



STRANMILLIS UNIVERSITY COLLEGE
A College of Queen's University Belfast

Management of Assets Policy

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1	Policy introduced	April 2012	Finance Office
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1. Introduction

- 1.1 This document sets out the detailed procedures for the purchase, recording, transfer safeguarding and disposal of assets in the College.
- 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 College.

2. Fixed Assets Register

- 2.1 From an accounting perspective, equipment costing less than £10,000 per individual item is written off to the income and expenditure account in the period of acquisition and is not recorded in the official Fixed Assets Register of the College. This Fixed Assets Register will be maintained by the Finance Department and include all assets with an initial cost in excess of £10,000. All asset additions that are grant funded, regardless of cost, 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 £10,000 - as detailed below - must be maintained for insurance, security and audit purposes by way of Inventory Registers.
- 2.3 The Fixed Assets Register should record the following details:
 - Date of acquisition
 - Supplier
 - Brief description including make and model when applicable
 - Purchase price including VAT
 - Manufacturer's serial number when applicable
 - Expected useful life
 - Opening and closing Net Book Value and Depreciation information
 - Method of financing e.g. College Funds or Government (DEL) Grant
 - Date and method of 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 Assistant Accountant Payroll and Payments and reviewed by the Deputy Finance Manager or Head of Finance. The preparer and reviewer will both sign and date the reconciliation. Copies of all related purchase invoices for asset additions will be kept in a Fixed Assets file in the Finance Department and checked for completeness as part of the quarterly reconciliation process.

3. Inventory Registers

- 3.1 Heads of Departments are responsible for maintaining inventory registers for all equipment and items, including groups of similar items, in their area with a value in excess of £500 including VAT. This list should however exclude:
 - furniture
 - all IT equipment
 - all electrical equipment
 - specialist items/equipment such as industrial catering equipment, lathes, microscopes.

3.2 All inventories must include items donated or held on trust.

3.3 Furniture Registers

3.3.1 Residence and Refectory Furniture Register

An inventory of all furniture in Halls of Residence, Refectory Building, and all rental properties on College grounds is maintained by the Housekeeper under the supervision of the Head of Hospitality Services.

3.3.2 College Furniture Register (excluding Residence and Refectory)

An inventory of all furniture in all other College buildings is maintained by Portering and Technician staff under the supervision of the Engineering Co-ordinator within the Estates Department.

3.3.3 These inventory registers are updated as new assets are purchased and are reviewed on a rolling annual basis to record any obsolete equipment.

3.3.4 The Furniture Registers should record:

- Item Location
- Responsible Department
- Common furniture categories e.g. single beds should be listed as one item recording the quantities in each location.
- Date of Purchase
- Purchase Price
- Relocation date when applicable.
- Disposal date when applicable.

3.4 IT Inventory Register

3.4.1 The IT Department maintains an Inventory Register for all College computers, mobile IT devices including laptops, printers, electronic whiteboards, data projectors and server room equipment and other sundry equipment including equipment costing > £500 including VAT.

3.4.2 The Inventory Registers (except the Furniture Register – see above) should, when possible, list the following details about each asset or group of assets:

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

3.4.3 Physical security measures, including the use of security leads and padlocks, are in place to deter the movement of portable IT equipment such as computers. All computers and laptops are tagged with a uniquely numbered security tag identifying the equipment as the property of Stranmillis University College. IT Services also hold a stock of Kensington style locks which can be loaned to staff

with mobile IT devices such as laptops in conjunction with advice on how and when it would be appropriate to rely on the device for security.

- 3.4.4 Fixed IT equipment such as data projectors will also be tagged as property of Stranmillis University College. These tags are not uniquely numbered for equipment that is not portable.
- 3.4.5 Other security measures including alarm monitoring of server equipment is also adopted by the College. Network monitoring systems will continuously identify missing/malfunctioning equipment and subsequent investigations will confirm the presence of the asset or otherwise. Appropriate action will then be taken which may include informing Security of equipment theft, recording the disposal of failed equipment from the inventory register or repairing faulty equipment to restore its presence on the network monitoring system.
- 3.4.6 The IT Department is also able to 'power' on all computers and peripherals and identify those that are not 'live'. An investigation can then be undertaken for this equipment which may not have powered up as the equipment power cable was disconnected. This exercise is carried out several times a year.
- 3.4.7 Equipment is routinely removed if identified as obsolete as part of the on-going equipment usage and maintenance programme. See section 6 for the procedure for handling asset disposal.
- 3.4.8 The IT Inventory Register is updated as new assets are prepared for operational use. Obsolete equipment is retired on an on-going basis and the IT Inventory Register updated at the time to reflect this.
- 3.4.9 All IT equipment leads are tested on an annual basis as part of the Portable Appliance Testing routine which is managed by the Estates Department which is detailed at 3.5.3 below.
- 3.4.10 Given the size of the IT Inventory Register and the fact that all items are physically verified at least on an annual basis and the maintenance routines in place no further review of the IT Inventory Register is required.
- 3.4.11 Staff should refer to the College 'Mobile IT Device and Removable Storage Device Security Policy' for guidance on the staff storage of portable IT devices such as laptops and protection of information held thereon and on removable storage devices.

3.5 Plant and Machinery Register

- 3.5.1 The Head of Estates is responsible for maintaining the College's register of plant and machinery.
- 3.5.2 The Estates Department used a Facilities Management System called Concept. This is used to record the Plant and Machinery Inventory Register.
- 3.5.3 All College electrical equipment, regardless of the cost, is subject to an annual Portable Appliance Test (PAT) conducted by an independent suitably qualified electrical contractor, is recorded on the register. The register also records all fixed and portable plant and non-electrical equipment.

- 3.5.4 Each asset recorded on the register is tagged with a uniquely numbered label.
- 3.5.6 The PAT contractor is provided with a list of all electrical equipment extracted from the Concept Plant and Machinery Register and performs the PAT test on each item listed. When the work is complete the Head of Estates is provided with details of:
- Items that could not be found. For high value items costing > £500 a search is instigated to locate the equipment. Normally the equipment has simply been relocated or locked away.
 - New items, normally purchased by other departments that need to be added to the Plant and Equipment Register.
 - Items that are unsafe and need to be disposed of – see section 6 for the asset disposal procedure.
- 3.5.7 The Plant and Machinery Register is updated as appropriate following the completion of the annual PAT testing programme.
- 3.5.8 Estates staff undertake an annual maintenance programme on all other major plant and equipment on campus including e.g. refrigeration plant, boiler and heating plant and air conditioning plant.
- 3.5.9 A worksheet is generated by Concept to manage this process and the work allocated to a member of the Estates team. Once the worksheet is completed by the staff member the jobsheet is authorised by the Engineering Co-ordinator. Any assets requiring to be removed from service will be identified during this process and disposed of in accordance with the disposal procedure – see section 6.
- 3.5.10 The Plant and Equipment Register is updated as new assets are purchased by the Estates Department and following the annual PAT testing, electrical equipment purchased elsewhere is also added and given a unique reference number.
- 3.5.11 Given the size of the Plant and Machinery Register and the high level of annual physical verification spot checks are carried out on the Equipment and Plant Register for items that are not subject to the annual PAT testing or Estates Department maintenance routine.
- 3.5.12 The Inventory Registers should, when possible, list the following details about each asset or group of assets:
- Unique asset tag number
 - Date of acquisition
 - Purchase price
 - Identification reference (manufacturer's serial number and Departmental/College reference when applicable)
 - Brief description of item including make, model
 - Location reference (building, room number)
 - Responsible department
 - Expiry date of any guarantees
 - Date and method of disposal when applicable
- 3.5.13 It is important to record the serial number in the event of the asset being stolen as it provides a record of ownership.

4. Capital Asset Purchase

- 4.1 **Capital assets** involve **expenditure exceeding £10,000** including VAT incurred on the purchase of new assets or the replacement/refurbishment of an existing asset with a useful life exceeding one year.
- 4.2 All purchase ordering should be carried out in accordance with the College Procurement Procedures.
- 4.3 Purchase requisitions and invoices for capital equipment should be authorised as per the authority levels set out in the College Procurement Procedures.
- 4.4 Only the Governing Body, after consultation with the College's Sponsoring Department, currently the Department for Employment & Learning (DEL) may make decisions on property purchases.

5. Asset Physical Verification

- 5.1 All IT Register items are subject to annual physical verification as part of the IT usage and maintenance regimes and regular network monitoring system exercises.
- 5.2 The Plant and Equipment Register is subject to a high proportion of physical verification as part of the PAT and Estates maintenance regimes.
- 5.3 The Furniture Registers are subject to annual physical verification.
- 5.4 For other registers, each department is responsible for performing regular physical inventory checks of their asset registers to verify the accuracy and completeness of the assets under their ownership. This should be performed on an annual basis.
- 5.5 In all cases the physical verification checks should also be performed by a different person from the person responsible for maintaining the asset register. Physical evidence of the checks having been made must be kept. These must be signed and dated by those undertaking the checks and countersigned and dated by the head of the department responsible for the maintenance of the register.
- 5.6 Prior to 31st July each financial year the Head of Finance will arrange for an exercise to be undertaken on the centrally maintained Fixed Assets Register to confirm if the assets are still in use.
- 5.7 Any assets not still in use as a result of physical verification exercises must be removed for the relevant Assets/Inventory register and the asset disposal procedure at section 6 followed.

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 because an item may be surplus to requirements.
- 6.2 Authority for the disposal of capital equipment should be authorised as per the authority levels set out in the College Procurement Procedures.

- 6.3 The College needs to safeguard its land and buildings and disposal of such must only take place with the authorisation of the Governing Body. The consent of the College's Sponsoring Department, currently DEL, may also be required if exchequer funds were involved in the acquisition of the asset.
- 6.4 The Head of Estates and Information Systems Manager are responsible for authorising the sale or scrapping of equipment recorded on their Asset Registers.
- 6.5 For all equipment being sold and for the scrapping of all equipment originally costing > £500 including VAT, the Asset Disposal Authorisation Form at Appendix A must be completed. This form must also be completed to indicate that the associated assets/inventory register has been updated. Originals of these asset disposal forms must be retained within the department responsible for maintaining the register.
- 6.6 Methods of disposal may include sale to staff or to an external individual or organisation, trading in as part exchange for new equipment or sale as scrap. Please note that, given data protection concerns, old computers and laptops will no longer be sold or donated to staff. The procedures relating to IT asset disposal are outlined below.
- 6.7 In addition to an Asset Disposal Authorisation Form, where funds are changing hands on the asset disposal, a Sales Invoice Request Form should be completed and returned to the Finance Department to enable a Sales Invoice to be raised.
- 6.8 To ensure that the best interests of the College are served the following conditions must be observed prior to asset disposal:
- Senior management should consider if the asset could be used by other departments within the College.
 - It should be made clear that the asset is 'sold as seen' with no warranties implied or given.
 - Value Added Tax will normally be chargeable on the sale of the asset.
 - Confirmation should be obtained that any funding condition upon purchase has been satisfied including any funder consents to be obtained required prior to disposal.
- 6.9 **IT Asset Disposal**
- 6.9.1 Disposal of IT equipment will be carried out in accordance with CESG (the UK Government's National Technical Authority for Information Assurance) guidance to ensure secure treatment of data. The IT Systems Manager will regularly review the available and cost effective options for secure IT asset disposal.
- 6.9.2 A reconciliation of recorded serial numbers of assets disposed of against the College IT inventory records will be carried out to ensure a full match.
- 6.9.3 The IT Inventory Register will be updated immediately following equipment disposal.

7. Asset Valuation and Depreciation Policy

- 7.1 Land and buildings inherited from the local Department for Employment and Learning and buildings acquired since incorporation are stated in the balance sheet at valuation on the basis of depreciated replacement cost.

- 7.2 On adoption of FRS 15, the College followed the transitional provision to retain the book value of land and buildings, which were re-valued in 1996, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.
- 7.3. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years on a straight line depreciation basis. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.
- 7.4 Where land and buildings or equipment are acquired with the aid of specific grants, the assets are capitalised and depreciated as set out above and below. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.
- 7.5 Equipment costing less than £10,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.
- 7.6 Equipment is depreciated on a straight line depreciation basis over its useful economic life as follows:
- Motor vehicles and general equipment - three to ten years
 - Computer equipment - three years
 - Furniture and fittings - five years.

8 Asset Replacement.

- 8.1 The University College does not have a formal equipment replacement policy as it does not wish to impose a rigid asset replacement scheme. Replacement of assets is considered routinely by Department Heads taking into account of the actual condition/fitness for purpose of the asset and funding availability.
- 8.2 IT equipment is subject to systematic replacement when it ceases to be effective in performing its required function. For PC's this is usually when around 5-6 years old, but varies over time depending on complex technological issues.
- 8.3 Significant IT equipment upgrades have taken place as part of annual budget re-forecasting exercises in recent years and this methodology will continue.

Dr Anne Heaslett
Principal

Date February 2015
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Appendix A

ASSET DISPOSAL AUTHORISATION FORM

This form must be used for the authorisation of disposal – either by way of sale or being scrapped – of assets originally costing > £500 including VAT on either the College's Fixed Assets Register and Inventory Registers.

The disposal must be authorised by the Head of the Department responsible for maintaining that register as follows:-

		Tick as appropriate
Fixed Assets Register	Head of Finance	<input type="checkbox"/>
Furniture Register (non Hospitality Services)	Head of Estates	<input type="checkbox"/>
Furniture Register (Hospitality Services)	Head of Hospitality Services	<input type="checkbox"/>
IT Register		<input type="checkbox"/>
Estates Register (Not IT equipment)	Information Systems Manager	<input type="checkbox"/>
Other Registers	Head of Estates	<input type="checkbox"/>
	Head of Department	<input type="checkbox"/>

Reason for Disposal: Sale Scrap

How is the item to be disposed of? _____

For Sales: how has/is any customer being/to identified?

Please complete a Sales Invoice Request Form for all Sales.

Details of item to be disposed:-

Reason for disposal:-

Disposal authorised by: _____ Date: _____

Inventory/Asset Register

Update by: _____ Date: _____