

# Asset Management Procedures

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## Associated Policy

[CIT Asset Management Policy](#)

## Introduction

These procedures are to be applied by all CIT personnel engaging in the Management of Assets and Portable and Attractive (P&A) items, including Directors, Business Support Managers including those authorising expenditure and those responsible for checking documents and monitoring procedural compliance.

## Contents

[Acquisition of Assets and Portable and Attractive Assets](#)

[Assets Purchased Using Institute Trust Funds](#)

[Assets Leased under a Finance Lease](#)

[Assets Transferred to CIT from another ACT or Commonwealth Agency \(Not part of an Administrative Arrangement\)](#)

[Assets Transferred to CIT from another ACT or Commonwealth Agency due to an Administrative Arrangement](#)

[Assets on Loan](#)

[Assets Donated or Bequeathed](#)

[Assets Exchanged for Services](#)

[Assets Created from obsolete Assets/Equipment](#)

[Assets Returned to Supplier for Replacement \(Excluding Trade-Ins\)](#)

[Assets Addition/Amendment](#)

[Asset Transfer](#)

[Asset Disposal](#)

[Purchase of Software](#)

[Management of Portable and Attractive Items less than \\$500](#)

[Asset Stocktake](#)

[Determining what is an asset](#)

[General Administration](#)

[Responsibilities](#)

## Procedures

### Acquisition of Assets and Portable and Attractive Assets

#### Assets Purchased by Colleges/Divisions (including purchases via Credit Card)

- The Asset Recognition Threshold is \$5,000 (ex GST).
- Items under the Asset Recognition Threshold are to be classified as Portable & Attractive (P&A) items.
- Assets and P&A items must be purchased in accordance with *CIT [Procurement Procedures](#)* and budget priorities.
- Purchases must always be made **within** the current budgetary limits of the College/Division making the purchase.
- Assets other than P&A assets must be recorded in the Oracle Asset Register (Asset Register) at the cost of acquisition or fair value where there has been no financial transaction.
- P&A Items are not to be recorded in the Asset Register
- P&A Items are to be recorded in individual College/Division Portable & Attractive Registers.
- Where practical, assets are to be barcoded to identify the items as being the property of CIT as soon as practicable after delivery and/or installation. Refer to the [Assets Addition/Amendment](#) section below.

#### **IMPORTANT:**

##### For Assets (as determined above):

- The Oracle Asset Clearing Account number **210971** must be used to initially record assets in Oracle.
- Should any uncertainty or doubt exist in determining whether or not an item is an asset then, the item should be recorded in the Oracle Asset Clearing Account **210971**. This will ensure that assets are individually considered for recording in the Asset Register or are classified as P&A items to be included only in P&A Asset Registers.
- If necessary, P&A items may initially be recorded in Asset Clearing Account **210971**.
- On receipt of an invoice for an asset, an [Asset Addition Form](#) must be completed. Refer to the [Assets Addition/Amendment](#) section below.

##### For all other items use the Asset Under Threshold Accounts,

- For Items less than \$5,000 but over \$500 the following natural accounts are to be used:
  - 710103 Assets Under Threshold - Office Machines
  - 710104 Assets under Threshold - Furniture & Fittings
  - 710105 Assets Under Threshold - Plant & Equipment
  - 710106 Assets under Threshold - Workshop Equipment
  - 710108 Assets Under Threshold - Communication Equipment
  - 710115 Assets under Threshold - Medical, Surgical & Biomedical Equipment
  - 710118 Assets under Threshold - Other

### Steps to follow for the Purchase of Assets, & P&A items

1. **Confirm the business need for goods**
2. **Obtain prior approval to acquire/purchase the item(s) from the financial delegate**
3. **Order goods**
4. **Receive goods**
5. **Receive invoice and sign, date, print name and position – or acquit Purchase Order where applicable**
6. **Complete Asset Addition/Amendment form**

### Assets Purchased Using Institute Trust Funds

Whilst under the control of CIT, these assets are treated as CIT assets until they are transferred to an external agency. Follow the same process as above using the trust fund's entity and project codes.

### Assets Leased under a Finance Lease

Copies of all contracts for the lease of equipment are to be forwarded to the CIT Finance along with the [Asset Addition/Amendment Form](#) to determine whether the lease is subject to the AASB 16 accounting standard.

### Assets Transferred to CIT from Another ACT or Commonwealth Agency (not part of an Administrative Arrangement)

Upon receipt of the asset, the College/Division will provide CIT Finance an [Asset Addition/Amendment Form](#) along with documentation from the transferring entity that confirms approval of the transfer and details the Written Down Value (WDV) at the time of transfer. The lower of the WDV and Fair Value is to be used as the cost of acquisition.

### Assets Transferred to CIT from another ACT or Commonwealth Agency due to an Administrative Arrangement

Transfers of assets between Directorates, Territory Authorities and Territory Owned Corporations under an Administrative Arrangement are made on occasion to establish an entity or realign functions. Such transfers occur at no (or nominal) cost. The assets are removed from the transferor's Asset Register and are added to the transferee's Asset Register.

### Assets on Loan to CIT

Assets on loan to CIT for a period of more than 12 months are recorded in the Asset Register at the nominal value of \$1. The replacement value of these items is also recorded if known. A copy of the loan agreement is to be forwarded to CIT Finance along with the [Asset Addition/Amendment Form](#).

### Assets Donated or Bequeathed to CIT

When an asset is donated (no reciprocal benefit provided by CIT) to CIT, it is recorded at its fair value. The completed [Asset Addition/Amendment Form](#) is to be forwarded to CIT Finance as soon as an item is received. There is no GST payable on donated assets.

### Assets Exchanged for Services

Assets are not to be received in exchange for goods, unless in the form of a trade-in. Assets received in exchange for services rendered must have approval from the Senior Director Finance/Chief Financial Officer or equivalent and are to be recorded at their fair value.

### Assets Created from Obsolete Assets/Equipment

Assets may be constructed from old or obsolete assets and spare parts provided that the assets are first written off and barcode labels removed and destroyed. The newly created asset will be recorded at its fair value. Refer to the [Asset Disposal](#) section below for instructions on disposing of the old asset(s).

### Assets Returned to Supplier for Replacement (Excluding Trade-Ins)

Assets returned to a supplier for replacement are to be retired and an [Asset Disposal Form](#) needs to be completed. The replacement asset will be recorded as a new acquisition at the carrying value of the old asset. CIT Finance are to be advised via an [Asset Addition/Amendment Form](#) once the replacement asset has been received.

### Assets Addition/Amendment

- When acquiring an asset, on receipt of the invoice, a Shared Service [Asset Addition/Amendment Form](#) must be completed (refer to SIS: Forms & Templates/Corporate Services/[Finance - Assets](#)).
- Forward [Asset Addition Form](#) along with a copy of the invoice to CIT Finance.
- CIT Finance will then issue a barcode to the contact officer who on receipt of the barcode((s)) **must attach** the barcode to the item(s).
- Once the barcode has been attached, the contact officer must sign the [Barcode Issued Form](#) and return the signed form to CIT Finance.
- The [Asset Addition Form](#) is to be checked and endorsed by CIT Finance.
- CIT Finance is to forward the Asset Addition Form to Shared Services for input on the Asset Register.

#### Steps to follow for Asset Addition

1. Receive invoice and sign, date, print name and position
2. Complete Asset Addition/Amendment form
3. Submit Asset Addition/Amendment form and invoice to CIT Finance
4. CIT Finance will issue a barcode to the contact/technical officer
5. Barcode(s) label(s) to be attached to asset(s) and return Barcode Issued Form to CIT Finance
6. Asset Manager completes Asset Addition/Amendment form and forwards to Shared Services for entry into the Asset Register.

### Asset Transfer

- A transfer of an asset occurs when an asset is physically relocated from or to a:
  - Campus;
  - Building;
  - Room/Area; and/or
  - As required by the allocation or change of a cost centre.
- Assets transferred within CIT must be advised to CIT Finance at the time of transfer and in the case of Information Technology Equipment Shared Services ICT are to be advised.
- An [Asset Transfer Authorisation Form](#) is to be completed.
- On completion, the form is to be sent to CIT Finance for processing.
- The [Asset Transfer Authorisation](#) Form is checked and endorsed by CIT Finance.
- CIT Finance then forwards the [Asset Addition Form](#) to Shared Services for input on the Asset Register.

### Steps to follow for Asset Transfer

1. **Identify need for asset transfer**
2. **Complete Asset Transfer Form**
3. **Send approved Asset Transfer Form to CIT Finance for checking**
4. **Send approved Asset Transfer Form to Shared Services and retain a copy**
5. **Shared Services updates entry in the Asset Register.**

### Asset Disposal

- An annual review is to be undertaken by each College/Division of its assets and P&A Assets to determine which assets or P&A Assets are past their useful life or, are not being utilised and accordingly should be disposed of, redeployed, or donated/loaned to an eligible recipient in accordance with CIT Policies and Procedures.
- The annual review will be coordinated by CIT Finance with appropriate resources to be provided by Colleges/Divisions to assist in the verification process.
- Once a need has been determined to dispose of an asset an [Asset Disposal Form](#) is required to be completed (not required for disposal of P&A items).
- Once the form has been approved by a Delegate it is to be sent to the Facilities Manager.
- The Facilities Manager will conduct an asset inspection and will recommend/or agree to the means of disposal and send the [Asset Disposal Form](#) to CIT Finance for processing.
- As per Finance Delegation 3.4 Asset Disposal Form is required to be signed by the Senior Director CIT Finance, or appropriate Delegate.
- The Asset/Equipment Inspection and Disposal/Write-off Stolen Report Form is to be checked by CIT Finance.
- The asset(s) are disposed of as approved or recommended by the Facilities Manager. If determined by Facilities Manager Asset are sent to Auction to be sold, Traded-In, Destroyed or Cannibalised. Assets are not to be sold by College/Division unless prior approved by Facilities Manager.
- CIT Finance is to contact Disposal Requesting officer to confirm Disposal before finalisation of [Asset Disposal Form](#) and or [Asset Bulk Disposal Report Form](#).
- Disposals, including write offs, must be conducted with openness and accessibility to all in accordance with ACT Procurement guidelines.
- CIT Finance then forwards the [Asset Disposal Form](#) to Shared Services for input into the Asset Register.

### **Lost, Stolen or Damaged Assets and P&A Items**

Lost, stolen, or damaged assets and P&A items must be reported immediately to both the Loss/Theft Investigating Officer and CIT Finance. Where damage is caused by negligence, action must be taken by the College/Division to repair/replace the item and recover the cost of repairs or replacement from the person(s) responsible.

### **Bulk Disposal or Write-Off of Assets**

- In the instance where there is a bulk disposal or write-off of assets the [Asset Bulk Disposal Report Form](#) is to be completed with the inclusion of the [Asset Disposal Form](#).
- Once the form has been approved by a delegate it is to be sent to the Facilities Manager.

- The Facilities Manager will conduct an asset inspection and will recommend/or agree to the means of disposal and send the Asset Bulk Disposal Report Form to CIT Finance for processing.
- The [Asset Bulk Disposal Report Form](#) and the [Asset Disposal Form](#) is to be checked and endorsed by CIT Finance.
- CIT Finance then forwards the Forms to Shared Services for input on the Asset Register.

### **Asset Bulk Disposal**

Asset(s) or P&A item(s) are disposed of as approved or recommended by the Facilities Manager.

#### Steps to follow for **Asset Disposal**

1. Identify need for asset disposal
2. Complete Asset Disposal Form
3. Send approved Asset Disposal Form to Facilities Manager
4. Facilities Manager conducts asset inspection if necessary
5. Asset Disposal Form submitted to Delegate for disposal approval
6. CIT Finance sends form to Shared Services to process the disposal and update the Asset Register.

### **Purchase of Software**

Refer to CIT Procurement Procedures for the acquisition of **all** software.

### **Management of P&A Items**

The purchasing College/Division is responsible for the management and control of P&A items.

In managing P&A items: P&A:

- A Responsible CIT Officer or officers must be appointed for each College and Division.
- A Portable & Attractive Register must be maintained on the register supplied by CIT Finance.
- Where applicable and practical consideration may be given to engraving a CIT logo or use a DataDot security identification system.

Where items are for general use:

- Ensure that items are appropriately secured
- A sign out and in register may be considered

An annual stocktake of Portable & Attractive Registers must be undertaken at least annually by all Colleges/Divisions.

### **Artworks**

Artworks are to be managed in the same manner as other assets. Artworks are to be included on the Asset Register if the initial purchase price or value is greater than \$2,000. Artworks are to be included on the P&A Register if below \$2,000.

Artworks form part of the three-year valuation process. At this point, adjustments can be made as to whether an asset moves between the Asset Register and the P&A Register.

## Asset Stocktake

Asset stocktakes are to be undertaken annually.

Managed by CIT Finance, CIT undertakes a 3-year rolling asset stocktake program.

### Objective of Stocktake

Stocktakes are undertaken to confirm the accuracy of the Asset Register and to ensure that the items as listed on the Asset Register are physically located at CIT and recorded at correct values.

### Cut-Off Procedures/Dates

Stocktakes should be scheduled to commence from around mid-August to conclude approximately 6-8 weeks thereafter.

CIT Finance will download an electronic copy of the (Oracle) Asset Register into an excel spreadsheet for use as a Stocktake Register. A copy of this file is to be retained for audit purposes.

Asset transactions (additions, deletions, and transfers) will continue to be input into the Asset Register by CIT Finance during a stocktake.

During the stocktake each asset and with a CIT barcode will be scanned and recorded for reconciliation.

Prior to the stocktake, an email will be sent out to inform staff of the stocktake, and a nominated staff member from each relevant College/Division is to accompany the stocktake team to help identify, locate and as necessary, provide information about assets including those that are not able to be located, appear to be unused or surplus, or are damaged.

A reconciliation of the stocktake will commence after the completion of the physical counting. The results will be made available to College/Division Directors to review after the stocktake has been reconciled to the Asset Register.

Items not found will need to be reviewed by College/Division Directors. An explanation is required for items not found by College/Division Directors. Once the reconciliation process is completed, including resolution of items not found or damaged assets, the Stocktake report is to be endorsed by College/Division Directors to finalise the stocktake reconciliation.

The completed Stocktake report is submitted to the Senior Director Finance and then may be forwarded to the Executive Director, Corporate Services for final approval.

The final report will be sent to Shared Services to update the asset register.

Steps to follow for Asset Stocktake and Reconciliation:

1. Perform stocktake;
2. Prepare stocktake reconciliation report;
3. Review stocktake reconciliation report;
4. Prepare individual College/Division reports;
5. Send reports to relevant College/Division Directors;
6. Directors to follow up and/or provide explanation on not found items;
7. CIT Finance to amend results and reports where required;
8. Directors to approve finalised stocktake report;
9. Directors to send approved stocktake report to CIT Finance;

10. Senior Director Finance/Chief Financial Officer approves final stocktake report;
11. Senior Director Finance/Chief Financial Officer forwards consolidated report and individual reports to Executive Director Corporate Services; and
12. CIT Finance forwards final report to Shared Services to update the Asset Register.

### Determining whether an item is an Asset, P&A item, or direct expense

- a) Is the item valued at \$5,000 (GST exclusive) and has a useful life greater than one year?

**Yes** = Asset

**No** = See b) below

- b) Is the item valued below \$5,000 (GST exclusive) (an item which would be considered useful or attractive to individuals within or outside CIT and can be removed with minimal effort)?

**Yes** = P&A item. Expense the item and record on the P&A register.

**No** = Expense (see c) below

- c) the item may be recorded as an expense and do not record on the P&A register

### General Administration

**Documentation:** All asset transactions must be properly documented, verified, approved, and recorded in the General Ledger and Asset Register consistent with CIT's Financial Delegations Manual, Australian Accounting Standards and, where no conflict exists, with ACT Government policies.

P&A items must be recorded in College/Division P&A Registers.

All transaction documentation and stocktake results must be retained and available for inspection as required.

**Insurance:** Insurance for CIT's assets and P&A items must be maintained in accordance with CIT's Insurance and Risk Management Policy.

**Depreciation:** CIT calculates depreciation on the straight-line basis from the date of acquisition (generally the invoice date). This is managed centrally by CIT Finance in accordance with all applicable legislation and standards.

**Loaning of Assets:** Assets & P&A items may be loaned to other areas on an ongoing or short-term basis. Loaning of CIT owned equipment must be tied to a CIT Business outcome and are not to be provided for private use.

Items as a rule are not to be loaned to students unless agreed by a College/Division Director or above.

### Responsibilities

#### **CIT Finance Officers**

- Maintenance of CIT Asset Register;
- Ensure procedures and policies are applied for additions, disposals and transfers of assets and P&A items;
- Manage and oversee the annual stocktake.
- Process/review and oversee asset documentation.
- Liaise with the Shared Services reporting/asset management team;

- Assist with valuation of CIT Assets;
- Assist with policy and procedures updates, audits and the preparation of the annual financial statements with regards assets and; and
- Prepare and issue reports as required with regards the assets of CIT.

#### Senior Director Finance/Chief Financial Officer

- Oversee management of CIT Assets;
- Ensure the CIT Purchasing Procedures are followed and complied with when purchasing an asset; and
- Ensure the correct documentation is supplied to the Finance Officer-Management of Assets in Corporate Services in a timely manner.

#### Financial Accountant

- Oversee maintenance of CIT Asset Register;
- Ensure procedures and policies are applied for additions, disposals and transfers of assets and P&A items;
- Review annual stocktake; and
- Manage/oversee valuation of CIT assets.

#### CIT College/Division Directors

- Oversee management of CIT Assets within their College/Division;
- Maintain P&A registers and conduct stocktake at least annually;
- Consider and approve procurement as per financial delegations and ACT procurement guidelines;
- Ensure that purchasing processes being undertaken by Purchasing/Receiving Officers are being conducted within the guidelines set out in *CIT's [Procurement Policy](#)*, this document and ACT Government guidelines; and
- Ensuring that there are sufficient funds in the area's budget to fund all purchases.