



FIXED ASSET MANAGEMENT PROCEDURE

RATIONALE:

Stewardship is a valued Biblical principle, and effective fixed asset management is essential to the running of the school.

PURPOSE:

To ensure that the school's fixed assets are managed effectively and the capital expenditure programme meets the objectives of the Charter/Strategic Plan.

PROCEDURE:

The Principal prepares a capital expenditure programme for the Board's endorsement at the commencement of the school year. This will provide the guidelines for the capital expenditure during the year.

Any material capital expenditure will be approved by Board resolution after being proposed by the Principal.

The Principal has authority to approve additional capital expenditure up to \$2000.

The Board will need to consider and authorise capital expenditure **beyond the \$2000 limit.**

DETAILS:

1. Asset purchases of \$500 (GST exclusive) and under will be expensed.
2. Asset purchases of over \$500 (GST exclusive) will be capitalised including all costs involved in purchasing and preparing the asset or use.
3. New assets purchased (of over \$500 GST exclusive) must be numbered and entered in the asset register (excluding GST) on a monthly basis.
4. Groups of assets of low value such as sports equipment i.e. sports balls purchased during the calendar year can be grouped together as one asset and then depreciated. The depreciation rate should reflect the use of the group of assets over its life.
5. Depreciation is to be reviewed annually including the useful life and method of depreciation of each asset category.
6. Assets are to be depreciated on a straight line basis over the term of their estimates useful lives except for the library books which must be depreciated at current 15% GST rate on a diminishing value basis.
7. The fixed asset register category totals must be balanced to be annual accounts category totals before actioning the annual depreciation and again following this procedure.
8. A separate schedule of assets purchased must be kept.
9. A separate schedule of asset disposals must be kept.

10. The annual stock-take must be completed by school staff by the end of each school year and signed by the Principal.
11. Any assets missing must be actioned by journal to the accounts and deleted from the fixed asset register.

Review Responsibility: *Principal, Board Treasurer, Office Manager & DP*

Date Confirmed: 12 May 2021

Principal: *Karla Mitchell*