Maynooth University
Fixed Assets Policy
Revision Record

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Appendix 1: Disposal / Transfer of Asset Form
1. Introduction

The assets of Maynooth University are primarily used for the purposes of fulfilling teaching, learning and research activities and for related administrative purposes. The university is committed to ensuring that all university assets are managed in accordance with current best practice in order to meet custodial, internal control, audit and insurance obligations. In this regard, the university recognises and adopts the relevant sections of the 2019 ‘Code of Governance for Irish Universities’ as representing current best practice.

The disposal of, and granting access to, university assets, is governed by the Universities Act 1997 and in particular by Sections 13 and 42 of that Act.

All acquisitions of fixed assets require approval as set out in Section 4 below.

In line with university sector norms and Generally Accepted Accounting Principles, all fixed assets greater than €10,000 are depreciated on a straight-line basis at appropriate rates and related grants are amortised on a similar basis.

2. Objectives and Scope of Policy

The purpose of this policy is to present a set of rules and procedures to manage the process of acquiring, safeguarding and disposing of university Assets.

The policy has been framed regarding the following principles:

- The university has a responsibility to ensure; appropriate identification and recording of assets, verification of assets existence and condition, appropriate estimates of useful asset life and management of ultimate disposal of assets.

The policy has also been designed to be in compliance with:

- Accounting Standard FRS 102, in particular Section 17: Property, Plant & Equipment
- Universities Act 1997, in particular Sections 13 and 42
- Code of Governance for Irish Universities 2019
3. Authority & Responsibility

3.1 The Governing Authority has overall responsibility for the custody, safekeeping, utilisation, access to and disposal of university assets.

3.2 In general, these functions are delegated through a decentralised structure with responsibility for assets being vested in Authorising Officers (i.e. Budget Holders and University Executives) who act as “Custodians” on behalf of the university.

3.3 The Custodian is responsible for the stewardship, control and proper utilisation of fixed assets in his/ her control and for advising in respect of related condition, remaining useful life and replacement value of the asset.

3.4 The Finance Office is responsible for maintaining a central Fixed Asset Register of all university fixed assets with an individual value of (inclusive of VAT) at or above €10,000 at time of acquisition. An asset tag number will be automatically assigned to each asset item that is capitalised and tags will be attached to the asset by the Finance Office.

3.5 The Finance Office is responsible for maintaining a central register of Land and Buildings. Title Deeds and contracts relating to Land and Buildings are maintained by the Bursar in accordance with a decision of Governing Authority in November 2003.

3.6 The Custodian is responsible for notifying the Finance Office of all assets registered to or located in their departments which they intend to dispose of or grant access to by completing a Disposal/ Transfer of Asset form available on the Finance Office Webpage and at Appendix A.

3.7 The Custodian is responsible for advising the Finance Office of all details of assets donated to the university.

4. Acquiring Fixed Assets

4.1 The purchasing and procurement of university fixed assets shall be carried out in strict compliance with the University Manual of Procurement Policies and Procedures.

4.2 In advance of any purchases of land or buildings, the Campus Planning and Development Office undertake a detailed capital appraisal process.

4.3 The purchase, lease or rent of land or buildings can only be undertaken with final approval from the Governing Authority.

4.4 In line with sectoral policy, only university assets with an individual value (inclusive of VAT) at or above €10,000 will be capitalised in the Fixed Asset Register.

4.5 Donated/ Bequeathed assets, with an individual value at or above €10,000 are recorded at fair value at time of receipt.
4.6 Leasing agreements that transfer substantially all the risks and benefits of ownership to the university are treated as if the asset were purchased outright and will be capitalised. Finance or operating lease agreements entered into on behalf of the university can only be authorised and signed off by the Bursar.

4.7 Where assets become the property of the university by way of Tax structure or incentive, the university accounts for these transactions based on ‘Substance over legal form’, in line with Section 2.8 in FRS 102 ‘Substance over form’.

4.8 Non recurrent grants received from the State in respect of the acquisition or construction of a fixed asset are treated as deferred capital grants.

5. Criteria for Capitalisation

5.1 Whether acquired or self-constructed, a tangible fixed asset is initially measured at cost. Only costs that are directly attributable to bringing the asset into working condition for its intended use are included. Such costs are capitalised only for the period in which the activities that are necessary to get the asset ready for use are in progress. Such costs associated with the asset include freight, transportation charges, site preparation expenditure, professional fees (e.g. title and surveying) and legal fees directly attributable to the assets acquisition.

5.2 Land: The cost of land includes; capital acquisition costs, legal and title fees, surveying and recording fees, appraisal and negotiation fees and site preparation costs. This also includes demolition costs where required.

5.3 Buildings: Building costs include acquisition cost, building project costs and extension costs to existing buildings. Capital expenditure on prefabricated or portable structures is also included within buildings.

5.4 Assets in the course of construction: All capital expenditure works associated with buildings are allocated to an identifiable project for all stages of planning and work-in-progress. All related expenditure is capitalised, but depreciation does not commence until the building is completed (i.e. date of Architect’s final certificate of completion).

5.5 Work-in-progress should be reviewed periodically. The Vice President for Estates and Capital Development should inform the Finance Office of any works that have stalled or been terminated so that such projects can be written off as a disposal.

5.6 From time to time, the university may receive a donated asset that exceeds the capitalisation threshold limit for an asset. Custodians should advise the Finance Office of the donation as soon as it has been received. The donated asset should be valued at fair value at the time of receipt, either by quote for a similar item or a valuation from a valuer with experience of the item.
6. Classification and Recording of Fixed Assets

6.1 Assets will be classified under the following major categories:

- Land
- Buildings
- Infrastructure
- Computer Equipment
- Laboratory Equipment
- Non-Laboratory Equipment
- Fixtures & Fittings
- Motor Vehicles
- Works of Art
- Leased Assets

6.2 Transactions coded to the above categories are reconciled back to invoice by the Finance Office to determine if the asset is correctly capitalised. The Finance Office ensures that all the relevant information has been included in the system and updates the Fixed Asset Register accordingly. The Fixed Asset Register will include information in respect of individual assets in the following format:

- Asset Tag Number
- Acquisition Date
- Description
- Location
- Supplier
- Acquisition value (inclusive of VAT)
- Depreciation Rate
- Net Book Value
- Nominal Code
- Custodian

6.3 Tagging and Tracking

All moveable assets meeting the definition of a fixed asset will be tagged and tracked in the fixed asset system, using a unique asset tag identification number which clearly identifies it as university property. Once the asset has been set up on the Fixed Asset Register, a tag will be attached by the Finance Office. If assets are not tagged within a reasonable time after receipt, the Custodian is responsible for notifying the Finance Office.

Asset tag numbers will be identifiable on the Fixed Asset Register. Assets that are unable to be tagged should be separately identified on the register and the tag will be retained on file in the Finance Office.
7. Depreciation

7.1 Depreciation will be calculated to write off the cost/value of each asset on a straight-line basis using the following estimated useful lives:

- Land             Land is stated at cost and not depreciated
- Buildings and Infrastructure  10 to 50 years
- Modular Buildings    10 years
- Computer and related equip  3 years
- Fixtures & Fittings   5 to 10 years
- Laboratory Equipment  5 years
- Non-Laboratory Equipment  5 years
- Leased assets        in line with Lease Term
- Motor Vehicles       5 years
- Works for Art        Not Depreciated

7.2 Assets are not depreciated until fully commissioned.

7.3 The Fixed Asset Register is updated annually for depreciation. The annual charge is based on number of days in use. In most cases the asset comes into use on the date of purchase. However, in certain cases, there is a period of time between purchase and use of the asset. Under these circumstances, the asset is not depreciated until it is commissioned for use.

8. Disposing of Fixed Assets

8.1 Each custodian is responsible for identifying assets for disposal and notifying the Finance Office of the intention to dispose by completing a Disposal/ Transfer of Asset form – at Appendix A. A copy of this completed form should be forwarded to the Finance Office and the original retained by the Custodian for inspection by internal or external auditors.

8.2 All disposals should be at market value. The principal methods of disposal are follows:-

- Outright sale
- Auction by a contracted auctioneer
- Scrap - to a licensed dealer
- Recycle - to an authorised agency
- Trade in - to supplier against replacement item
- Donation to registered charities or community organisations

8.3 The Custodian must ensure that sale is at market value by a competitive process through advertisement, public auction or seeking written quotes from prospective buyer in accordance with the following thresholds:
• **Disposals less than €1,000.** Whilst having due regard for the principles of openness and transparency, the university recognises that in the case of low value items, where the costs of disposals e.g. (advertising/administration etc) are likely to exceed the proceeds from sale, public tender may not be justified. Occasionally, individual offers may be received for obsolete equipment, including offers from staff members and connected persons. In the case of low value items valued at less than €1,000, the relevant Custodian responsible for those assets may agree to dispose of the item(s) at their own discretion, subject to notifying the Finance Office in writing of their estimated value, in advance of any agreement to dispose.

• **Disposals €1,001 to €25,000.** Where the anticipated value of the disposal/granting access, transaction is between €1,001 and €25,000, it may be proceeded with upon obtaining approval from the Bursar in writing and by advertising the sale/access in the public domain. The transaction should be open and transparent and at least three offers in writing to acquire the asset/access rights should be procured.

• **Greater than €25,000.** Except in exceptional circumstances (see below), where the anticipated value of the disposal/granting access transaction is greater than €25,000, the Custodian shall notify the Finance Office, who will table the proposal at the next meeting of the Finance, HR and Capital Development Committee. Upon obtaining Committee approval, the Custodian shall organise the disposal/ granting access by way of auction or competitive tendering process.

8.4 Exceptional circumstances could include a sale to a charitable body or where the university believes that competitive tendering is not appropriate, due to the sensitive nature of particular arrangements in respect of research collaborations, joint ventures with industry or other external parties. In the exceptional event where it is not appropriate to have a competitive tendering process, the approval of the Finance, HR and Capital Development Committee must still be sought. In all cases, the method used should be both transparent and likely to achieve a fair market-related price.

8.5 Where highest auction/tender bid is not accepted: In all cases where auction/public tender takes place (anticipated value is greater than €25,001) and it is proposed not to accept the highest bid, specific Finance, HR and Capital Development Committee approval will be required before the transaction is completed. Custodians planning to dispose of or grant access to university assets by auction must use a university appointed Auctioneer.

8.6 All assets must be adequately decommissioned prior to sale or other disposal, ensuring that assets are completely safe and uncontaminated, with all potentially hazardous materials or substances removed or made safe in accordance with current Health and Safety guidelines before exposure to the public. All confidential information must be fully removed from all Information Systems before disposal.
8.7 Income derived from the disposal of and/or granting access to university assets must be receipted immediately and accounted for as central funds of the university. The Disposal/Transfer of Asset Form must include the receipt number when monies are received from the disposal of the assets.

8.8 Sale to staff within the university. There must be no perceived conflict of interest in relation to the purchase of assets by staff members. The Custodian is responsible for ensuring that there is an arm’s length transaction between the seller and the buyer. Staff may bid or tender for an asset but they may not authorise a sale to themselves, associated entities, or an immediate relative or any connected person, nor may they establish a reserve price for an item which they, an immediate relative, or any connected person or associated entity wish to bid or tender. The buyer cannot be the Authorising Officer for the sale.

8.9 The Land Development Agency (LDA) was established on 12th September 2018 to ensure a strategic approach to the management and development of publically owned lands. All Higher Education Institutes should consult with the LDA prior to the disposal of lands or buildings in the open market.

9. Transfer of Fixed Assets

9.1 In order that the correct location is known, it is essential that information regarding the transfer of assets is reported on a timely basis to the Finance Office to facilitate the update of the Fixed Asset Register. If a fixed asset is removed from a particular location, a Disposal/Transfer of Asset Form must be completed and signed by the person conducting the transfer (refer to Appendix A). The form should be counter signed by the receiving location to confirm receipt. The form should then be returned to the Finance Office.

9.2 On occasion, employees of the university may get authorisation to take property of the university off campus to facilitate the completion of university activities on a long-term basis (i.e. greater than a week). Under these circumstances, the Custodian and employee must complete a transfer form and forward a copy to the Finance Office.

9.3 Where an asset has been removed off campus for repair or replacement, or on a short-term basis (i.e. same week return) a Disposal/Transfer form is not applicable. The Custodian is responsible for ensuring the asset is returned to its original location, within the agreed timeframe.

10. Safeguarding of Assets

10.1 All students and staff members have a responsibility to safeguard the assets of the university and ensure they are used for authorised university purposes only.
10.2 Custodians should ensure that access to assets is restricted where possible, to those with a specific requirement for the asset. Portable assets should be stored in secure locations.

10.3 Custodians of assets should ensure that the assets are well maintained and assess the assets for repair and economic need prior to replacement.

10.4 The university will review the insurance program on an annual basis to ensure it is sufficient to substantiate a potential loss.

11. Lost or Stolen Assets

11.1 All employees of the university are responsible for notifying the Custodian if an asset is lost or stolen. The Custodian should immediately inform the Finance Office and Head of Security. A decision on an internal investigation or need for An Garda Síochána involvement will be established and a report should be prepared and forwarded to the Secretary and the Vice President of Estates and Capital.

11.2 If the asset is not found in a reasonable amount of time, an asset Disposal/ Transfer of Asset document should be completed by the Custodian and forwarded to the Finance Office. The Fixed Asset Register will then be updated.

12. Repairs & Maintenance

12.1 Repairs and maintenance activities do not change the asset or enhance their performance and hence are not capitalised. These activities are simply performed periodically on existing assets in order that they are utilised over their expected economic lives.

13. Existence Reviews

13.1 Custodians are required to ensure a physical inventory of fixed assets is performed annually to verify existence and condition of the assets in their custody.

13.2 Each year, the Finance Office will carry out a sample verification exercise. Custodians will be advised of assets recorded in their custody. The Custodian will review and update this listing and make appropriate adjustments correcting any errors and/or omissions in respect of any of the information given. Corrections will be investigated thoroughly by the Finance Office and the Fixed Asset Register will be updated appropriately.
13.3 Each year, Internal and External Auditors may carry out spot checks on the existence and condition of assets. Any discrepancies will be reported to the Audit and Risk Assessment Committee.

14. Impairment Reviews

14.1 Maynooth University will assess whether there is any indication of impairment on an annual basis in accordance with section 27 of FRS 102. Custodians are required to assess impairment of equipment and the Campus Planning and Development Office will assess any impairment to buildings and infrastructure on an annual basis.

14.2 As a result of physical checks, an assets’ condition may be deemed impaired. In this regard, an estimate of the recoverable amount of the asset will be assessed. Where the amount recognised in the Fixed Asset Register exceeds the assets deemed recoverable amount, the asset will be written down to its recoverable amount and the impairment loss will be recognised in the Statement of Comprehensive Income & Expenditure.
APPENDIX 1: Disposal / Transfer of Asset Form
MAYNOOTH UNIVERSITY

DISPOSAL/TRANSFER of /GRANT ACCESS to ASSET FORM

This form must be completed, whenever a university owned asset is sold/scrapped/donated/transferred (e.g. to another university location). The original form should be retained by the Custodian and a copy form should be returned to The Finance Office, Riverstown Lodge, Maynooth University.

Fixed Asset Register No. ______________________________
Asset Description ___________________________________
Serial Number _______________________________________
Year Acquired _______________________________________
Date of Disposal/Transfer _____________________________
Reason for Disposal/Transfer __________________________
Sold to / Transferred to _______________________________
Sales Proceeds received including VAT ___________________ 
Department / Research Institute __________________________

Authorising Officer ___________________________ Date __________
(Custodian - Selling)

Authorising Officer ___________________________ Date __________
(Custodian - Receiving)

Sale/Transfer to a Third Party_________________________Date __________
(Third party receiving asset)

Finance Office Signature ___________________________Date __________