

ASSET MANAGEMENT POLICY

Policy number:	1.3.5	Approved by Management Committee:	22 nd September 2020
Version:	6.0	Signed off by Executive:	22 nd September 2020
Responsible person:	Treasurer	Scheduled Review Date:	22 nd September 2023

Purpose

This policy explains how Capricorn Citizen Advocacy recognises and responds to the strategic importance of astute asset management for the betterment and sustainability of the program.

Policy

Capricorn Citizen Advocacy has identified five key elements in managing physical assets and depreciation for accountability and audit purposes.

1. Current Assets Register and Inventory

Capricorn Citizen Advocacy will maintain records of its assets and shall include all items (both purchased and donated). (See [1.3.5.1 Asset Register](#))

The physical assets of Capricorn Citizen Advocacy will be recorded in three sections as below:

Section 1.

- (a) Code 7310 - Motor Vehicles
- (b) Code 73020 - Current Assets with a value - Purchase Price more than \$500
- (c) Code 73020 - Current Assets with a value - Purchase Price less than \$500
- (d) Code 73030 - Solar Power System

The sum of these four sub-totals allows the annual calculation of:

- YTD Depreciation
- Closing Written Down Value of Assets (which will appear in the Annual Report)

Section 2.

This is a list of fully depreciated current assets & inventory items - (zero balance), but where the items are still in use and are active assets.

Section 3.

This is a list of the total number of assets acquired at some stage, but which are no longer used for various reasons; breakage, disposal, or replacement. These items have been removed from the active Asset Register, but remain listed here as a permanent record of their purchase; date, original cost and the decision made regarding their life cycle.

2. Asset Maintenance Procedure

This document guides the regular maintenance of key electronic and other assets. Items are considered assets of Capricorn Citizen Advocacy from the day the payment is made or the item is delivered, whichever is earlier. (See [1.3.5.2 Asset Maintenance Procedure](#))

3. Stocktake

An annual stocktake of all items in the Assets Register and Inventory shall occur prior to June 30th each year, including a physical check of the condition and location of each item and affixing of an asset number label if practicable. Items purchased during the prior twelve months are to be added to the Assets Register or Inventory upon purchase and are to be checked against expenditure records during the June 30th stocktake. This task must be included in the Annual Work Plan.

4. Asset Depreciation

For accounting purposes, assets to the value of \$500 or more will be depreciated by a flat percentage rate of purchase price as per the following schedule;

- **Motor Vehicle** 10% per annum of total purchase price including any trade in.
Note: This is calculated at the GST exclusive rate and is valid for any vehicle purchased at Q Fleet discount price
- **Office Furniture** 20% per annum of total purchase price including any trade in.
Note: This is calculated at the GST exclusive rate.
- **Office Equipment** 20% per annum of total purchase price including any trade in.
Note: This is calculated at the GST exclusive rate.

5. Investment of Retained Earnings

- The President, Treasurer, Secretary and Coordinator are authorised to invest Capricorn Citizen Advocacy's retained earnings and to re-invest these amounts as deemed prudent.
- Investments of retained earnings are restricted to term deposits or interest bearing accounts with Australian banks, credit unions or building societies.
- Funds which are not retained in interest bearing deposits are to be held in the cash management account to maximize interest earnings, other than a working balance which is to be held in the operational account to pay operating expenses.
- Amounts of up to \$10,000 as required may be transferred from the cash management account to the operational account to cover expenses and wages.

- All decisions made by the President, Treasurer, Secretary and Coordinator regarding term deposits and interest earnings must be ratified by the Management Committee.

Related Documents

1. 1.3.5.1 *Asset Register*
2. 1.3.5.2 *Asset Maintenance Procedure*
3. 1.3.8 *Delegations Policy*
4. 1.3.8.1 *Register of Delegations*

References

Not Applicable

Ratification

This policy was adopted by Capricorn Citizen Advocacy's Management Committee at its meeting held on: 22 / 09 / 2020.

SIGNED:


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President

SIGNED:


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Secretary

24 / 09 / 2020
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(Date)

24 / 09 / 2020
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(Date)

