



ASSET MANAGEMENT POLICY

Policy & Guidance

- Many schools have substantial investments in stores, equipment, furniture, books and other learning materials. Although most items are covered by insurance administered within the Department, proper procedures are to be followed on purchase, custody, loss or disposal of these items.
- By keeping appropriate records and identifying valuable items of school equipment and furniture, losses can be minimised.
- It is crucial that schools strictly follow asset management policy and guidelines to ensure accurate reporting and accountability of assets are recorded in CASES21 Finance system.

Purpose

- This policy is intended to guide Footscray North Primary School in accounting for assets in accordance with relevant accounting standards and legislation.

Definition

An asset is, according to the [Framework for the Preparation and Presentation of Financial Statements](#), a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

The definition assumes:

- the asset will generate a positive contribution for the entity — i.e. the service potential will be realised
- the entity has capacity to control the asset
- the asset possesses a value that can be measured reliably, and
- the estimated value is above the minimum amount specified in a recognition threshold (greater than or equal to \$5000 Department's threshold)

Implementation

- The school will:
 - use the CASES21 Asset Management System to record assets with a value of \$5,000 and over
 - add new assets to the Asset Register within 30 days
 - where practical, barcode (preferred method) engrave or stamp the school name on the asset
 - keep a detailed register of attractive items with a value less than \$5,000
 - ensure careful record keeping of all loaned assets
 - constitute a board of survey to identify obsolete or unserviceable assets and recommend a course of action for the disposal of such assets
- All library materials received from any source, except materials having a low value or short life, are to be actioned as soon as practical after receipt. The following are typical items that are to be recorded: books, maps, audio materials, projected visual materials, video materials, pictures, charts, microfilms and computer materials.
- Alternative methods of the accession of library materials are:
 - a library register/book

- a card register (cards filed in ascending number order) and/or order slip
- a periodical card register (for newspapers, magazines and other periodicals)
- electronic tracking e.g. bar coding
- The Principal will:
 - report the receipt of donated equipment at the next School Council meeting and ensure the donation is minuted.
 - determine the fair value of the asset and advise the Schools Financial Management Support team. Email schools.finance.support@education.vic.gov.au if the value of the asset is greater than or equal to \$5000

Stocktakes

A physical stocktake of all assets must be conducted every two years. Each item must be sighted at least once every two years.

An asset stocktake:

- can be performed in stages throughout the year
- must minimise interference to educational programs
- An asset stocktake could be conducted on:
 - certain asset categories or groups of assets each month or in particular months
 - during each term, or
 - during vacation periods

When carrying out a stocktake or asset verifications, regardless of the method used, the following procedures must be observed:

- The Principal must nominate the date or period of time for the stocktake to take place.
- A stocktaking officer must be appointed by the Principal to conduct and supervise the stocktake. This person will be independent and must not have custody of any asset to be counted. Assistant stocktaking officers (i.e. business manager), being persons who have knowledge of the location and identity of the items in particular areas, must also be appointed. An assistant stocktaking officer can be someone who has the responsibility for, or custody of, assets.
- Stocktake sheets listing all assets held by the school, by name and location, must be prepared from the asset register.
- The stocktake sheets must list the serial numbers or other unique identifying reference against each asset to assist with the asset recognition.
- On the appointed date, the areas designated for the stocktake must be systematically checked for assets listed on the appropriate stocktake sheet by the stocktaking officer and one other person. The quantity of each item must be recorded on the stocktake sheet. The serial numbers or unique identifiers must also be confirmed on the stocktake sheet.
- If a third party is engaged to conduct the stocktake, the use of electronic equipment may be used rather than stocktake sheets. The information that is to be provided in the stocktake sheets must be the same as what is entered into the electronic equipment used to conduct the stocktake.
- Items encountered that match the definition of an asset that is not on the stocktake sheet/report issued by the third party conducting the stocktake must be recorded for checking on the asset register.
- On completion of the physical check of each stocktake sheet/report from the third party in the stocktake, the stocktaking officer must reconcile the count on the stocktake sheet/report from third party engaged to conduct stocktake against the asset register.
- Where discrepancies are disclosed the items involved are subject to a recount.
- All stocktake sheets or reports produced by the third party must be signed off by the officers who conducted the count and all discrepancies notified in writing to the Principal.
- The stocktake results must accurately reconcile the physical assets to the assets recorded in the CASES21 Finance Asset register.
- All adjustments identified by the stocktake must be approved by the School Council before an adjustment is recorded in CASES21 Asset register.

Discrepancies in stocktake or loss of assets

- If a stocktake reveals a substantial discrepancy (for example items of equipment/furniture located that are not recorded in the asset register and/or loss of equipment recorded in the equipment register), the following action must be taken.
- In the case of items not being recorded in the asset register, the matter must be drawn to the attention of the Principal.
- An investigation must be undertaken to identify how the items were acquired. Only then will it be possible to determine whether the items are owned by the school and is in its custody, the value (cost) of the items and whether they should be treated as school assets.
- In the case of asset additions because of stocktaking activities, the school must:
 - determine the fair value of the asset and advise the Schools Financial Management Support team, if the value of the asset is greater than or equal to \$5000. Email schools.finance.support@education.vic.gov.au
 - the Schools Financial Management Support team will liaise with Financial Services Division (FSD) to assess the asset and verify the value. If the value of the asset is found to be less than \$5000 then the school must create the asset in CASES21 using 'PY' as the asset type and assign a value of zero. If the asset is found to be greater than or equal to \$5000 then the school will be advised of the appropriate asset type by FSD, process an asset additions journal to adjust the quantity and price for the asset, process a subsequent General Ledger journal to reflect the value added in the additions journal and send supporting documentation to det.assets.accounting@education.vic.gov.au
- In the case of loss of equipment, an officer must be appointed by the Principal to investigate. The Principal must be provided with a written report of discrepancies stating what action has been taken to locate the missing items.
- The Principal must then recommend to the School Council the appropriate action/s that must be taken.
- Regulations require that all cases of suspected or actual theft, willful damage, arson, irregularity or fraud in receipt or disposal of money or other property of any kind is to be reported to the regional director and relevant department personnel. Refer to [section 3 Risk Management](#).
- A police report must be filed if the value of the stolen/lost asset is above the Department's capitalisation threshold (greater than or equal to \$5000).
- If the School Council is satisfied that any missing item cannot be recovered and appropriate action has been taken as above, the next action is to write off the item and adjust the asset register in CASES21.

Stocktake of Library Assets

- A full stocktake of library books and publications is to be carried out once every two years.
- While educational evaluations of libraries such as culling, updating the catalogue and reorganising records can be conducted at any time, the stocktake provides a good opportunity to carry out these tasks.
- Stocktakes are to be conducted in liaison with the library manager at such times as the Principal considers best to achieve the aims of effective stock and education management of the library resource. This is to be achieved with a minimum of interference to the school's educational program.
- The most desirable method of conducting the stocktake will be to carry out a complete stocktake of all library resources at the one time. The advantage of this is that it provides a comprehensive review of the effectiveness of stock-control methods at a particular time.
- Other options include:
 - a half stocktake annually or
 - a progressive stocktake of the library covering each area at convenient intervals over two years or a shorter period
 - Irrespective of the method and frequency of the stocktake, it is recognised that staff involved can normally only effectively perform a stocktake if entry by pupils and other

non-involved staff to the stocktaking area is prevented or very strictly controlled. The degree to which access to the library is to be limited or prevented is clearly one which must be clarified by the Principal in discussion with the library manager prior to the commencement of the stocktaking exercise.

- The library manager is responsible for the initiation and maintenance of effective stock-control methods within the library.
- As a result of a stocktake, the library's records must accurately show for the area covered:
 - accession of items available for use
 - accession of items missing
 - accession of items written off as unsuitable for continued inclusion in the library
 - the total net stock at the end of the period covered by the stocktake
- At the conclusion of the stocktake, whether full or progressive, a stocktake statement must be prepared.
- After the stocktake is completed the library manager:
 - presents the stocktake statement to the Principal and discusses appropriate follow-up action
 - with the approval of the Principal, writes off items that have been culled from the collection or lost, damaged or missing for more than two years and makes appropriate notations in the accession or card register
 - removes the shelf-list cards for written-off items
- Where schools suffer loss or damage to library materials as a result of vandalism, theft, fire, flood, rain etc. the library manager must discuss with the Principal what action must be taken to assess and quantify the loss or damage and whether a full or partial stocktake is required.
- If a loss of assets is sustained due to theft, burglary, fire/arson or vandalism, the school will notify the police and obtain a police crime report, complete DET's VMIA Property Damage Claim Form which includes the asset number of the equipment being claimed and forward the claim with supporting evidence to property.claims.vic.gov.au

Evaluation

- This policy will be reviewed as part of the school's three-year review cycle or if guidelines change (latest DET update late June 2020).

An operational policy

School Council Approval No Longer Required

Reference:

<http://www2.education.vic.gov.au/pal/asset-and-inventory-management-finance-manual-section-13>