Title of Policy/Procedure	Asset Write Off and Disposal Policy
Reviewer(s):	Chief Finance Officer Finance Manager
To be read in conjunction with the following policies:	Financial Procedures, Administration and Control Policy
Consultation Process	This policy has been produced in consultation with Blue Kite Finance, Resources and Personnel committee
Policy Date:	May 2021
Review Date:	May 2023

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Please note: *A representative from the Department for Education has explained that academy trusts are free to set their own policies with regard to the disposal of school assets. However, the trust must comply with the requirements in the Academies Financial Handbook.*

Trusts must ensure that any disposal achieves the best price that can reasonably be obtained.
The Academies Financial Handbook states that, with the exception of land, buildings and heritage assets, trusts can dispose of any other fixed asset without approval from the Education and Skills Funding Agency (ESFA).

However, it states that trusts must ensure: any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where assets have a residual value.

1. Aims

This policy aims to ensure that:

- The MATs funds are used only in accordance with the law, its articles of association, its funding agreement and the latest Academies Financial Handbook
- The trust and those associated with it operate in a way that commands broad public support
- The trust has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- Trustees fulfil their fiduciary duties and wider responsibilities as charitable trustees and company directors
- Members, trustees and staff are aware of what constitutes acceptable gifts and hospitality, and the process that must be followed if they are presented with any of the same

2. Legislation and guidance

This policy is based on the Academies Financial Handbook, which states that academy trusts are free to set their own policies regarding the disposal or write-off of school assets with the exception of land, buildings and heritage assets.

3. Definitions

Assets for the purposes of this policy are items of property or equipment owned by the Trust, regarded as having value and being potentially available to meet debts, commitments, or legacies.
Common assets include, but are not limited to:

- Debtors
- Fixed Assets
- Non-capital owned assets

This policy does not include the policy for capitalising or depreciating assets or the procedures to be followed when undertaking an asset transfer from one location to another.

4. Roles and responsibilities

The CFO and Finance Manager are charged with collating any potential write-offs and ensuring the appropriate authority has been sought prior to any action being taken.

4.1 Debtors to the Trust

All Trust debtors will be managed in accordance with the Trust's 'Bad Debt Policy' with any write-offs planned in accordance with the stated protocols embedded within that policy.

4.2 Owned Assets

For the disposal of any asset to be approved, the CFO must be satisfied with the reasons given for disposal and that the method of disposal is the most appropriate to ensuring the Trust is obtaining the best 'Value-for-money' and the reputation of the Trust is protected. If the CFO is not satisfied, more information may be requested, or the asset disposal refused.

4.2.1 Fixed Assets

Each Fixed Asset will be written-down in the books and records in accordance with the Trust's 'Accounting Policies'. Where an asset is deemed to no longer be of use to the Trust it may be considered for disposal. Any such disposal must be initiated by the budget holder for the asset class in which the potential asset belongs, using the 'Asset Write-Off Form' (see Appendix 1).

Once the CFO has authorised the write-off/disposal the Finance team will create the journal to be recorded, update the 'Capital Asset Write-Off Register' and ensure the accounting treatment is consistent with the Trust's accounting policies.

The maintenance of a 'Fixed Asset Register' (FAR) is a key control document and forms part of the year end financial reporting routine. The CFO reviews the FAR against the values held in the accounts ensuring that any disposals have been recorded appropriately.

The CFO will take the 'Capital Asset Write-Off Register' to the Trust's Finance, Resources and Personnel Committee for ratification on a timely basis. If the Finance, Resources and Personnel Committee is not meeting in time for a particular transaction to be ratified, the CFO is able to make an appropriate subjective call on the nature and materiality of the write-off/disposal and authorise accordingly, gaining retrospective ratification.

Capital asset disposals with a net book value in excess of £1,000 must go to the Trust Board for approval.

Following the introduction of 'Every' for asset management, all disposals must also be recorded in the software.

4.2.2 Other non-capital assets

The Trust owns a significant number of goods that do not meet the criteria for capitalisation but, on receipt, will have been recorded as an asset in the Every asset management software. These 'non-capital assets' are written off in the accounts of the Trust at the point of purchase but will continue to retain an economic value for a period of time.

5. Identifying Assets for disposal/write-off

Whilst it is anticipated that the majority of write-off/disposal requests will be on ad hoc basis, the Trust undertakes more formal reviews as follows:

- Fixed Assets are periodically reviewed by the Trust for completeness and existence. The finance team provides the relevant department (per asset class) with a register with each department being asked to confirm no write-offs are required and/or no disposal have occurred.
- Debtors are reviewed monthly for their recoverability (see 'Bad Debt Policy').

6. Review

This policy and associated appendices are reviewed every two years.