



Asset management



"The equipment and premises are functional and well maintained"

Intent

Organisational assets and equipment will be used properly and carefully. They will be maintained, regularly inspected and replaced as necessary.

Responsibilities

The board will:

- set the financial parameters for management to acquire, dispose and replace assets and equipment
- consider the long term implications when making significant financial decisions (eg decision to enter a financial lease)
- apply the financial management principles.

Management will:

- prepare and obtain reliable cost/benefit information for the board to consider when deciding on the purchase of significant assets
- apply the financial management principles
- keep the board informed about the maintenance, disposal and replacement of significant assets
- address any breach of this policy



Staff and volunteers will obtain management's approval for personal use of property and equipment and take all reasonable care when using it.

Definition

An asset has a useful life of more than one year and is depreciated using rates supplied by Inland Revenue. See [here](#) for more information.

"Asset" includes expenditure that adds value to an asset or changes the functional nature of a building. It does not include repairs to return an asset to its former condition.

Requirements

Authorised dealing with assets

Delegated staff/kaimahi will purchase and dispose of assets in accordance with their financial delegation.

Decisions about the purchase of significant assets will only be made by the board after careful consideration of the costs/benefits for the organisation including over the long term.

Unless there is evidence showing benefits to outweigh the costs, the organisation will not usually enter into contractual arrangements that create liability over the long term.

Record assets and value

A register of assets and their value will be maintained. It will identify each asset, its cost (or value) and give sufficient detail to enable the asset and its location to be identified. The value of new assets is the purchase price (with GST excluded if not GST registered).

For a second-hand asset, the opening value will be set either by:

- getting an average price from the newspaper or an online trading site,



- obtaining a receipt from the seller, or
- by recording details such as date, name and address of the seller and the amount paid.

The depreciation of assets in the register should be estimated using the diminishing value method. The register must be included in the year-end financial accounts with a corresponding tax deduction.

Use property for work purposes

Assets should not be used by kaimahi for personal purposes unless authorised by management or allowed by our policies.

Authorised personal use must not impinge on the work performance of the person concerned or others, or impact the organisation financially through time or resource overuse or wastage.

Prohibited use

Equipment and property must not be used for gambling, pornographic, racist or other illegal purposes. It must not be used to breach organisational policies, damage our organisation's reputation or the reputation of other people.

Inspect and maintain assets

Buildings we own or are responsible for will be inspected and maintained to ensure [our safety systems are compliant](#). Records of all inspections and maintenance will be kept and used to support annual renewal of the building warrant of fitness.

Assets will be regularly inspected to assess their fitness for purpose, ensure they are being appropriately used and are locatable. If an asset can't be found, an investigation will be carried out and appropriate action taken.

Assets will be appropriately insured taking into account their value, significance to operations, use and cost of insurance.



Dispose of assets

An asset that is worn out and unable to be repaired/recycled or is no longer fit for purpose, will be disposed of.

External services may be used to dispose of hazardous and non-hazardous equipment (including E-waste). Services that use best environmental practices will be preferred.

If the asset is still functional it may be donated to a charitable/community purpose or valued and sold for that value or used as a trade-in . A kaimahi or volunteer may buy the asset but only as if they are a disinterested buyer.

Loss or disposal of an asset will be recorded as an expense in accounting records and noted in the asset register.

Compliance

Social Sector Accreditation Standards – Level 2, Financial management and systems

Helpful links

[Inland Revenue Tools for Business Assets](#)

Code of Conduct

[Financial management/ Financial management principles](#)

Review

Date: January 2022

Next review: by December 2023