Secretary of State (i.e. if the Secretary of State purchased 50% of the original cost of the asset the School agrees to repay 50% of the proceeds.)
6. The proceeds from the sale of assets acquired with a grant from the Secretary of State cannot be used to contribute to further named grant-aided projects or purchases.

**DISPOSAL OF EQUIPMENT**

The Resources Committee confirm their agreement to the disposal of:-

.....

The reason for disposal is that the item is broken / surplus to requirements / irreparable (delete as appropriate).

There is / is not a residual value of the item.

Action to be taken ..... (i.e. disposal / sale) by .....(name)

I confirm:

- that all obsolete stocks of this item have been destroyed to ensure they are not illegitimately procured and then resold.
- that all data and hardware has been completely cleared of sensitive data.
- that the Waste Electrical & Electronic Equipment (WEEE) directive has been complied with.

Signed: ..... (name) Date: .....

Designation .....

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Finance Office use only -

Value obtained for item	£ (cash/cheque)	Carrying amount	£
Cost centre code		Grant received for original purchase	Y/ N
Ledger code		Reinvested Grant	Y/ N
Fund		Repayment to Secretary of State	Y/ N
Original cost		Value Repaid	£
Accumulated Depreciation		Removed from Fixed Asset Register	Y/ N



## Equality Impact Analysis

When reviewing all Trust policies, the following Equality Impact Analysis (EIA) should be undertaken to ensure fairness of the new proposals/policy and to identify any action needed to redress any potential discrimination, positively promoting equal opportunities, improved access and participation for all.

<b>Title of Policy:</b>	Fixed Asset Policy
<b>Date:</b>	Spring 2020
<b>EIA carried out by:</b>	Mr P O'Neill
<b>EIA reviewed by:</b>	Resources Committee

<b>1. Identify the aims and objectives of the policy, what will be the proposed change and how will it be implemented</b>	
<ul style="list-style-type: none"> <li><b>Policy contains information about:</b> Overall aims and objectives? What is the proposed change? Who is intended to benefit from the proposal and in what way? Outcomes of the policy? How will it be put into practice and who is responsible for this?</li> </ul>	<p>The purpose of this Fixed Asset Policy is to ensure that school balance sheets correctly reflects the assets and liabilities of the school.</p>

<b>2. Assessment of Impact? To include impact of policy, any plans needed to mitigate any negative impact, equality issues to be addressed</b>		
Characteristic	Group	Effect/Impact
● Age	No issue	Equal access for all
● Disability	No issue	Equal access for all
● Gender reassignment	No issue	Equal access for all
● Marriage/civil partnership	No issue	Equal access for all
● Pregnancy/Maternity	No issue	Equal access for all
● Race	No issue	Equal access for all
● Religion or Belief	No issue	Equal access for all
● Sex	No issue	Equal access for all
● Sexual orientation	No issue	Equal access for all

<b>3. Consultation</b>	
<ul style="list-style-type: none"> <li><b>Policy contains information about:</b> Policy audience, expected actions and outcomes. Consultation and communication process Accessibility for all Fair access to the consultation process Lessons learnt from previous consultation, if appropriate</li> </ul>	<p>The policy defines the treatment of Non-Current, Current, Tangible and Intangible Fixed Assets. Procedures are attached as appendices to the policy.</p> <p>A Fixed Asset Register is maintained and reconciled to the financial statements of the school.</p>

	The policy is written in accordance with Accounting Standard FRS15 Tangible Fixed Assets.
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<b>4. Decision</b>	
<ul style="list-style-type: none"> <li>Should the new proposal/policy be agreed and any impacts identified following consultations?</li> <li>What reasonable adjustments are required?</li> </ul>	No issues or adjustments required.

<b>5. Action Planning</b>	
<ul style="list-style-type: none"> <li>Any actions identified to address inequality for different groups?</li> <li>Any actions identified to promote equality and diversity?</li> <li>Where are these actions recorded and who is responsible for them?</li> </ul>	None.

<b>6. Monitoring and Review</b>	
<ul style="list-style-type: none"> <li>When will the impact assessment be reviewed?</li> <li>Who is responsible?</li> </ul>	<p>Spring 2022</p> <p>Mr P O'Neill</p>

<b>7. Publication of the results of the impact assessment</b>	
<ul style="list-style-type: none"> <li>Results of EIA are published – where and when?</li> <li>The results are kept as a public record of the EIA – where and when?</li> </ul>	With policy