

# ASSET MANAGEMENT PROCEDURE

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## OVERVIEW

The assets purchased by, bequeathed or donated to the University of Adelaide to fulfil its mission of learning and teaching, research and community engagement represent a significant investment. These assets need to be prudently managed and properly documented to prevent their abuse or misuse, enable sound management decision-making and meet regulatory reporting and accounting compliance requirements. This procedure sets out the mandatory obligations and responsibilities for asset management in the University.

## SCOPE

The procedure applies to all University of Adelaide staff, students, titleholders and members of the University community, and in respect of all assets as defined.

## WHAT IS AN ASSET?

**Asset:** Any item owned or controlled by the University, and of economic value, with an expected useful life of **12 months** or more. An asset can be physical or tangible (e.g. land, buildings, plant, equipment, motor vehicles, works of art) or intangible (e.g. computer

software, trademarks, patents). An asset may be acquired directly by purchase, bequest or donation, or result from construction (e.g. a new building or a renovated facility). During the construction phase, the asset is known as a work-in-progress asset. Improvements to leasehold property are University assets, but other assets which are leased (e.g. many photocopiers and computers) are not assets for the purpose of this procedure.

**Capitalised asset:** An asset whose value at the time of acquisition is as set out in Table 1. All values include all costs associated with the purchase, including freight, installation, cabling, customs charges, overseas taxes, additional safety requirements, and any other direct costs of readying the asset for its intended use, but do not include GST, or items purchased for later use in repair and maintenance. Items which are bought together but are capable of standing alone are valued at the individual item rate (e.g. if 10 chairs are purchased for \$10,000, the individual value is \$1000) and hence not a capitalised asset.

**Local asset:** Any asset whose value at the time of acquisition (excluding GST) is as set out in Table 1.

**Table 1: Asset types**

Examples of the different asset types are included at [Schedule A](#).

Asset type	Value (exclusive of GST)		Asset type	Value (exclusive of GST)	
	Capitalised	Local		Capitalised	Local
Building	\$10,000 and above	–	Library collection	Whole collection	–
Furniture	\$10,000 and above	<\$10,000	Machinery and equipment	\$10,000 and above	<\$10,000
Intangible (including computer software)	\$100,000 and above	<\$100,000	Motor vehicles	\$10,000 and above	<\$10,000
Land	\$10,000 and above	–	Office equipment	\$10,000 and above	<\$10,000
Leasehold improvements	\$10,000 and above	–	Works of art	\$2,000 and above	<\$2,000

*Note on collections:* The University's Library collection is valued as a single asset over \$10,000. Items in the University's cultural, historical and scientific collections (excluding works of art) are not regarded as assets for the purposes of the University's financial statements because, although they may contain unique or rare items, their value cannot be reliably measured.

## PROCEDURE

### 1. CAPITALISED ASSETS: ACQUISITION AND REGISTER

[Capitalised assets](#) purchased within a faculty or division are recorded as expenses within that faculty or division's operating margin, but in the University of Adelaide financial statements, capitalised assets are recorded in the balance sheet and depreciated over their useful life in accordance with accounting standards.

A list of all capitalised assets is maintained in the University's Capitalised Asset Register which records the asset's acquisition value, depreciation, current value and identifying details.

#### 1.1. Acquisition and recording on Capitalised Asset Register

##### 1.1.1. Acquisition through purchase by the University

Assets must be purchased by way of a purchase order through the University eProcurement module and in accordance with any local practices required by the relevant Faculty Finance & Planning Manager or Division Support Manager. If system access to eProcurement is not available to raise a requisition, please contact the Purchasing team directly by email [purchasing@adelaide.edu.au](mailto:purchasing@adelaide.edu.au) (see [Purchasing and Outgoing Payments Procedures](#)). The system will prompt the Purchasing Officer to confirm whether the purchase is a capitalised asset.

*Responsibility:* Purchasing Officer

- Apply the [Purchasing and Outgoing Payments Procedures](#) and, for motor vehicles, the [Motor Vehicle Procedure](#) –
- Ensure purchase is coded to correct Expense Account Code for the relevant asset category in the [Chart of Accounts](#).

- iii. Where an individual component is integral to a larger asset that will, when assembled, be above the value prescribed in [Table 1](#), treat the individual component as a capitalised asset, even if the individual component cost is less than the value prescribed in Table 1 (e.g. if a microscope lens costs less than \$10,000, but the value of the total microscope will, when all component parts are assembled, be greater than \$10,000, treat the lens as a capitalised asset).

[Building and Infrastructure Investment Plan projects managed by Division Support are excluded from this provision, as Division Support has its own procedures for managing work-in-progress assets.]

### **1.1.2. Acquisition through non-monetary donation**

The authorities and processes for accepting items for the University's art, heritage and teaching collections are specified in the [Collection Management Policy](#) and procedures. Authorities and processes for accepting other non-monetary gifts for which the donor is seeking tax deductibility are specified in the [Giving Policy](#) and related procedures. Other authorities for accepting gifts are as specified in the [Financial Delegations of Authority](#).

*Responsibility:* Delegation holder

*Timeline:* Within 10 working days of receipt of gift

- i. Determine the value of the gift in conjunction with the donor (if gift is tax deductible) or by estimation based on the asset's market value or other appropriate means. Seek advice from the Fixed Asset Accountant, if required.
- ii. If the gift meets the definition of a [Capitalised Asset](#), complete a [Notification of Asset Change Form](#) and submit it to the Fixed Asset Accountant.
- iii. If the gift meets the definition of a [Local Asset](#), ensure the asset is registered on the appropriate Local Asset Register.

### **1.1.3. Acquisition of research assets through transfer from another institution**

Research assets may be transferred when a researcher transfers to the University from another institution, and may need to be added to the Capitalised Asset Register or a Local Asset Register.

See [Schedule B](#) for the required procedure.

### **1.1.4. Acquisition through loan**

Assets on loan to the University are not added to the Capitalised Asset Register. If the loan is for a significant period of time (in general, three months or longer), it must be recorded on the Local Asset Register.

See [Schedule C](#) for the required procedure.

## **1.2. Depreciation**

For accounting purposes, capitalised asset acquisitions are recorded at cost, and depreciated using the following principles:

- a. Depreciation on freehold buildings is calculated on a diminishing value basis.
- b. Land, investment properties and works of art are not depreciated.
- c. Depreciation on other property, plant and equipment is on a straight line basis, so as to write off the net cost or other re-valued amount of each asset over its expected useful life.
- d. Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

## **1.3. Valuation and re-valuation**

For accounting purposes, selected capitalised assets (land and buildings, art collection, Library collection) undergo regular valuation or re-valuation, in accordance with Accounting Standards AASB116 (property, plant and equipment) and AASB13 (fair value). The processes are determined and coordinated by the Chief Financial Officer. More information is available in the University's annual Financial Statements.

## **1.4. Capitalised asset adjustments, changes and transfers**

*Responsibility:* Faculty Finance and Planning Manager and Division Support Manager, or their delegates

*Timeline:* Within 20 working days of change

- i. Notify the Fixed Asset Accountant, using the [Notification of Asset Change Form](#), whenever:
  - a capitalised asset is transferred to another University cost centre. Any consequential General Ledger adjustments are the responsibility of the transferor.
  - there is a change to a key element of the asset, such as its value (less depreciation), useful life, descriptor details, location or cost type.

## 2. LOCAL ASSETS: ACQUISITION AND REGISTER

[Local assets](#) purchased within a faculty or division are recorded as expenses in the year of acquisition within that faculty or division's operating margin, as well as in the whole-of-University financial statements. No provision is made for depreciation.

### 2.1. Acquisition of local asset

#### 2.1.1. Acquisition through purchase by the University

#### 2.1.2. See clause 1.1.1. Acquisition through non-monetary donation

See clause 1.1.2.

#### 2.1.3. Acquisition of research assets through transfer from another institution

See clause 1.1.3.

#### 2.1.4. Acquisition through loan

See clause 1.1.4.

### 2.2. Recording local asset on Local Asset Register

Each faculty and division is required to have its own register or registers of local assets.

*Responsibility:* Faculty Finance and Planning Manager or Division Support Manager

- i. Ensure a Local Asset Register is established and maintained to record local assets within the faculty or division. This may be by way of individual registers for each school and unit in the faculty or division, or as the manager considers appropriate, but responsibility for managing each register must be allocated to a designated Local Asset Officer.

Each register is to include the following information, as a minimum:

Description of asset	Asset location
Purchase value	Asset custodian
Date of acquisition	Date of disposal
Serial/model number (if relevant)	

Some judgement may be exercised in the selection of assets for the register, particularly on the minimum dollar-value to be captured. However, all items which are susceptible to theft or misappropriation, or need to be tracked to comply with research funding acquittal requirements, must be included in the register.

Susceptible items include those which are:

- small and portable, and/or
- potentially attractive for personal use or resale.

Examples include: cameras and projectors, power tools, laptops, tablets, electrical appliances, televisions, and optical devices. Note that leased items are not assets for the purposes of this policy (and are registered as part of the leasing process), and that University mobile phones are registered centrally.

This register can be an expanded version of the register required under clause 3.7.10.1 of the [Plant/Equipment Safety Management](#) chapter of the *Health, Safety & Wellbeing Policy and Handbook*.

- ii. Ensure there is a documented business process, with allocated responsibilities, to keep the register up-to-date. In general, the process for updating the register is best linked to:
  - when purchase made via a purchase order: the process for receipting goods received on the System

- when purchase made via credit card or direct order from supplier: the process for authorising payment.
- iii. Ensure there is a business process for asset custodians to update the register in light of changes, such as disposal or change of location.
- iv. Ensure there is a business process for a periodic stocktake of items on the register, at least once a year.

[Note: Development of a System-based local asset register is in progress. Spreadsheet based local asset registers should be maintained until the System register is in place.]

### **3. ONGOING CARE AND USE OF ASSETS**

#### **3.1. Care and use**

*Responsibility:* All University staff, students and members of the community with access to University assets

- i. Treat assets with care and consideration.
- ii. Use assets for University purposes only, and in accordance with manufacturers' instructions, safe work practices and the conditions of any related licences or agreements.
- iii. Ensure assets are used only by authorised persons.
- iv. Ensure plant and equipment are properly serviced and maintained, and that minor damage is repaired promptly.
- v. Ensure assets are appropriately safeguarded from damage, theft or misappropriation.

#### **3.2. Theft or damage**

*Responsibility:* All University staff, students and members of the community with access to University assets

*Timeline:* Immediately theft or damage to an asset becomes known

Theft of or wilful damage to assets must be reported to the faculty or division finance manager, who in turn must report in writing to:

- University [Security Services](#), who may notify Police; and
- the [Insurance Office](#) in Legal & Risk.

Significant accidental damage must be reported to the faculty or division finance manager, who in turn must report in writing to:

- the [Insurance Office](#) in Legal & Risk.

Minor accidental damage must be reported to an appropriate authority, who may be the person's supervisor or the asset custodian.

See clause 5.3.8 re recording missing or stolen assets in Asset Registers.

### **4. LOAN OR HIRING OF ASSETS**

The loan or hiring of assets must be undertaken in accordance with the procedures in Schedule D.

### **5. DISPOSAL OF ASSETS**

#### **5.1. Disposal authorities**

The authorities to dispose of an asset align with the authorities to authorise expenditure for the purchase of an asset, as set out in the [Financial Delegations of Authority](#). These authorities are determined according to the value of the asset at time of purchase, or current value, whichever is greater. Only an authorised person can approve disposal of an asset, including the sale price (if any) and other terms of its disposal.

In authorising a disposal, the authoriser is declaring that the asset:

- is surplus to University requirements
- has reached approved, predetermined criteria (e.g. mileage or image numbers)
- is under-performing
- is missing or stolen, or
- is unserviceable or obsolete

and that the processes set out below have been complied with.

*Responsibility:* Faculty Finance and Planning Manager or Division Support Manager, or their delegate

- i. After obtaining authority to dispose of an asset, arrange the disposal in accordance with clauses 5.2 to 5.5.

## **5.2. General requirements**

- a. *Ethical and honest behaviour:* Ensure disposal arrangements are made in an ethical and honest manner, with a view to obtaining the best return for the University, and avoid or declare any conflict of interest linked to the selection of an asset recipient and payment of a sale transaction, in accordance with the University's [Conflict of Interest Policy](#).
- b. *Safety:* Ensure any plant or equipment is prepared for disposal in accordance with Appendix K of [Chapter 3.7 Plant/Equipment Safety Management](#) of the Health, Safety & Wellbeing Policy and Handbook.
- c. *Computers:* Ensure data and software on computers are safely and securely erased before computers are disposed of, in accordance with the ITS [Computer Erasure and Disposal](#) procedures.
- d. *Externally funded assets:* Identify whether any assets funded from external sources are subject to specific rules and conditions, and ensure disposal is in accordance with those rules and conditions.
- e. *Motor vehicles:* Apply the [Motor Vehicle Procedures](#) to the sale or disposal of motor vehicles.
- f. *Register update:*
  - Once a capitalised asset is disposed of, and is no longer University property, complete the [Asset Disposal Form](#), and return to the Fixed Asset Accountant, with signatures of required authorities and attachments.
  - Once a local asset is disposed of, notify the Local Asset Officer, in accordance with local business processes.
- g. *Records:* Ensure all disposal processes and arrangements are properly documented and recorded, and can be retrieved for audit purposes.
- h. *Income:* Ensure any income received from the disposal of an asset is banked, receipted and recorded in accordance with the [Invoicing and Cash Receipting Procedure](#) and using an appropriate Asset Proceeds account code.

## **5.3. Assets with an original purchase value of less than \$200,000 (excluding GST)**

Before any method of disposal is selected, the market value of the asset should be assessed by obtaining at least two quotes for its disposal.

### **5.3.1. Internal University offer**

It is recommended, but not mandatory, that surplus assets be offered for use elsewhere in the University, either for sale or as a donation.

The sale price may be negotiated with any potential buyer. It is acceptable to reject any internal offer if there is a reasonable belief that a higher price can be obtained through sale or trade-in outside the University.

*Steps:*

- i. Advertise the asset disposal, via a notice in the [Staff News](#).
- ii. If a sale or donation is effected, the asset remains a University asset and is not regarded as a disposal. Lodge asset register notification as per clause 5.2.f.

### **5.3.2. Trade-in**

Assets may be traded in against a new asset purchase.

*Steps:*

- i. Assess the potential trade-in value against the value obtainable in the open market, along with other less tangible benefits such as administration costs associated with open sale, and ease of transfer of ownership of unwanted asset.

- ii. If trade-in provides appropriate value to the University, ensure documentation clarifies that ownership of the traded-in asset is transferred to the supplier of the new asset.
- iii. Ensure the supplier's invoice lists the full cost of the new asset and the proceeds of the traded asset separately.
- iv. Lodge asset register notification, as per clause 5.2.f.

### **5.3.3. Open sale**

Assets may be sold to a third party. Sale may occur:

- by auction, through a licensed auctioneer
- by advertisement, at a set asking price or open to offers. Online direct sale sites such as eBay or Gumtree are not acceptable for University sales.

Items may be offered for sale to University staff and/or students only, but must be advertised in a way that maximises staff or students' opportunity to respond.

*Steps:*

- i. So far as practical, identify a reasonable market value by taking into account the current written down value (for capitalised assets only: consult the Fixed Asset Accountant for details) and previous sales of similar items (consult online and other media advertisements, and/or trade publications) to guide the negotiation or setting of the sale price.
- ii. Advertising material must clarify that the asset is to be sold in 'as is' condition, with no warranties or support, and any asking price must include GST.
- iii. Once a sale is concluded, raise an invoice in accordance with the [Invoicing and Cash Receipting Procedure](#)
- iv. Ensure payment is received before the asset is released.
- v. Lodge asset register notification, as per clause 5.2.f.

### **5.3.4. Private sale**

Sale by open advertisement is preferred over private sale, as it maximises the potential return to the University. However, private sale is acceptable if:

- there is only one apparent customer, or
- there is an established market price for the asset, or
- the costs of sale by other means would likely exceed the anticipated proceeds, or
- the sale is to an educational or charitable organisation, and
- the transaction is transparent and able to be audited.

### **5.3.5. Transfer to another institution**

An asset may be transferred to another institution, at the University's discretion, if it is linked to the work of a researcher who has transferred to the other institution.

*Steps:*

- i. Make appropriate arrangements, by negotiation, and in accordance with the terms of any relevant research funding agreement, and ensuring insurance arrangements for the transport of the asset to the other institution are clearly established.
- ii. Obtain a receipt from the institution for the transferred asset.
- iii. If money is to be received for the asset, raise an invoice in accordance with the [Invoicing and Cash Receipting Procedure](#)
- iv. Lodge asset register notification, as per clause 5.2.f.

### **5.3.6. Donation outside University**

Assets with no significant monetary value, or where no sales market exists, or where the cost of other methods of disposal exceeds the expected proceeds, may be donated to:

- institutions having similar aims to the University, or
- not-for-profit organisations and charities.

*Steps:*

- i. Ensure a receipt is obtained from the recipient specifying the date of transfer of ownership of the asset.
- ii. Lodge asset register notification, as per clause 5.2.f.

### 5.3.7. Scrap or use for spare parts

If an asset cannot be sold or given away, or is obsolete, unserviceable or beyond economic repair, then it may be disposed of as waste or scrap, or taken apart to use for spare parts.

*Steps:*

- i. Arrange for item to be disposed of in an environmentally responsible way, in accordance with the [Sustainability Policy](#) and [Sustainability Plan](#).
- ii. Lodge asset register notification, as per clause 5.2.f.

### 5.3.8. Missing or stolen assets

- i. Ensure clause 3.2 has been applied.
- ii. Lodge asset register notification, as per clause 5.2.f.

### 5.4. Assets with an original purchase value of \$200,000 or more

*Review Procedure for Purchases above \$200,000.*

## 6. MONITORING AND REVIEW

To enable the University's assets to be properly accounted for and the Capitalised Asset Register accurately maintained, confirmation of assets recorded on the Capitalised Asset Register will be required.

### 6.1. Monthly General Ledger reconciliation of Capitalised Asset Register

*Responsibility:* Fixed Asset Accountant

*Timeline:* Monthly

- i. Review all purchases in General Ledger that meet capital asset definition in period since last reconciliation, and reconcile with Capitalised Asset Register.

### 6.2. Monthly asset adjustment reconciliation of Capitalised Asset Register

*Step 1:*

*Responsibility:* Fixed Asset Accountant

*Timeline:* Monthly

- i. Send an assets adjustment report (including additions, disposals, transfers and amendments) to faculty and division finance managers for review and approval of all asset adjustments since the previous reconciliation.

*Step 2:*

*Responsibility:* Faculty Finance and Planning Manager and Division Support Manager

*Timeline:* Within 10 working days of receipt

- ii. Review and approve asset adjustments and return signed copy to Fixed Asset Accountant.

### 6.3. Annual reconciliation and stocktake of Capitalised Asset Register

**Step 1:**

*Responsibility:* Fixed Asset Accountant

*Timeline:* End of financial year

- i. Send full register, with all adjustments from the current year, to Faculty and Division Finance Managers, University Librarian, Art & Heritage Manager.

**Step 2:**

*Responsibility:* Faculty Finance and Planning Managers and Division Support Manager, University Librarian, Art & Heritage Manager (or a responsible officer delegated by them)

*Timeline:* Within 10 working days of receipt

- i. Physically inspect all items on list and ensure all details are correct.
- ii. Ensure that any missing assets are noted and action taken to locate them.
- iii. Detail all steps taken to locate assets declared missing.
- iv. Record any assets that are obsolete, unused or missing and submit [Notification of Asset Change Form](#) or [Asset Disposal Form](#) if appropriate.
- v. Complete a [Notification of Asset Change Form](#) if there are any assets that should be included on the register.
- vi. Sign and return the list to the Fixed Asset Accountant, with forms, if any.

#### 6.4. Review of asset usefulness

**Responsibility:** Faculty Finance and Planning Manager or Division Support Manager (or a responsible officer delegated by them)

- i. Periodically, usually in conjunction with the annual reconciliation and stocktake, arrange for assets to be reviewed to identify under-utilised or under-performing assets.
- ii. Where such identification is made, evaluate the reasons and take appropriate action.

#### 7. RESPONSIBILITIES

Fixed Asset Accountant, under direction of Associate Director, Accounting Services, and Chief Financial Officer	Maintain Capitalised Asset Register
	Ensure assets are capitalised in accordance with Australian Accounting Standards
	Provide management information on University's assets
	Advise faculties and divisions of changes to the Capitalised Asset Register
Faculty Finance and Planning Managers and Division Support Manager, under direction of Executive Deans and Division heads	Ensure there are procedures and processes in place in the faculty or division to support the care, maintenance, security and appropriate use of all assets within the faculty or division
	Ensure a Local Asset Register is established in the faculty or division
	Ensure Capitalised Asset Register is updated when there are changes to an asset
	Respond in timely fashion to requests from Financial Services in respect of asset reconciliation and stocktake
	Implement asset loan or hire procedures, in accordance with this procedure
Purchasing Officer	Implement asset disposal procedures, in accordance with this procedure
	Apply the <a href="#">Purchasing and Outgoing Payments Procedures</a> and, for motor vehicles, the <a href="#">Motor Vehicle Procedure</a>
	Ensure purchase is coded to correct Expense Account Code for the relevant asset category in the Chart of Accounts
All staff, students and members of the University community	Where an individual component is integral to a large asset that will, when assembled, be above the value prescribed in Table 1, treat the individual component as a capitalised asset, even if the individual component cost is less than the value prescribed in Table 1 (e.g. if a microscope lens costs less than \$10,000, but the value of the total microscope will, when all component parts are assembled, be greater than \$10,000, treat the lens as a capitalised asset).
	Care for, use and dispose of University assets in accordance with this procedure

#### DEFINITIONS

**Local Asset Officer:** an officer authorised by the relevant Faculty Finance and Planning Manager or Division Support Manager to be responsible for a designated Local Asset Register.

#### Related procedures and documents

Financial Management Policy  
Invoicing and Cash Receipting Procedure  
Purchasing and Outgoing Payments Procedures  
Motor Vehicle Procedures  
Petty Cash Procedures  
Preferred Suppliers list  
Reimbursement Procedures  
Strategic Procurement Procedures  
Travel & Entertainment Policy and Procedures

**Related Forms**

Notification of Asset Change Form  
Asset Disposal Form

## SCHEDULE A – Examples of Asset Types

To be regarded as an asset, the item must have a useful life exceeding 12 months. See more in [Definitions](#) above.

**Buildings and land**, includes:

- 'trust' land and buildings, namely land (and the buildings on that land) that is provided to the University by government in trust for specific University purposes or which is acquired by settlement under a binding trust
- 'other' land and buildings, namely land and buildings owned freehold by the University and used in the production or supply of University goods and services (i.e. learning & teaching, research and community engagement)
- 'investment properties', namely properties held primarily to earn rental income.

Capital improvements to buildings are classed as building assets, and include significant additions, alterations, renovations, upgrades or structural changes that extend the building's useful life or adapt it for different uses; but not routine repairs or maintenance.

**Furniture** includes: chairs, desks, workstations, bookshelves, service counters.

**Intangibles** includes: major computer software installations/architecture; goodwill; trademarks; patents. Intellectual property is not recognised as an asset unless it can be reliably measured.

**Leasehold improvements** include: improvements paid by the University on property which it leases rather than owns.

**Library collection** includes: hard copies and e-copies of books, journals, data and microfilms.

**Machinery and equipment**, includes:

- laboratory equipment such as microscopes, lasers, pumps, image enhancers, imaging systems, meters, photometers, oscilloscopes, spectrometers, digitisers, centrifuges, condensers, diagnostic tools, container systems, chambers, freezers, refrigerating systems, furnaces, survey equipment, surgical/theatre equipment, testing equipment.
- farm equipment generally used in a farming or agricultural environment, such as harvesters, plot combines, netting, penning equipment, pruners, tractors, ploughs, agricultural tools. (Some farm equipment may be recorded as vehicles.)
- any other equipment such as audio visual equipment, camera equipment, musical instruments, machining equipment, tools of trade, cranes and lifting equipment, physical storage equipment.

**Motor vehicles** include all types of motor-powered land and water vehicles, including utilities, vans, four-wheel drive vehicles and trucks, as well as motor bikes, quad bikes, trailers and boats.

**Office equipment** includes: communication systems and devices (e.g. phones and tablets), photocopiers, computers, servers/processing units, network equipment, projectors, printers, visual display units, touchscreen tables, disc drives, modems, routers, etc.

**Works of art** include: paintings, drawings, art photographs, sculptures, tapestry and installations.

## SCHEDULE B – Transfer of research assets from another institution

Research assets may be transferred when a researcher transfers to the University from another institution. Arrangements for the transfer of the asset to the University must be made in writing before the asset is transferred, and approved by an officer with authority to authorise expenditure for the purchase of such an asset. These authorities are set out in detail in the [Financial Delegations of Authority](#).

**Responsibility:** Delegation holder or Faculty Finance and Planning Manager or Division Support Manager

**Purchase:**

- i. If the asset is *purchased* from the other institution, apply clause 1.1.1.

**Transfer without cost:**

- ii. If the asset is *transferred without cost* from the other institution, ensure an estimated market value is attributed to the asset. Seek advice from the Fixed Asset Accountant, if required.
- iv. If the asset meets the definition of a *Capitalised Asset*, complete a [Notification of Asset Change](#) and submit it to the Fixed Asset Accountant.
- v. If the asset meets the definition of a *Local Asset*, ensure the asset is registered on the appropriate Local Asset Register.

**SCHEDULE C – Acquisition through loan**

Only officers with authority to authorise expenditure for the purchase of an asset have authority to approve the loan of an asset to the University from a third party. These authorities are set out in detail in the [Financial Delegations of Authority](#).

Assets on loan to the University are not added to the Capitalised Asset Register. If the loan is for a significant period of time (in general, three months or longer), it must be recorded on the Local Asset Register.

**Responsibility:** Delegation holder or Faculty Finance and Planning Manager or Division Support Manager

- i. Ensure terms of loan are clearly documented to avoid risk of disputes.
- ii. Arrange for loan to be recorded on Local Asset Register as 'On loan to the University from [lender]'.  
iii. Notify the [Insurance Office](#) in Legal & Risk of the loan.

**SCHEDULE D – Loan or hiring of assets****1. Authorities**

The loan or hire of a University-owned asset must be approved by a person with authority to authorise expenditure for the purchase of the asset as set out in the [Financial Delegations of Authority](#) (*link – to be done as separate document*), or in accord with processes which are approved by such authority. These authorities are determined according to the value of the asset at time of purchase, or current value, whichever is greater.

In authorising a loan or hire, the authoriser is declaring that the asset is not required for University purposes for the duration of the loan or hire period, or that the use required by the University can be accommodated under the terms of the loan or hire. Assets are valuable and must not be hired unless appropriate safeguards are in place. University purposes must always have priority over external uses.

**2. Restrictions**

Assets must not be lent for private use by staff, students or the general public.

The following must not be lent or hired at all, and must be used only for University purposes:

Vehicles	Trailers
Caravans	Boats
Furniture	Safety equipment

Assets funded from external sources that are subject to specific rules and conditions on usage may only be lent or hired in accordance with those rules and conditions.

**3. Processes**

**Responsibility:** Faculty Finance and Planning Manager or Division Support Manager

Ensure that loan and hire business processes are in place which reflects the following requirements:

- i. For hiring, a hiring rate is set in accordance with the following principles:
  - if the hire is within the University, the rate reflects reasonable recovery of maintenance and operating costs, but not capital costs (unless capital cost recovery through hiring was built into the purchase business plan)
  - if the hire is outside the University, the rate reflects reasonable recovery of total costs, including capital cost.
- ii. Loan or hire arrangements are fully documented in a loan or hire agreement and signed by the borrower or hirer, with
  - full description of the asset and its condition at time of loan or hire
  - the term of the loan or hire
  - the arrangements (including insurance cover) for transporting the asset to and from the recipient's premises, with transport costs at borrower's or hirer's expense
  - the rate and frequency of payment of the hire
  - any conditions on the asset's use and storage
  - any arrangements for inspection and maintenance during the term, and
  - arrangements for insurance of the asset during the term.

([Legal & Risk](#) can provide assistance with loan and hire agreements. Very short term loans can be documented by way of exchange of emails.)
- iii. Before the agreement is signed, certificates of currency for the policies are provided. (The [Insurance Officer](#) in Legal & Risk can provide assistance with insurance matters).
- iv. If the University does not have absolute ownership of the asset, the written consent of any other owner is obtained before the loan or hire arrangement is finalised.
- v. If the asset is a Capitalised Asset, complete a [Notification of Asset Change Form](#) and submit to the Fixed Asset Accountant so that the Capitalised Asset Register can be updated with the location of the asset.
- vi. If the asset is a Local Asset, ensure the Local Asset Register is updated.
- vii. Register the agreement with the Records Management Office.
- viii. At end of loan or hire period, ensure asset is returned in appropriate condition.