

Triathlon Western Australia Asset Management Policy



Policy:	Triathlon WA Asset Management Policy
Policy Area:	TWA Board Charter
Date Implemented:	September 2002
Previous Amended:	September 2007
Final Review:	July 2014 following review in April 2013
Amendments:	July 2014: Remove computers from plant and equipment in table Amend asset listing for depreciation from \$500 to \$750

Introduction

The purpose of the policy is:

- To provide guidance when dealing with capital expenditure and the purchase and disposal of fixed assets;
- To provide guidance on other aspects of fixed asset accounting such as depreciation and revaluations; and
- To provide guidance on maintaining the “asset register”.

Categories of assets

The list describes the types of assets most commonly used by Triathlon WA and the estimated useful life for each asset category. The list is not exhaustive:

Type	Examples	Estimated useful life
Fixtures and fittings	Items such as office fit-out costs and other fixtures and fittings included in the office.	8-10 years
Plant and equipment	Items such as free-standing furniture, signage, triathlon equipment and other tangible items of property.	4-5 years
Intangible assets	Items such as software and other non-tangible assets.	4-5 years
Computers and Electronic equipment	Computers and all electronic equipment	3 years

Additions

All single asset items (both tangible and intangible) with a purchase price over **\$750** are to be placed in the asset register. All asset acquisitions will be recognised in the balance sheet.

The cost of assets will include any other costs directly attributable to bringing the asset to the condition where TWA can use it (e.g. installation and set-up costs).

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Disposals

When an asset is sold or otherwise disposed (including scrapped, gifted or destroyed), a profit and loss may arise. This is the difference between the total sales proceeds, less the cost of disposing the asset, and the net carrying amount of the asset (i.e. cost minus accumulated depreciation).

The profit or loss on disposal should be recognised in the statement of financial performance and the asset should no longer be recognised in the balance sheet.

Depreciation

Depreciation is charged against assets over the expected useful life of the asset to reflect the usage of the asset over time.

TWA uses the straight line method of depreciation where the asset costs is written down in equal annual amounts over its expected useful life.

The table above provides a guide to the estimated useful lives for various categories of assets. The Finance and Budget subcommittee will approve and review depreciation rates on an annual basis as part of the overall budget assessment.

The same policy will apply to assets acquired both in the ordinary course of business and assets acquired via government grants.

Maintenance of an “asset register”

An asset register will be maintained on an ongoing basis for all assets currently on hand. The purpose of the asset register is to maintain records of all asset acquisitions, disposals, depreciation and revaluations of all assets on hand for both accounting and insurance purposes.

Assets with a net carrying value of nil will be maintained on the asset register until they are sold or otherwise disposed of.

Board approval will be required for all asset acquisitions and disposals via consensus at monthly board meetings.

The asset register should be formally reviewed by the finance and budget subcommittee on an annual basis as part of the year-end process.

Board policy

Asset planning, budgeting, performance evaluation, operations and maintenance, accountability and disposal will be given due consideration on an annual basis during the budget review process.