Millennium Farm Trust

F3 Fixed Assets Policy

Next review date July 2025

Version Control

Version number	Date of changes	Who	Review summary
V1	Dec 2018	TCF	
	26/2/20	TCF	No changes required
	03/03/22	TCF	No changes required
	18.7.23	TCF	No change required

Introduction

The organisation needs to record and control the acquisition and verification of its fixed assets to guard against theft and fraud, adequately insure itself against risk and to value its business.

General

The threshold for capitalising fixed assets is £250 per individual item. An item will only be capitalised if its useful economic life is greater than 2 years. Capital expenditure requires authorisation in line with MFT's Purchasing and Procurement policy. Any assets that have reached the end of their useful working life need to be disposed of appropriately and any remaining book value written off.

If the capital expenditure is an on-going large project, monthly progress status reports should be prepared as part of the management accounts. A post-acquisition review should be completed on expenditure of a significant value (over £10,000).

All fixed assets must be added to the fixed asset register. Insurance cover should be reviewed and updated following significant additions or disposals.

Fixed Asset Register

A fixed asset register is maintained by the organisation and will be updated on a 6-monthly basis. The fixed asset register should record the following details for each asset:

- Cost and description
- Date of purchase
- Identification (tag number if there is one)
- Physical location
- Date of last physical inspection
- Depreciation rate
- Accumulated depreciation charge
- Disposal date and proceeds (if any)

Physical Inspection and Control

The control and security of assets used off site or for personal use (eg laptop computers, mobile phones, cameras) is covered in the staff handbook. A regular inspection of all fixed assets will take place at least once a year to check against physical deterioration, destruction and any missing or misused items. Dates of these inspections must be recorded on the fixed asset register.