

Fixed Assets Policy

1. Background

Carclew has a commitment to managing the business of the organisation to the highest industry standards in accordance with the relevant accounting standards, funding agreements and regulations.

2. Purpose

The purpose of this Fixed Assets Policy is to set out the requirements and responsibilities for and principles applying to Asset Management within Carclew, and to set down rules for acquiring, disposing and otherwise dealing with fixed assets.

3. Scope

This policy applies to Carclew and Carclew property, plant and equipment with an expected useful life of greater than 1 year.

4. Definitions

Fixed Asset	An item of property, plant or equipment of a capital nature; with an expected useful life of greater than 1 year.
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5. Policy and Principles

5.1 Policy Statement

Carclew is committed to transparent and accountable management of assets in accordance with the relevant accounting standards, reporting requirements and funding agreements. All staff involved in asset management are required to comply with this policy and associated principles and procedures.

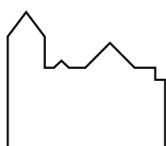
5.2 Principles

Budgets and Purchases

- Carclew Board approves Carclew's annual budget for approval by Department for Education.
- The Finance & Risk Committee approves all purchases of capital nature.
- Any request for an item of capital nature, and with a value > \$10,000, must be presented to the Finance & Risk Committee together with three price comparisons and a rationale/recommendation for the purchase. Purchase of items with a capital value below \$10,000 must be approved in line with Carclew's Delegated Authorities policy. Purchases < \$2,000 can be expensed providing they are within the operating budget and comply with the limit of delegation.

Purchases of all IT Equipment

Purchases of any IT equipment and software, regardless of value, must be made in consultation with the Chief Executive, General Manager or Senior Manager, Finance and Operations in order to monitor and maintain consistency in the organisation's systems and assets.



Recording and Monitoring

- All assets and IT equipment must be recorded in the Asset and IT Equipment Register, maintained by Administration.
- All capital purchases must be recorded in the accounting system under the Fixed Asset account codes and in the Asset Depreciation Schedule.
- All Fixed Asset accounts in the general ledger are reconciled at 6 monthly reviews to the Asset Register/Depreciation Schedule by Administration staff.

Accounting

Recognition of fixed and intangible assets

Fixed assets are initially recorded at cost value plus any incidental cost involved with the acquisition. Fixed assets are subsequently measured at cost value less accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Balance Sheet.

Materiality thresholds for fixed assets

Carclew has adopted the threshold level of \$2,000 in that capital purchases for the use in Carclew operations programs, with a value equal to or in excess of \$2,000 are capitalised as per the Fixed Assets Policy.

Impairment

Fixed assets and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Depreciation/Amortisation

Depreciation and amortisation is a systematic charge that recognises the consumption of fixed assets over their useful lives. Depreciation and amortisation begins when the fixed asset is available for use.

Method of depreciation used is prime cost in majority of asset classes.

The useful life of a fixed asset is determined in accordance with the Australian Taxation Office Effective Life Schedule.

Disposal and Asset write-off approvals

The Finance & Risk Committee approves asset disposals/write-offs of capitalised assets with a fair value > \$1000.

6. Responsibility for implementation

6.1 Management and Staff involved in Asset Management

All Carclew Managers are responsible for the financial, regulatory and business compliance requirements associated with their position and management of activities under their control, including ensuring their team members and contractors understand their compliance obligations.

Specifically in relation to asset management, all staff are responsible for:

- Assets being physically secure at all times.
- Assets being well maintained and used efficiently and effectively.

6.2 Administration

In relation to asset management, Administration is responsible for:

- Fixed assets being properly identified as Carclew property.
- All asset related accounting
- The Asset Register correctly recording acquisitions and disposals of all fixed assets.

Providing advice and support on:

- Purchase of fixed assets
- Disposal/write off of fixed assets
- Reconciliation of fixed assets to general ledger
- Review and submission of capital budgets and assumptions
- Changes to accounting policies relating to assets e.g. depreciation, useful life

7. References

AASB 7 Financial Instruments: Disclosures

AASB 116 Property, Plant and Equipment

AASB 136 Impairment of Assets

AASB 137 Provisions, Contingent Liabilities and Contingent Assets

AASB 138 Intangible Assets

Disclaimer

This policy does not represent legal advice. If you have any queries about your obligations, you should seek your own independent legal advice.