



ENERGY COAST UTC

FIXED ASSET POLICY

2019-2022

Approved: Finance and Audit Committee

Signed: *L Thornton* (Chair)

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1 Introduction

- 1.1 This document sets out procedures for the purchase, recording, transfer, safe guarding and disposal of assets at the Energy Coast UTC (UTC).

1.2 An asset is defined as a physical item with a life exceeding one year, including all equipment and furniture, and which has been procured or donated for use within the UTC.

2 Fixed Assets Register

2.1 The Fixed Asset Register will be maintained by the Finance Officer and shall include all assets with an initial cost in excess of £1,000 excluding VAT or a capital investment of a group of assets which individually cost less than £1,000 but as a group, more than £1,000. All asset additions that are grant funded will also be recorded on the Fixed Assets Register and associated Deferred Capital Grant accounting records will be maintained.

2.2 However records of assets costing less than £1,000 excluding VAT must be maintained for insurance, security and audit purposes by way of Inventory Registers.

2.3 The Fixed Asset Register should record the following details:

- Date of acquisition
- Supplier
- Brief description including make and model when appropriate
- Purchase price excluding VAT
- Manufacturer's serial number when appropriate
- Expected useful life
- Opening and closing Net book Value and Depreciation information
- Method of financing e.g. UTC Funds or Government Grant
- Date and method disposal

2.4 The Fixed Assets Register will be updated at least once each quarter for additions in that period and a reconciliation of the fixed assets costs as recorded in the Register to that recorded on the computerised accounting system will be prepared each quarter by the Finance Officer and reviewed by the Business Director. The preparer and reviewer will both sign and date the reconciliation. Copies of all related purchase invoices will be kept by the Finance Department.

3 Inventory Registers

3.1 IT Inventory Register

3.1.1 The ICT Services Coordinator maintains an Inventory Register for all UTC computers, laptops, electronic whiteboards, projectors and server room equipment and other sundry equipment including equipment costing <£1000.00 excluding VAT.

3.1.2 The inventory Registers should, when possible, list the following details about each asset or group assets:

- Unique asset tag number when applicable
- Date of acquisition
- Purchase price
- Identification reference (manufacturer's serial number and Department/UTC reference when appropriate)
- Brief description of item including make, model
- Location reference (building, room number)
- Responsible department
- Expiry date of any guarantees
- Date and method of disposal

3.1.3 All IT equipment is tagged with a uniquely numbered security tag identifying the equipment as property of the UTC.

3.1.4 Equipment is routinely removed if identified as obsolete as part of the ongoing equipment usage and maintenance programme. See section 6 for the procedure for handling asset disposal.

3.2 Plant and Machinery Register

3.2.1 The Engineering Technician and Facilities Manager are responsible for maintaining for the UTC's register of plant and machinery.

3.2.2 Each asset recorded on the register is tagged with a uniquely numbered label.

3.2.3 The Plant and Equipment Register is updated as new assets are purchased by the UTC.

3.2.4 The Inventory Registers should, when possible, list the following details about each asset or group assets:

- Unique asset tag number
- Date of acquisition
- Purchase price
- Identification reference (manufacturer's serial number and Departmental/UTC reference when appropriate)

- Brief description of item including make, model
- Location reference (building, room number)
- Responsible department
- Expiry date of any guarantees
- Date and method of disposal.

4 Capital Asset Purchase

- 4.1. Capital assets involve expenditure exceeding £1,000 excluding VAT incurred on the purchase of new assets or the replacement/refurbishment of an existing asset with a useful life exceeding one year. It also involves the purchase of a group of assets exceeding £1,000 excluding VAT with a useful life exceeding one year which shows an investment by the College.

5 Asset Physical Verification

- 5.1. Prior to 31st July each financial year the Business Director will co-ordinate an exercise to be undertaken on all Asset and Inventory Registers to confirm that the assets are still here.
- 5.2. Any assets not found, need to be investigated and, where appropriate, must be removed for the relevant Assets/Inventory register and the assets disposal procedure at section 6.

6 Asset Disposal

- 6.1. Disposal of an asset may be required as a result of the asset reaching the end of its useful life or is missing.
- 6.2. Authority for the disposal of capital equipment should be authorised as per the authority levels set out in the UTC Scheme of Delegation, and also bearing in mind any FNTI implications and ESFA approvals.
- 6.3. Disposal form (Appendix A) should be completed for all disposals.

7 Depreciation Policy

- 7.1 Equipment is depreciated on a straight line depreciation basis over its useful economic life as follows:
- Plant and machinery - fifteen years
 - Furniture and fittings - five years
 - Computer equipment - three years
 - General equipment – three years

Appendix A

ASSET DISPOSAL AUTHORISATION FORM

This must be used for the authorisation of the disposal (either by way of sale or being scrapped) of all assets on any UTC Asset or Inventory Registers.

Reason for Disposal: Sale Scrap

How is the item to be disposed of?

Details of item to be disposed:-

Reason of Disposal:-

Disposal authorised by Business Director _____

Date: _____

Asset / Inventory Register Update: _____ Date: _____