

Capitalisation and Control of Assets Policy



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Policy Review Schedule

Policy	OLT Capitalisation and Control of Assets Policy
Review schedule	Every 3 years
Statutory Policy	No
Policy owner	HOO
Lead Reviewer	HOO
Approver and date of last approval	CEO, February 2026
Key review dates	Changes made
September 2015 written	Written

September 2018	No changes made
June 2019	Added note about separate depreciation of assets of two or more components
August 2019	Added note to determine best value for assets to be disposed of
November 2019	Terminology changed to reflect governance structure and revaluation note added
September 2020	Added notes about obtaining independent valuations/market comparison exercises in the sale of assets.
December 2022	Extended building depreciation rate to 125 years
October 2023	Minimum capitalisation thresholds for capitalising fixed asset for machinery/equipment/vehicles/ICT raised to £3,000 (was £1000) – following approval by Operations Committee
January 2026	No changes made following review by external auditors and Edufin
Next review: January 2029	

Statutory requirements (Academies Financial Handbook)

The Omnia Learning Trust is required to establish systems of control to ensure that assets and resources used by the Academy 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 Omnia Learning Trust by gaining the best available net return when selling and to ensure the Academy is even-handed, open and honest in all dealings.
- To ensure that a best value outcome to the Academy 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 Academy of income without any offsetting benefit. The Academy 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.

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 historical cost as of the date acquired or constructed. If historical 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 Omnia Learning Trust has established the following minimum capitalisation thresholds for capitalising fixed assets:

- Land, Buildings and improvements £5,000
- Machinery/equipment/vehicles/ICT £3,000

Detailed records shall be maintained at Trust level for all fixed assets above the established thresholds.

Other assets

Detailed records are maintained at the discretion of the Director of Operations 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 computer equipment that falls below the established thresholds and any other assets specified by the Director of Operations.

Procedure:

Each academy must maintain an electronic asset register.

Purchase of Assets

Please refer to the Capitalisation thresholds detailed previously. Approval for purchase of all assets must follow the Academy's purchasing policies.

The Trust asset register will detail the following:

- Asset description.
- Asset number.
- Serial number (if applicable).
- Date of acquisition.
- Asset cost.
- Source of funding (% of original cost funded from DFE grant and % funded from other sources).
- Expected useful economic life.
- Depreciation.

- Current book value.
- Location.

Gifts of Assets

The value of all fixed assets gifted to the Academy are recorded in the accounts as donation income in the period in which the fixed asset was given to the Academy. The value placed on gifts in kind should be either a reasonable estimate of their gross value to the Academy or the amount actually realised. The key test is what the Academy 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 register are permanently marked as “Property of The Omnia Learning Trust”, as far as this is practical. The asset register is to be kept up to date and reviewed regularly. Items used by the Academy but not owned by the Academy should be recorded as such. Physical counts against the register are undertaken annually at or about June 30th. This count is to be performed by someone other than the person responsible for the asset register. Differences between counts and the register are investigated promptly and significant differences are reported to the Trust Board. 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:

- Buildings 125 years.
- Plant and Machinery 7 years.
- Furniture and Equipment 7 years.
- ICT Equipment 3 years.

Land is not depreciated.

Where an asset comprises of two or more components which have substantially different lives, e.g. roofs, boilers, lifts, each component must be depreciated separately over its useful economic life.

Revaluation

Assets may be revalued from time to time if the market value of the asset becomes materially different to the net book value recorded in the Asset Register. These revaluations will be subject to review by external auditors as part of the year end audit process. The movement due to revaluation will be recorded against the Fixed Asset Funds.

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 Chief Finance Officer and then approved by the CEO.

The best possible value must be obtained in the disposal of assets. Independent valuers or a valuation exercise must be brought in/undertaken to determine a market value if the item is thought to have value over £500.

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 could be 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 full Trust Board.

- 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 CEO.

General disposal procedures

- Identify asset for disposal.
- Determine market/best value.
- CEO approve disposal.
- Select the best disposal method.
- Record disposal in the asset register.

Sale or donation 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 Omnia Learning Trust will not be liable for and Health and Safety issues surrounding the use of the equipment.

Disposal Limits

The Secretary of State's consent must be obtained before the disposal of any asset for which grant of over the value for the time being specified by the Secretary of State was made, or where land or buildings has been transferred at no cost to the Academy.

The Academy is expected to reinvest proceeds from sales of assets for which capital grant was paid in other Academy assets. If sale proceeds are not reinvested then the Academy must repay a proportion of the sale proceeds to the DfE (Capital Grant funded assets). These requirements are detailed in the Funding Agreement.

Except with the consent of the Secretary of State, the Academy Trust shall not dispose of assets funded (whether in whole or in part) by the Secretary of State for a consideration less than the best price that can reasonably be obtained.

The Academy Trust shall provide 30 days' notice to the Secretary of State of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State's consent.

Disposal of equipment to staff is not encouraged, as it may be more difficult to evidence the academy obtained value for money in any sale or scrapping of equipment. In addition, there are complications with the disposal of computer equipment, as the academy would need to ensure licences for software programmes have been legally transferred to a new owner.

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

Loan of Assets

Academy property must not be removed from Academy premises without the authority of the Principal. A record of the loan must be recorded in a loan book and booked back to the Academy 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 Academy's auditors.

Responsibility

Overall responsibility for the Trust asset register is owned by the Chief Finance Officer, who will make any decisions related to accounting for and disposing of assets subject to approval by the Trust Board, as necessary.