

Asset Management Financial Rule

Section 1 - Overview

(1) The purpose of this Rule is to provide a framework for identifying, valuing, recording, disposing and writing-off non-current physical and intangible Assets. This rule:

- a. Clarifies the definition of assets;
- b. Ensures correct recognition and reporting of assets;
- c. Provides guidance on determining the cost of using assets, i.e. depreciation/amortisation;
- d. Specifies a basis for valuing Non-Current assets; and
- e. Sets out an approach for regular reviewing of the carrying amount of asset, including revaluation, writing down assets, impairment and assessment of useful lives.

(2) This Rule outlines UNE's approach to the financial recognition, measurement and management of:

- a. Property, plant and equipment;
- b. Intangible assets; and
- c. Portable and attractive assets.

Section 2 - Scope

(3) This Rule applies to all UNE Representatives and its controlled entities. References made to "University" in this Rule include the University and its controlled entities.

Section 3 - Rule

(4) All UNE Representatives are responsible for the security, care and protection of University Assets. Every person who utilises property of the University must do so with the utmost care and consideration and in a manner which ensures the property is subjected to minimum wear and tear and safeguarded against theft and damage.

(5) All Assets belong to the University, not the individual user of the asset, and remain the property of the University until disposed of or derecognised.

(6) A business plan, including full costings, is to be prepared and approved prior to the acquisition of Non-Current Assets as part of a project. The business plan is to be approved as part of the annual capital budget approved by Council or by the Vice-Chancellor and Chief Executive Officer or the Finance and Infrastructure Committee if outside the budget cycle in accordance with the [Financial Delegations Rule](#). The funds for capital expenditure are to be released by the Vice-Chancellor and Chief Executive Officer and the Chief Financial Officer.

(7) Equipment purchases above the recognition threshold and up to \$50,000 do not require a business case. However, the purchase must be approved as part of the annual capital budget approved by Council or by the Vice-Chancellor and Chief Executive Officer or the Finance and Infrastructure Committee if outside the budget cycle in accordance

with the [Financial Delegations Rule](#).

(8) All Assets must be purchased in accordance with the [Procurement Policy](#) and [Financial Delegations Rule](#).

(9) The University will recognise an Asset when:

- a. it is probable future benefits will eventuate, i.e. greater than 12 months;
- b. the Asset has a cost or other value that can be measured reliably; and
- c. the cost or value of the asset is at or above the recognition threshold for the asset class to which it belongs.

(10) Asset acquisitions involving consideration are to be initially recognised at cost, if the cost is at or above the recognition criteria for that class of Asset as shown in the table below. The amount recognised is the purchase price or construction cost of the Asset plus any costs attributable to getting the asset to the location and in the condition necessary to operate in the manner intended.

(11) Any Assets acquired at no cost or for a nominal cost are to be recognised at fair value at the date of acquisition.

(12) Asset acquisitions below the recognition thresholds are to be expensed through the Statement of Comprehensive Income.

(13) Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and has a materially different useful life will be recognised separately.

(14) Like or similar Assets are not to be grouped for capitalisation purposes unless they form a network, system or collection, for example are classified as forming a Laptop Fleet.

(15) Independent valuations are obtained at least once every 3 years to ensure the carrying amount of the assets reflect their Fair Value for:

- a. Land;
- b. Buildings;
- c. Infrastructure; and
- d. Intangibles (only if an active market exists).

(16) If indicators exist that the Asset class has experienced changes of +/-20% in carrying amounts since the last valuation an independent valuation is to be undertaken even if it is before the next valuation is due.

(17) The following table details the recognition threshold and measurement method for each class of Non-Current Asset (amounts are GST exclusive):

Table 1: Non-Current Assets Recognition Thresholds and Measurement methods

Asset Category	Asset Class	Recognition threshold	Measurement method
Property, Plant and equipment	Land	All	Revaluation
	Buildings	\$5,000	Revaluation
	Infrastructure	\$5,000	Revaluation
	Plant and equipment	\$5,000	Cost
	Computer Equipment	\$5,000	Cost
	Motor Vehicles	\$5,000	Cost

	Furniture and Fittings	\$5,000	Cost
	Heritage and cultural assets	\$5,000	Revaluation or at cost where revaluation is not available.
	Pooled Assets	\$5,000	A set of assets acquired at the same time that meet the threshold – Cost
	Work in progress	All	Cost
Intangibles	Software purchased	\$20,000	No Active market - costs Active Market - revaluation
	Internally developed software	\$20,000	No Active market - cost Active Market - revaluation
	Work in progress	All	Cost
	Other intangibles	\$5,000	No active market - cost Active market - revaluation
	Licences (negotiable)	\$5,000	No active market – cost Active market – revaluation

(18) The following asset classes are not recognised in the financial statements due to the inability to measure the value of such assets reliably:

- a. Herbarium;
- b. Zoological; and
- c. Geological.

(19) A custodian will be assigned to each Asset. It is the responsibility of the custodian to ensure all Assets are maintained at a level that maximises their benefit to the University. The custodian is responsible for the security, care and protection of the University's Assets.

(20) All Assets recorded in the Asset Management System (Asset Register), except those subject to independent valuation in that financial year, are to be verified annually by way of a stocktake, with the exception of:

- a. Individual Assets with a carrying value amount below \$15,000;
- b. Pooled Assets where the individual Assets carrying amounts are less than \$15,000;
- c. Motor Vehicles that are tracked via a Global Positioning System (GPS).

(21) All Non-Current Assets, including work in progress, are to be reviewed annually for impairment and assessment of remaining useful life.

(22) Asset classes subject to an independent valuation will be deemed to have been verified, reviewed for impairment and an assessment of useful lives undertaken at the time of the valuation.

(23) All Non-Current Assets with a cost, or other value, and a finite useful life are to be depreciated (physical Assets) or amortised (intangible Assets) using the straight-line method with the exception of Assets which have been impaired or held for sale. The following asset classes are not subject to depreciation/amortisation:

- a. Land;
- b. Heritage or Cultural Assets, as they have an indeterminate life;
- c. Biological Assets;
- d. Non-Current Assets held for sale; and

e. Work in Progress, as the Asset is not yet in use or held ready for use.

(24) The amount to be depreciated or amortised is determined considering the cost or revalued amount of the Asset, any residual value and the useful life.

(25) The depreciation and amortisation rates of each class of asset are to be reviewed each year and adjusted if required.

(26) Non-Current Assets are to be derecognised when:

- a. The Asset has been disposed, e.g. sold, scrapped, not found at stocktake or donated to a third party), or
- b. When no future benefits are expected from its use or sale, e.g. obsolescence, physical damage, used for spare parts.

(27) All Asset disposals are to be approved by the appropriate financial delegate in accordance with the [Financial Delegations Rule](#).

Authority and Compliance

(28) The Vice-Chancellor and Chief Executive Officer, pursuant to Section 29 of the University of New England Act, makes this University Rule.

(29) UNE Representatives must observe it in relation to University matters.

(30) The Head of Finance is the Rule Administrator and is authorised to make procedures and guidelines for the operation of this University Rule. The procedures and guidelines must be compatible with the provisions of this Rule.

(31) This Rule operates as and from the Effective Date.

(32) Notwithstanding the other provisions of this University Rule, the Vice-Chancellor and Chief Executive Officer may approve an exception to this Rule where the Vice-Chancellor and Chief Executive Officer determines the application of the Rule would otherwise lead to an unfair, unreasonable or absurd outcome. Approvals by the Vice-Chancellor and Chief Executive Officer under this clause must be documented in writing and must state the reason for the exception.

Section 4 - Definitions

For the purposes of this Rule the following definitions apply.

(33) Amortisation — the systematic allocation of the depreciable amount of an intangible asset over its useful life.

(34) Asset - a resource controlled by the University as a result of past events and from which future economic benefits are expected to flow to the University.

(35) Carrying Amount - the carrying amount of an asset refers to the value at which the asset is recorded on the balance sheet. It represents the original cost of the asset, adjusted for any accumulated depreciation, impairment losses, or amortization. In other words, it is the net value of the asset after accounting for any reductions in its value due to depreciation or impairment.

(36) Depreciation — the systematic allocation of the depreciable amount of a tangible asset over its useful life.

(37) Fair value — the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

- (38) Impairment loss — the amount by which the carrying amount of an asset exceeds its recoverable amount.
- (39) Laptop Fleet – Laptops purchased by Technology and Digital Services (TDS) and maintained as a part of a centralised laptop pool.
- (40) Non-Current Asset — an asset with a life of one year or greater.
- (41) Pooled Asset – A group of similar assets acquired at the same time and with the same useful lives that do not meet recognition thresholds individually.
- (42) Portable and attractive — non-consumable items which are susceptible to loss or theft due to their nature and attractiveness for personal use or resale.
- (43) Recoverable amount — the higher of an asset's fair value less costs to sell, and its value in use.
- (44) Residual value — the estimated amount that would be obtained from the disposal of the asset after deducting any estimated costs of disposal.
- (45) Useful life — the period over which the asset is expected to be available for use.
- (46) Written Down Value – the written down value of an asset is the adjusted value of the asset after it has been reduced due to impairment or other factors that have led to a decrease in its fair market value. When an asset is 'written down' it means that its recorded value on the balance sheet is reduced to reflect its lower current value.

Status and Details

Status	Current
Effective Date	11th October 2023
Review Date	11th October 2025
Approval Authority	Chief Legal and Governance Officer
Approval Date	8th August 2023
Expiry Date	To Be Advised
Unit Head	Ilias Dimopoulos Head of Finance
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Glossary Terms and Definitions

"UNE Representative" - Means a University employee (casual, fixed term and permanent), contractor, agent, appointee, UNE Council member, adjunct, visiting academic and any other person engaged by the University to undertake some activity for or on behalf of the University. It includes corporations and other bodies falling into one or more of these categories.

"Fair Value" - The price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

"Non-Current Asset" - An asset with a life of one year or greater.

"Asset" - A resource controlled by the University as a result of past events and from which future economic benefits are expected to flow to the University.

"Effective Date" - means the Rule/Policy takes effect on the day on which it is published, or such later day as may be specified in the policy document.