

## Aratoi Regional Trust (ART)

### Capital Assets Policy

Section: Finance and Operations

Approval Date: November 2021

Next Review Date: November 2024

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#### Purpose

To ensure that the purchase and disposal of ART capital assets is a well-documented approved process.

#### Introduction

ART must ensure that purchase and disposal of ART capital assets is conducted in an efficient, effective and transparent process. All capital assets must be included in the asset register and the Statement of Financial Position valuation must be correct.

#### Policy

##### 1. Purchase of Capital Assets

As part of the annual budget process a capital expenditure budget will be established for the replacement and upgrading of assets, as well as for purchasing new items as required. This annual capital expenditure budget will be approved by the ART Board as part of the overall budget approval process.

In addition to the annual budgeted capital expenditure, the Director and/or ART Board will consider requests to have capital items upgraded, or replaced with new items, when required due to obsolescence, or the cost of repair, or statutory requirements.

##### 2. Disposal of Capital Assets

Capital assets that are declared surplus to ARTs requirements must be disposed of in a transparent and competitive process.

Proceeds from the sales of assets must be correctly and expediently recorded in the asset register.

##### 3. Approval

The Director must approve the purchase/sale/write-off of all assets in line with the Delegations Authority where any item of expenditure is outside of the agreed annual capital expenditure budget or exceeds the Director's Delegations authority that item of expenditure must be approved by the ART Board

#### **4. Recording and Insurance**

The Finance Manager is required to establish and maintain an asset register that lists all capital assets at ART.

The insurance, security and maintenance of capital items at ART is the responsibility of the Director.

#### **Definitions**

**“Capital asset”** includes, but may not be limited to, financial assets (debtors, loans), equipment, furniture and fittings, collections, vehicles, land and buildings for which ART may have legal title. **“Disposal”** includes the sale of assets, or the disposal of assets declared surplus to requirements. **“Write off”** specifically refers to the removal of the asset from the asset register, or Statement of Financial Position, at nil value.

#### **Audience**

All Aratoi Board and staff

#### **Related procedures and Documents**

Delegations Authority  
Financial Management and Reporting Policy  
Collection Management Policy  
Insurance Policy  
Accounting Policies Policy  
Procurement Policy