# FINANCIAL POLICIES AND PROCEDURES

## SECTION 3: CAPITAL EXPENDITURE, INVESTMENTS & RESERVES

## POLICY 3: FIXED ASSETS

### Policy Rationale

It is prudent financial management that [organisation] maintains adequate controls over its fixed assets and ensures expenditure on fixed assets is recorded and accounted for accurately.

### Policy Statement(s)

[organisation] shall implement the following controls over its fixed assets:

1. Maintain detailed records for each of its fixed assets acquired, including sufficient details to identify, locate, value, and determine any warranty provisions associated with each asset on a fixed asset register.
2. Conduct an annual inventory of all fixed assets to compare the record of fixed assets to their actual locations and determine the need to refurbish, replace, revalue or dispose of any fixed assets.
3. Ensure access to fixed assets records are restricted to authorised personnel and that responsibilities for the following fixed asset functions are appropriately segregated:
   1. Fixed asset acquisitions
   2. Fixed asset records
   3. Guardianship of fixed assets
   4. Fixed asset disposals
   5. Reconciliation of physical assets to accounting records
4. Ensure all asset acquisitions, transfers and / or disposals and associated purchase, sale or disposal values are approved in line with [organisation]’s Delegated Authorities and associated policies

In accounting for all of [organisation]’s fixed assets over the value of $[1,000], including leased assets as applicable, [organisation] shall ensure fixed assets are:

1. Recorded in [organisation]’s Statement of Financial Position via the Asset Register
2. Depreciated over their estimated useful lives
3. Safeguarded for [organisation]’s benefit and ensure the maximum benefit is gained from them
4. Only disposed of when they are no longer in use, and not expected to be used again in the future.
5. Sufficiently insured in accordance with [organisation]’s Insurance Policy

Should [organisation] require any fixed asset valuations, then these should be acquired and / or reviewed an independent and suitably qualified appraiser.

### Policy Implementation and Related Procedure Documents

The implementation and review of these Fixed Assets policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.

[organisation]’s CEO is responsible for the fixed assets of the organisation and will ensure they are appropriately protected and insured from risk.

[organisation]’s CFO / Finance Manager will implement procedures for the recording, depreciation and managing of fixed assets.

The following [organisation] policies and frameworks should be referred to in this regard:

* + Finance Manual
  + Delegated Authorities Policy
  + Budgeting & Forecasting Policy
  + Financial Reporting & Monitoring
  + Accountability, Internal Controls & Audit Policy
  + Financial Systems & Procedures Policy
  + Reserves & Restricted Funds Policy
  + Insurance Policy
  + Risk Management Policy
  + Fraud Policy
  + Leasing Policy
  + Capital Expenditure Policy
  + Tax Policies

### Legislative Compliance Considerations

* + Income Tax Act 2007
  + Tax Administration Act 1994
  + Incorporated Society Rules [if an Incorporated Society registered under the 1908 Act]
  + Incorporated Society Constitution [if an Incorporated Society registered under the 2022 Act]
  + Trust Deed [if a Trust]
  + Constitution [if a Company]

### Review Protocol

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| --- | --- |
| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |

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