



# ROTORUA INTERMEDIATE SCHOOL BOARD OF TRUSTEES POLICY

## FIXED ASSETS

### Rationale:

The purpose of this Policy is to ensure the value of Fixed Assets recorded in the Statement of Financial Position is materially correct, and that the annual depreciation charge recorded by the School fairly represents the use of the assets over their lives.

All fixed assets are to be depreciated annually.

Useful lives and depreciation methods for fixed assets are to be reviewed annually.

A Fixed Asset Register is to be maintained and updated annually.

### Recognition:

This policy covers the following assets:

1. Items of property, plant and equipment (which will provide service for longer than 12 months) with an individual value in excess of \$1000.00 are capitalised on purchase.
2. Items with an individual value less than \$1000.00 that are purchased in quantity will be capitalised where the total value of the purchase exceeds \$1000.00.
3. The replacement of lost or damaged individual items, (a per 2), are expensed through the Statement of Financial Performance.
4. Where items, (as per 2) are purchased progressively over the course of a year, depreciation shall be calculated at  $\frac{1}{2}$  of the first year's depreciated value.
5. Textbooks, Sporting Equipment, Journals & Readers and Laboratory glassware (as per 1 and/or 2) shall be capitalised.
6. Other items with an individual value below \$1000 are expensed.

### Valuation:

1. Land and Buildings are owned by the Crown and are occupied on the basis of a property occupancy agreement.
2. Fixed Assets are valued at historical cost and are not re-valued.
3. The initial cost of a fixed asset includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended use.
4. Bequeathed or gifted assets will be recorded at their fair value. Subsequent expenditure that increases or extends an asset's service potential is capitalised.

### Effectiveness Review:

*The review process involved gathering information for making judgments about the extent to which objectives have been achieved, then deciding any further action needed to the revealed successes and weaknesses.*

1. *Identify who will be responsible for leading the review, and those to be involved*
2. *Decide a timeframe for the review*
3. *Gather and consider information related to the policy objectives*
4. *Make judgments about achievement and effectiveness of the objectives*
5. *Recommend future actions*
6. *Report*

Reviewed: March 2009

Next Review: November 2010

Approved: Board of Trustees Chairperson: \_\_\_\_\_ Date: \_\_\_\_\_