

Policy Name: Fixed Assets

Policy Title:	Fixed Assets
Description:	To outline the capitalisation of expenditure, and the accounting and control procedures for fixed asset items.
Author (Position):	Chief Financial Officer
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Approved By:	MIE Governing Body
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Fixed Assets Policy

1. General

This document sets out the policy in relation to capitalisation of expenditure, and the accounting and control procedures for fixed asset items.

2. Capital Expenditure

2.1 Identification of capital items

2.1.1 When an item is purchased which has a projected useful life of three or more years, and which costs in excess of €1,000 (including VAT), the invoice is reviewed by the Reporting Accountant in consultation with the Chief Financial Officer (CFO), to determine whether the item should be accounted for as a fixed asset.

2.1.2 Items treated as fixed assets are capitalised at cost, and the cost is depreciated over the expected useful life of the asset (currently 50 years for buildings, five years for other items: fixtures, fittings, equipment, motor vehicles and computer equipment).

2.1.3 Multiple items with a combined cost in excess of €1,000 but individual items costing <€1,000 are expensed.

2.1.4 Expenditure on room re-designation and repairs to campus buildings are not capitalised, unless the work generates an increase in the value of the building.

2.1.5 Expenditure on Marino Institute of Education's (MIE) website or on development of software for internal use is expensed when incurred.

2.2 Leased Assets - Property

No cost has been ascribed to property assets assigned by long-term lease from the Christian Brothers.

2.3 Finance Leases

2.3.1 Fixed assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the Institute are capitalised and included in the balance sheet at cost (or valuation), and subject to depreciation as for other assets.

2.3.2 It is not common practice for the Institute to enter into such leases. The only one in recent years was with Veolia in relation to an energy-efficiency project, for 10 years from June 2014.

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2.4 Budgetary Control

[The Budgets Policy](#) sets out, at section 4, the budgetary control mechanism applying to capital expenditure. In the case of the IT Department, a 'rolling' five year plan is maintained, to facilitate budget planning. A 'life cycle' record is also maintained, for PCs, to assist in planning for purchasing of replacement machines.

2.5 Value for Money

[The Purchasing policy](#) sets out the procedures to be followed to ensure that value for money is obtained. This may involve a need to put the contract out to tender, for significant items. The CFO should be consulted for items with a potential cost >€25,000.

3. Disposals

Disposals will be subject to authorisation from the Director of IT & e-Learning or the Head of Conferencing & Facilities as appropriate, in consultation with the CFO, ensuring appropriate value is obtained for trade-ins/disposals, where appropriate.

4. Asset Register

- 4.1 IT items to be capitalised (and other valuable and portable items, such as cameras, sound equipment) are tagged by IT staff with a sequential serial number and recorded on the KACE systems management software (which is network-connected and thus capable of identifying asset locations for networked equipment).
- 4.2 IT staff then record the tag numbers on the relevant purchase invoices. Details from those purchase invoices are recorded in the Finance Department on MIE's spreadsheet-based Asset Register, which is updated on a monthly basis and is used to calculate depreciation, and from which the schedules for inclusion in the annual accounts are produced.
- 4.3 The majority of MIE's capital expenditure is IT-related. Tags are not applied to other items, such as furniture.
- 4.4 Any queries regarding any of the above should be directed to a member of the Finance department.

5. Related Documents

- 5.1 [Control Over Departmental Budgets](#)
- 5.2 [Purchasing of Goods and Procurement of Services](#)