



FIXED ASSETS & CAPITAL MANAGEMENT POLICY

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1. Purpose

This policy document outlines the fixed assets and capital management functions and operations of the Fiji National University (“FNU” or “the University”). It is developed for the purpose of the FNU management and its staff only.

A fixed asset is defined as tangible, non-consumable property, which is capitalised. The purpose of the fixed assets and capital management policy and procedures is to provide control and accountability over the University’s assets and to gather and maintain the information needed for the preparation of financial statements and management reports.

The University decentralises fixed assets and capital management functions through extensive delegations of responsibility to facilitate operations and provide for convenience and flexibility. Ultimate responsibility of the fixed assets function lies with the respective budget holders and responsibility of capital management lies with the Director of Finance.

2. Objective

This policy addresses the basic requirements for fixed assets and does not address specific regulation related to the approval, authorisation and appropriation of building construction or capital outlay projects.

3. Definitions

Property - any asset, material, equipment or supplies belonging to the University.

Asset Value - The cost of a fixed asset includes the purchase price including all costs to prepare fixed assets for its intended use or any other cost related till the commissioning of the assets.

Fixed assets –fixed assets are all individual items of property, plant and equipment above \$5,000 except for computer items and air conditioners.

Small and attractive items - items value cost less than and five thousand dollars (\$5,000). They do not form part of university fixed asset register (FAR)

4. Policy

4.1. All individual items of property, plant and equipment above \$5,000 except for computer items and air conditioners shall be capitalised as Fixed Assets into University’s Fixed Assets Register.

4.2. Acquisition of Fixed Assets shall follow provision of International Financial Reporting Standards (IAS 16 and IFRS 9)

4.3. A physical verification exercise shall be carried out as follows:

- 4.3.1. Buildings - Every 5 years
- 4.3.2. Furniture and Fittings – Every 5 Years
- 4.3.3. Plant and Equipment – Every 3 Years
- 4.3.4. Vehicles - Yearly
- 4.3.5. Computer Items – Every 2 Years

4.4. Any surplus or not in use or damaged Fixed assets shall be disposed of by the Fixed Assets Section of the university. The priority for sale of these assets will be:

- 4.4.1. All staff and Students of the university.
- 4.4.2. General Public
- 4.4.3. If fixed assets remains unsold, it should be either donated or discarded.

4.5. All portable and attractive assets shall be disposed of at College/Division level.



- 4.6. Movement of assets shall be captured by Asset Transfer Form and FAR updated accordingly.
- 4.7. Lost or stolen Fixed assets shall be written off as per the scheme of financial delegation.
- 4.8. Depreciation is to be calculated on a straight line basis over the useful life of the asset (land and construction-in-progress are not depreciated) as follows:

- Building and improvements 2%
- Plant 33%
- Equipment 20%
- Furniture and Fittings 20%
- Computers 33%
- Motor Vehicle 20%

- 4.9. No item of University property (regardless of original funding source) shall be removed from its assigned location without proper written authority. Any loan or temporary removal of an asset must be authorised by either the Director of Finance or the College Dean.

5. Roles and Responsibilities

Fixed Assets Team – Responsible for the implementation, enforcement and monitoring compliance of this policy including fixed asset reporting, evaluation audit and insurance reports. Ensuring that FAR is accurate and up to date.

- All acquisition of fixed assets is capitalised in FAR
- All disposal of fixed assets is updated in FAR
- All Movement of fixed assets is updated in FAR
- Fixed Assets reporting
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Fund Controllers – Fund Controllers must comply with this policy and related procedures and financial delegations.

- Ensure all items of property or equipment in their respective department are properly maintained and securely kept.
- They must monitor and report movements of assets to the Fixed Assets team as and when required.
- Ensure that all attractive items as per this policy are properly accounted for.

Director Finance - Overall oversight of this policy and ensuring that it is implemented and enforced across all campuses.

6. Related Policies

This policy should be read in conjunction with:

- General Procurement Policy
- IAS 16
- IFRS 9
- Scheme of Financial Delegation