

Title of Policy/Procedure	Asset Write Off and Disposal Policy
Reviewer(s):	Deputy Chief Financial Officer/Management Accountant
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 committee
Policy Date:	May 2023
Review Date:	May 2024

Contents

1. Aims	2
2. Legislation and guidance	2
3. Definitions.....	2
4. Roles and responsibilities	2
5. Identifying Assets for disposal/write-off	3
6. Review.....	4
7. Appendix 1. Request to dispose of asset.....	5

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 Academy Trust Handbook.

Trusts must ensure that any disposal achieves the best price that can reasonably be obtained. The Academy Trust 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).

It states that trusts must achieve the best price that can reasonably be obtained, and maintain 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:

- 1.1.1. The MATs funds are used only in accordance with the law, its articles of association, its funding agreement and the latest Academy Trust Handbook
- 1.2. The trust and those associated with it operate in a way that commands broad public support
- 1.3. The trust has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- 1.4. Trustees fulfil their fiduciary duties and wider responsibilities as charitable trustees and company directors
- 1.5. 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

- 2.1 This policy is based on the Academy Trust 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

- 3.1. 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.
- 3.2. Common assets include, but are not limited to:
 - 3.2.1. Debtors
 - 3.2.2. Fixed Assets
 - 3.2.3. Non-Capital owned assets
- 3.3. 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

4.1. Deputy Chief Financial Officer (DCFO)

- 4.1.1. The DCFO is charged with collating any potential write-offs and ensuring the appropriate authority has been sought prior to any action being taken.

4.2. Debtors to the Trust

- 4.2.1. 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

4.3. Owned Assets

- 4.3.1. For the disposal of any asset to be approved, the DCFO 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 DCFO is not satisfied, more information may be requested, or the asset disposal refused.

4.4. Fixed Assets

- 4.4.1. 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).
- 4.4.2. Once the DCFO 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.
- 4.4.3. The maintenance of a 'Fixed Asset Register' (FAR) is a key control document and forms part of the year end financial reporting routine. The DCFO reviews the FAR against the values held in the accounts ensuring that any disposals have been recorded appropriately.
- 4.4.4. Following the introduction of 'Every' for asset management, all disposals must also be recorded in the software.
- 4.4.5. The DCFO will take the 'Capital Asset Write-Off Register' to the Trust's Finance Committee for ratification on a timely basis. If the Finance Committee is not meeting in time for a particular transaction to be ratified, the DCFO is able to make an appropriate subjective call on the nature and materiality of the write-off/disposal and authorise accordingly, gaining retrospective ratification.
- 4.4.6. Capital asset disposals with a net book value in excess of £5,000 must go to the Trust Board for approval.

4.5. Other non-capital assets

- 4.5.1. 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

- 5.1. 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:

5.1.1. 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.

5.1.2. Debtors are reviewed monthly for their recoverability (see 'Bad Debt Policy').

6. Review of the Asset Write Off and Disposal Policy

6.1. This policy and associated appendices are reviewed on an annual basis.

Appendix 1
Blue Kite Academy Trust



Asset Disposal/Write off Form

YOUR DETAILS			
SCHOOL	<input style="width: 95%;" type="text"/>		
CONTACT PERSON FOR ENQUIRIES (PRINT NAME)	<input style="width: 95%;" type="text"/>		
TELEPHONE	<input style="width: 150px;" type="text"/>	EMAIL ADDRESS	<input style="width: 350px;" type="text"/>

DESCRIPTION OF ITEM			
ASSET REGISTER NO.:	<input style="width: 95%;" type="text"/>	DESCRIPTION:	<input style="width: 95%;" type="text"/>
MANUFACTURER:	<input style="width: 300px;" type="text"/>	SERIAL NO.:	<input style="width: 200px;" type="text"/>
YEAR OF PURCHASE:	<input style="width: 300px;" type="text"/>	ORIGINAL COST £	<input style="width: 200px;" type="text"/>

DISPOSAL DETAILS			
TYPE OF DISPOSAL: (please circle one)	<input type="checkbox"/> 1	Sale	<input type="checkbox"/> 2
			<input type="checkbox"/> 3
			<input type="checkbox"/> 4
			Internal Transfer
DATE OF DISPOSAL:	<input style="width: 150px;" type="text"/>	BUYER'S DETAILS:	<input style="width: 200px;" type="text"/>
1. SALE VALUE: £	<input style="width: 150px;" type="text"/>	(before VAT)	
2. FOR ASSETS TO BE TRADED-IN, PLEASE SUPPLY DETAILS:	<input style="width: 500px;" type="text"/>		
3. REASON FOR WRITE-OFF: (please circle one)	Obsolete	Stolen	Converted to Components
	Lost	Unrepairable	Uneconomic to Repair
4. PLEASE ADVISE TO WHERE THE ASSET WILL BE TRANSFERRED TO:	<input style="width: 500px;" type="text"/>		

DETAILS OF DISPOSAL PROCESS PROPOSED (i.e. advertising, public auction, tender, etc.) FOR ASSETS SOLD/TRADED IN:

DETAILS ON DISPOSAL METHOD PROPOSED (i.e. donated, destroyed, Green Office) FOR ASSETS NOT SOLD (WRITE OFFS):

PROPOSED BY:

SIGNATURE:

DATE:

**AUTHORISED BY
TRUSTEES:**

SIGNATURE:

DATE:

**ASSET REGISTER UPDATED IN FINANCE DEPT
BY:**

DATE:

NOTES FOR COMPLETION

The purpose of this form is to provide as much information as possible about the asset being disposed, assisting in the accurate amendment of the Trust Every FA system and Insurance Records.

Please read the following fully before completing this form

1. **APPROVALS** - this form must be proposed by the Head Teacher and approved by a Trustee.
2. **YOUR DETAILS** - all fields are to be completed.
3. **DESCRIPTION OF ITEM** - asset register number and full details of the items as far as known.

4. **DISPOSAL DETAILS** - a description of the type of disposal that is proposed.

If it is to be 'written-off', under what circumstances?

Is it to be sold or traded-in? If so, with whom are you proposing to deal?

What was the value and what are some of the details of the new asset?

Details of the proceeds of sale and payment processing.

OTHER INFORMATION

To comply with the requirements of the Waste Contract and Implementation of WEEE (Waste Electrical and Electronic Equipment) and Hazardous Waste Regulations, please ensure that all relevant waste electrical and electronic equipment is separated from other wastes and is disposed of following Health & Safety recommendations.