

Asset Management - Definitions

1. Asset

In accordance with relevant accounting standards, CIT recognises an item as an asset where:

1. **The item can be used to help CIT meet its corporate objectives** or has the potential to do so at some future time and/or has a re-sale value at the end of its useful life.
2. **CIT exercises control over the use of the item**, denying or regulating the access of others to the item. This includes items used by CIT under an arrangement with industry or other Government Agencies. **That is, CIT does not have to own the asset for it to be recognised as an asset. Control is the key factor and restrictions on how an asset allocated to CIT may be used does not deny CIT control of that asset. However, items leased through operating leases are excluded from the definition of an asset. For example, CIT does not control Computers or other equipment leased through Digital, Data and Technology Solutions ICT.**
3. **A transaction or other event must have occurred.** The asset must have been acquired by purchase, trade-in of another asset, construction, transfer from another Agency, donation, bequest from a deceased estate, long-term loan from another individual or entity, exchange for services (in limited circumstances), or through a finance lease arrangement.
4. **The item provides a service or function** (e.g., an engine in a motor car is not an asset, the motor car is the asset, however, an engine costing \$5,000 (excluding GST) or more used on its own, for example, as a training/teaching aid will be an asset.
5. **The service potential or the future economic benefit** arising from acquiring the item (refer point 1 above) **is for a period greater than one year.**
6. It is **probable that the service potential or the future economic benefit** (refer point 1 above) embodied in the asset **will eventuate.**
7. The item **possesses a cost or value that can be reliably measured.**
8. The item has a **cost or value of \$5,000** (excluding GST) **or greater.**
9. **The item as an individual unit has a cost or value of less than \$5,000** (excluding GST) **but as combined with other like items to form an operating unit or network which in its entirety has an aggregate value of \$5,000** (excluding GST) **or greater.**

Like or grouped assets should be disaggregated into separate assets where components have varying useful lives and disposal of components can be treated separately in the Asset Register.

Items meeting the above criteria will be recorded in the Asset Register under the appropriate Asset Class and reported as Assets in CIT's Annual Financial Statements.

2. Asset Classes

Property, Plant and Equipment include the following asset classes:

Land

Is freehold and leasehold land controlled by CIT (excluding land held for resale and land under infrastructure).

Buildings and Infrastructure

Buildings are structures constructed on land, including houses, offices, and schools. Building fit-out includes items integral to the building, making the building habitable. Building fit-out includes air conditioning, hot water systems, lighting, carpets, flooring. These items are included in the initial cost of a building (unless they are separately itemised) and are depreciated as a part of the building. Items of Infrastructure and replacement Building fit-out items are depreciated separately in accordance with their own Useful Lives.

Leasehold Improvements

Are asset items in relation to leased assets, for example, fit outs of leased premises.

Plant and Equipment

Includes general plant, agricultural equipment, mobile plant, portable equipment, automotive equipment, laboratory equipment, hotel and catering equipment, audio visual and photographic equipment, refrigeration equipment, food appliances, fashion equipment, printing equipment, cash registers, safe and course specific or canteen Plant and Equipment Fit-out items that are affixed or wired into a building, e.g., compressors, condensers, turbines, walk-in fridges, stoves, ovens etc. These items are not included in the cost of the building.

Motor Vehicles and Mobile Plant

Includes cars, trucks, and buses.

Furniture and Fixtures

Includes items of office furniture, over \$5,000 (excluding GST).

Leased Assets - Finance Leases

Includes major equipment acquired under a Finance Lease.

Artwork

Includes items of art, pottery, sculptures etc.

Intangible Assets

Includes patented inventions, copyrights, goodwill, and intellectual property.

Software

Refers to non-Standard or Specialised software over \$50,000 in value, that Digital, Data and Technology Solutions (DDTS) does not support. Note: Computers and associated equipment (including upgrades) should as a general rule be purchased through DD&TS ICT. The above asset classes are reflected in CIT's Chart of Accounts. Transactions are recorded at Cost Centre level.

Exclusions

Information Technology Equipment

All equipment owned and controlled by DDTS including computing equipment, photocopiers, fax machines, printers, and other peripheral devices.

3. Portable & Attractive (P&A) Items

Subject to individual assessment, the following items (indicative and not exclusive) including training/teaching aids costing or valued at under \$5,000 (excluding GST) are to be recorded in individual P&A Registers as P&A items:

- Microwave ovens
- Electronic testing equipment (multi-meters etc.)
- Oscilloscopes
- Refrigerators
- Refrigeration gas reclaim units
- Refrigerant cylinders
- Wind and digital meters
- Video players
- Radios
- Stereo equipment
- Mini labs
- Programmable Logic Controllers (PLC'S)
- Shredding machines
- Vacuum pumps
- CD players and burners
- Televisions, VCRs, DVDs, and TV/VCR/DVD combinations
- Soldering equipment
- Transformers/stand-alone power supplies
- Cameras
- Binoculars
- Electronic scales
- Concrete mixers
- Mowers
- Chain saws
- Rotary hoes
- Electronic whiteboards.

Consideration may also be given to listing the following items (for example) in individual P&A Registers:

- Calculators and adding machines
- Answering machines
- Flags
- Portable heaters/air conditioners/fans
- Water urns/coffee machines
- First aid kits
- Saw/drill sets
- Tape measures
- Returnable containers (gas cylinders, fuel drums, pallets)
- Inexpensive overhead projectors (OHPs)
- Projector screens
- Fire extinguishers, hoses, and blankets
- Wheelbarrows
- Tripods
- Headsets
- USB equipment

Whether an item is an asset or portable and attractive item, appropriate records shall be retained including in P&A Registers and/or Loan Registers.

All P&A items are expensed and if applicable, will be issued with a barcode label and recorded in the P&A Register. Colleges and Divisions are responsible for managing individual P&A Registers.