



**S<sup>t</sup>PATRICK'S**  
Technical College



SACE ■ TRAINING ■ APPRENTICESHIPS

Policies & Procedures 2.4

# Asset Management

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## **POLICY**

St Patrick's Technical College will manage, control and maintain all assets under the custody and management of the College to a safe standard and condition. Accurate records will be maintained to identify the location and value of all assets owned by the College.

An asset is defined as any item or group of items whose value is \$1000 or greater. The item or group of items may be classified as property, plant or equipment.

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## **GUIDELINES**

### **Asset Register**

All assets are to be recorded in an Asset Register controlled and managed by the Business Manager. Assets must be added to the register within 30 days of acquisition and information recorded for each asset should include the following:

- Asset description
- Asset category
- Asset quantity
- Location
- Date of acquisition
- Depreciation/life expectancy
- Purchase price.

Additional information which could be added to assist in identification of the asset may include:-

- Asset type
- Serial number
- Make/manufacturer
- Model

At the time the Purchase Order or other initial documentation is processed for an asset, it should be determined whether the expenditure relates to acquisition, an enhancement, or maintenance.

Asset information shall be reviewed periodically in order to monitor asset performance, to review asset usage and the continuing relevance to the College, and to assist in management decisions such as asset maintenance and/or disposal.



## Depreciation

Depreciation of an asset is calculated monthly using straight line methodology with depreciation rates being based on the following:

Description	Useful Life (years)
<b>Depreciation</b>	
<b>Construction / acquisitions (new premises)</b>	
Professional fees	20
Stamp Duty & Planning Fees	20
Purchase – LMC Land	20
Construction of Building(s)	20
<b>Refurbishment of Existing Premises</b>	
Contingency Plan – Relocatables	10
Professional & Planning Fees	5
<b>Plant &amp; Equipment</b>	
Workshop Equipment	10
Business Administration Centre	10
Fixtures & Fittings	10
Commercial Kitchen	5
Furniture	5
Photocopiers	5
Computer Servers	3
Computer Network Set-up	3

The Business Manager is responsible for ensuring appropriate reports from the Asset Register are provided to the Board of Directors. These could include reports such as Asset Acquisitions, Asset Retirements/Disposals, Asset Transfers, Depreciation and an Asset Summary Reconciliation Report.

The Asset Register forms the basis of asset valuations/revaluations and asset depreciation entries in the Financial Records of the Board of Directors.

## Leased Equipment

Leased equipment does not appear in the Asset Register but does get recorded in the College inventory.

## Loss or Damage of Assets

Supervisors and/or managers are responsible for reporting any loss of or damage to assets as soon as possible to the Business Manager who will take action to prevent the loss recurring and, if appropriate, complete an insurance claim form.



### **Write-off of Assets**

The Principal can authorise the write-off of bad debts and assets which are missing, obsolete, irreparable, at the end of their useful lives or scheduled for replacement or retirement. The write-off of assets exceeding \$10,000 must be reported to the Board of Directors.

### **Disposal**

Disposal of items can be made when assets are no longer required, have reached the end of their useful life, or are technically or economically redundant. Disposal of assets will be recorded with journals being posted at the end of the financial year to record the profit or loss on the sale of an asset.

### **Asset Review**

A review of assets is to be undertaken at least annually to verify the existence of assets recorded in the Asset Register and to assess the serviceability of those assets (remaining life and depreciation rate).

Any resulting discrepancies are to be investigated and rectified.

### **Control of Assets**

In addition to the above controls, supervisors and managers should also observe the following:

- Implement procedures ensuring, as far as possible, the security of assets under their control;
- Ensure assets are properly maintained with a view to maximising the period of effective use;
- Ensure assets are not exposed to any hazards which may result in the insurance contract being rendered null and void in the event of a loss

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### **RELATED POLICIES**

- *2.1 – Financial Management*
- *2.5 – Procurement*
- *2.6 - Purchasing*