

Fixed Asset and Inventory Policy

1. RCTTP Fixed Asset and Inventory Policy

This Fixed Asset and Inventory Policy outlines the expectations, roles and responsibilities of everyone involved in and connected with the Partnership so that each individual knows what is expected of them.

The policy and procedures are made available to all members of the Partnership through the I2L Blog. A hard copy of the policy is available, with relevant appendices, in the centrally held policy file.

1.1 Definition of a Fixed Asset

The objective for the fixed assets system should be to ensure that capital resources and assets are used efficiently and are securely stored.

A fixed asset is an asset which has physical substance and is held in use for a period of more than one financial year and has a value of more than £1000. Fixed asset cost is thus capitalised and forms part of an entities balance sheet. The total cost, including delivery and VAT, is brought into the income and expenditure by way of depreciation spanning over the expected economic life of the asset.

Grouped assets are assets that link to each other in terms of functionality [e.g. computers and printers]. Linked assets falling below the capitalisation threshold should be, where possible, capitalised (if their combined total value exceeds the capitalisation threshold) and depreciated under one heading.

Fixed asset enhancement cost is cost incurred to increase the economic benefit of an asset in excess of that previously assessed standard of performance e.g. an up-grade cost of computer software. An enhancement cost is linked to the asset it relates to and capitalised accordingly, regardless of cost value.

1.2 Purchase of fixed assets

Procedures relating to the purchase of assets follow the procedures set out by Redcar and Cleveland Borough Council for all purchases with regard to limits, authorisations and tender policies. All assets purchased are entered in the asset register if the cost is over the specified value.

1.3 Recording of Fixed Assets

All fixed assets are recorded in the fixed asset register (Appendix 10a). The register includes details of:

- date of purchase;
- description of the asset including a serial number;
- cost: which includes VAT and delivery cost;
- source of funding;
- location of asset;

- details of loss, disposal or write-off;

The register is updated when required and available to Auditors and the Executive Group.

1.3 Security of Assets

Fixed assets are securely stored in a locked cupboard and are only accessible to RCTTP staff. All the items in the register are permanently and visibly marked as the RCTTP's property and there is a regular count by the Programme Manager (someone other than the person maintaining the register). Discrepancies between the physical count and the amount recorded in the register should be investigated promptly and where significant, reported to the Executive Group.

A record of any loan is recorded by RCTTP and the record updated when the asset is returned.

1.4 Disposal of Fixed Assets

At the time of purchase, agreement will be sought from the Executive Group about depreciation. The decision will be made with reference to LA guidelines as laid out on pg. 150 of the Statement of Accounts. ([Statement of Accounts 2019/20 \(redcar-cleveland.gov.uk\)](http://redcar-cleveland.gov.uk))

Capital asset disposals, transfers, loss/destruction and write-offs are reported to the Executive Group and the loss will be reflected on the register.

Items which are to be disposed of by sale or destruction are appropriately authorised for disposal by the Executive Group and, where significant, should be sold following competitive tender.

1.5 Inventory Items

An Inventory item is an item which has physical substance and is held in use for a period of more than one financial year. Inventory items are items valued >£25 and <£1000 and are intended for use on a continuing basis for a period of more than one financial year.

Inventory items are treated as consumables for accounting purposes and written off to the income and expenditure account in the year of acquisition. There is no depreciation on inventory items as the cost is treated as expenditure at the time of acquisition.

1.6 Inventory Register.

New Inventory items are labelled and their details entered into the inventory items register (appendix 10b). This is separate from the fixed assets register. The details on the register include a reference number, date of acquisition, cost, asset category, make/model and location.

All inventory items are held at RCTTP premises and their ongoing availability are physically verified annually. Any variance is identified and adjusted on the register.

Inventory items that are disposed of, transferred, lost, destroyed or written off are

reported to the RCTTP Executive group and the inventory register is updated accordingly.

The procedures and controls applicable to inventory items loaned to trainees and partnership staff are the same as those applicable to fixed assets. Refer to Fixed Assets section above.

2. Roles and Responsibilities

2.1 Executive Group

The Executive Group will:

- review the Fixed Asset and Inventory Policy regularly.
- assess and monitor the impact of this policy by regularly reviewing the action taken under it

2.2 The Programme Manager

The Programme Manager will:

- report any loss or disposal of fixed assets or inventory items
- maintain an over view of the Fixed Asset and Inventory Register

2.3 The Course Administrator

The Course Administrator will:

- maintain the Fixed Assets and Inventory Registers
- manage the procedures relating to loans

2.4 Partnership Staff

Partnership Staff will:

- familiarise themselves with this policy and their resulting responsibilities

2.5 School Partners

School Partners will:

- adhere to policies in their own schools

3. Complaints Procedure

If anyone in the Partnership feels that this policy is not being followed then they should raise the matter with the Programme Manager who will facilitate the appropriate action. In the first instance this will be raised informally in order to seek a practical solution. Action by the Programme Manager may include an investigation and the completion of a report on the issue. Reports on any such complaints will be given to the Executive Committee.