

Asset and Disposals Policy

Every child matters and no child is ever left behind..."

"Let the little children come to me, and do not stop them;
for it is to such as these that the kingdom of God belongs."
Luke 18:15-17

Policy Reviewed: 19th March 2025

Version: 7

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Responsible Officer: COO/CFO

Vision Statement:

At the heart of our vision is our commitment to ensure all of our schools are places where children and young people develop and thrive academically, socially, culturally and spiritually. The drive for excellence and effectiveness in our schools is paramount, but not merely because the Government says so. The enabling of every child to flourish in their potential as a child of God is a sign and expression of the Kingdom and is at the heart of the Trust's distinctive mission. This vision statement will be taken into account in all of our policies and their implementation.

1. Introduction

Durham and Newcastle Diocesan Learning Trust ('the Trust') is required to establish systems of control to ensure that assets and resources used by the Trust are recorded and adequately safeguarded against loss or theft. Records of some assets and stocks must be kept for accounting purposes but the systems of control should extend to other assets particularly if they are attractive and portable items. This policy will also discuss the procedures for dealing with obsolete equipment. The aims of the policy can be summarised as follows:

- To provide the means for the disposal of redundant or surplus assets.
- To achieve the best possible outcome for the Trust by gaining the best available net return when selling and to ensure the Trust is even-handed, open and honest in all dealings.
- To ensure that a best value outcome to the Trust is a major consideration when disposing of assets.
- Asset disposal decisions, and the reasons for taking them, must be documented. Not only does this assist in audit and other examinations, but it highlights successes and problems for future reference.
- Non-disposal of obsolete equipment only takes up space, potentially incurs on-going maintenance costs and deprives the Trust of income without any offsetting benefit. The Trust should therefore dispose of such equipment in line with the processes set out below.
- To consider the identification of any risks and areas most susceptible to fraud.

2. Systems of control

The system of control for assets incorporates the following features :-

Capital Asset definition.

Capital assets are defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.

Capitalisation method

All capital assets are recorded at cost as of the date acquired or constructed. If cost information is not available, assets are recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

Capitalisation thresholds

The Trust has established the following minimum capitalisation thresholds for capitalising fixed assets:

Land, Buildings and improvements and Vehicles £5,000
Plant & Machinery/Furniture & Equipment/ICT £2,000

Detailed records shall be maintained and held centrally in the **Trust Fixed Asset Register**.

Other Assets

Detailed records are maintained in **Every** at the discretion of the CEO for all items below the capitalisation thresholds that should be safeguarded from loss. These items are part of the annual physical inventory discussed below. These items include all attractive, portable assets (e.g. I-pads and other equipment) with a value of over £100 but falling below the established thresholds and any other assets specified by the CEO.

Procedure:

Purchase of Assets

All fixed assets purchased with a value over the capitalisation thresholds will be identified following review of all accounting transactions at year end. The Management Accountant will record the addition of the asset in the Trust Fixed Asset Register as part of the year end processes.

Approval for purchase of assets must follow the Trust's purchasing policies as set out in the Trust Finance Policy.

The Trust Fixed Asset Register will detail the following:-

- asset description
- date of acquisition
- asset cost
- expected useful economic life
- depreciation
- current book value

Gifts of Assets

All fixed assets given to the Trust are recorded in the accounts as income in the period in which the fixed asset was given to the Trust. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the Trust or the amount actually realised. The key test is what the Trust would have been prepared to pay to purchase the asset.

Gifted assets are treated and recorded in the asset register in the same way as purchased assets.

Security of Assets

All fixed assets recorded in the Every asset register are permanently marked as “Property of the Durham and Newcastle Diocesan Learning Trust” (formerly Durham Diocesan MAT) or as property of the particular school within the Trust, as far as this is practical. Items used by the Trust but not owned by the Trust should be recorded as such. The Every asset register is to be maintained by the School Business Manager. Physical counts of assets against the register should be undertaken annually, with any differences being investigated promptly. Any significant differences should be reported to the Academy Council who will in turn report to the Board of Directors following investigation in line with the Scheme of Delegations. Stores and equipment are secured by means of physical and other security devices. Only authorised personnel may access secure storage areas.

Depreciation of Assets

All fixed assets will be depreciated using a straight line method of depreciation at the following rates

- Long-Leasehold Land 125 years
- Long-Leasehold Buildings 50 years
- Plant and Machinery 10 years
- Furniture and Equipment 7 years
- ICT Equipment 3 years

(Freehold Land, if owned, would not be depreciated.)

Disposal of Assets

Assets may be available for disposal for a number of reasons, e.g

- Beyond repair
- No longer complying with Health and Safety requirements
- No longer required due to changed procedures or functions
- Not capable of running required software

All requests for disposal must be submitted to the Head Teacher if under £1000 and then approved by the Academy Council and if over £1000 submitted to CFO and approved by the Board of Directors. A template asset disposal form is attached at appendix A.

- **General disposal procedures**

- Identify asset for disposal
- Determine market value
- Head Teacher (under £1000) or Board of Directors (over £1000) approve disposal
- Select the best disposal method
- Record disposal in the Every Asset Register and notify the Central Team of the disposal when the item is also held on the Trust Fixed Asset Register. Disposals will be recorded as part of the year end processes.

The best possible value must be obtained in the disposal of assets. Acceptable methods of disposal are:

- **Private Sale**

To ensure a fair price is received, a market valuation should be obtained. The sale should be publicised appropriately, via advertising or e-mailing and sold to the first person to make an offer or via sealed bids, as appropriate.

- **Donation to an appropriate organisation**

All donations must be approved by the Academy Council (if under £1000) or Board of Directors (if over £1000)

- **Recycled or Destroyed**

Items with no market value or no use to another organisation should be appropriately and safely destroyed. The asset disposal should be approved by the Head Teacher if under £1000 or CFO if over £1000.

- **Sale or donation or disposal of ICT equipment - specifics**

- All hard disc contents should be erased and re-installed
- The recipient of the equipment should be advised in writing that the Trust will not be liable for and Health and Safety issues surrounding the use of the equipment
- Only to be carried out in conjunction with the Trusts IT consultants (currently One IT)

Disposal Limits

Disposal of land and buildings must be agreed in advance with the Secretary of State.

Disposal of equipment to staff is not permitted, as it may be more difficult to evidence the academy maintained the principles of regularity, propriety and value

for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the Trust would need to ensure licences for software programmes have been legally transferred to a new owner.

Loan of Assets

Trust property must not be removed from Trust premises without the authority of the Head Teacher of the relevant school or the CFO if general Trust property. A record of the loan must be recorded in a loan book and booked back to the school/Trust when it is returned.

If assets are on loan for an extended period or to single member of staff on a regular basis, the situation may give rise to a “benefit-in-kind” for taxation purposes. Loans should therefore be kept under review and any potential benefits discussed with the Trust’s auditors.

Responsibility

The Trust Fixed Asset Register is maintained centrally by the Management Accountant and reviewed by the CFO. Responsibility for the Every asset register lies with the Business Manager in each school.

Appendix A – Disposal of asset form

Asset to be disposed of:	
Reason for disposal:	
Residual value:	
Action to be taken:	
By whom:	
Date:	

Office use only

Value obtained for item:	
Ledger code:	
Fund:	
Original cost:	
Accumulated depreciation:	
Carrying amount:	
Grant received for original purchase:	
Reinvested grant:	
Repayment to Secretary of State:	
Value repaid:	
Removed from fixed asset register:	
Removal date:	