



Write Offs and Disposal Policy (inc. ICT)

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“Learning together; to be the best we can be”

1. Scope

- 1.1. This policy relates to all schools and settings across Nexus MAT and supersedes any local policies and procedures that have been in use prior to the academy conversion. Where required, an individual Nexus MAT academy – in agreement with the Trust Chief Executive Officer - may publish a supplementary policy guidance document or procedure in line with this policy, to ensure that any idiosyncrasies associated with that specific school are covered in their local policy library.

2. Purpose

- 2.1. The purpose of this Write offs and Disposal Policy is to ensure that the Trust's balance sheet correctly reflects the assets and liabilities of Nexus MAT. This Policy will be reviewed by the Trust's Audit & Finance Committee.
- 2.2. The policy defines the treatment and disposal of Fixed Assets and any write offs. All assets costing more than £1000 are capitalised. Where Fixed Assets have been acquired with the aid of specific grants, either from government or from the private sector; they are included in the Balance sheet at cost and depreciated over their expected useful economic life. A Fixed Assets Register is maintained by each academy and reconciled to the financial statements of that Academy. The Fixed Asset Register consists of a list of items (or specific groups of items purchased within the accounting period) valued over £1,000 that are considered to have a life longer than the financial year they were purchased in.
- 2.3. Fixed Assets are categorised as follows:
 - Land
 - Buildings
 - ICT
 - Fixtures, Fittings & Equipment
 - Vehicles
- 2.4. Assets excluded from the Fixed Asset Register are Current Assets and Stock. Current Assets include cash and bank balances which are controlled through reconciliation to control accounts on a regular basis and also include Debtors owing. The appropriate accounting transactions are processed for all

capitalised assets and recorded on the Fixed Asset Register. Transactions will be recorded within the relevant Fixed Asset Fund account. All items that have been included on the Fixed Asset Register are security marked, where practicable, as the property of the Academy/Trust and have a fixed asset number allocated.

- 2.5. Physical counts are undertaken against the Fixed Asset Register annually for Fixtures, Fittings & Equipment, ICT equipment and vehicles and a report is presented to Audit & Finance Committee. Discrepancies between the physical count and the registers are investigated promptly by the Academy School Business Manager, with responsibility for Fixed Assets. Any discrepancies are reported to the Audit & Finance Committee.
- 2.6. Depreciation is provided on all tangible Fixed Assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following basis (NB: All revisions will be approved by the Board):
 - 2% leasehold property – straight line method – 50 years
 - 25% ICT – straight line method – 4 years
 - 10% Fixtures, Fittings & Equipment – straight line method – 10 years
 - 25% vehicles – reducing balance – 5 years

3. Context

- 3.1. Section 3.8.1 of the Academies Financial Handbook refers to the Acquisition and disposal of fixed assets... 'Other than land, buildings and heritage assets, trusts can dispose of any other fixed asset without ESFA's prior approval. Trusts must ensure that any disposal achieves the best price that can reasonably be obtained, and maintains the principles of regularity, propriety and value for money. This can involve public sale where assets have a residual value'.
- 3.2. Regardless of the netbook value of an asset, **no fixed assets should be disposed of** in any of our academies, **nor debts written off without prior agreement from the Audit & Finance Committee.**
- 3.3. If an Academy wants to write off a Debt, the 'Request to Write off a Debt' form **NF6 at Appendix A** must be fully completed and submitted to the Chief Finance Officer.

- 3.4. If an Academy wants to dispose of a fixed asset, the Asset Disposal procedure at **Appendix B** must be followed in full and the Asset Disposal Form **NF7 at Appendix C** must be fully completed as per the guidance.
- 3.5. It is not normal practice for Fixtures, Fittings & Equipment to be disposed of to academy staff because it is difficult to provide evidence that the Academy has obtained best value for money in the sale or disposal of the assets. Pecuniary Interests must also be considered at all times.

4. Assets Funded by Capital Grants

- 4.1. The prior written consent of the Secretary of State for Education is required in accordance with section 89 of the School Funding Agreement as follows:
 - Before the disposal of any asset for which a grant of over £20,000 was made, or land and buildings which had been transferred from the Local Authority at no cost to the School;
 - Before the sale or disposal by other means, or reinvestment of proceeds from the disposal of an asset or group of assets, for which a capital grant in excess of £20,000 was paid;
 - As set out in section 93 of the School Funding Agreement the School will provide 30 days' written notice to the Secretary of State for Education of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State for Education's consent as detailed above.
- 4.2. The academy is expected to reinvest the proceeds from all asset sales for which capital grant was paid in other academy assets. If the sale proceeds are not reinvested, then the academy must repay to the EFA a proportion of the sale proceeds.

5. GDPR and the disposal of ICT assets

- 5.1. The GDPR, or General Data Protection Regulation, came into effect in May 2018. The regulation, set by European Parliament, intends to strengthen and unify data protection regulations across the EU. Much of what the new regulation legislates for is covered by the UK's current Data Protection Act, but under the new regulations, any business (including Multi Academy Trusts) that falls victim to a data breach only has 72 hours to report it, and if they are found to be in breach of the GDPR guidelines, they could be fined 4% of the business' annual turnover or €20 million (whichever is greater).

5.2. Clearly it's crucial that Nexus MAT is fully compliant with the GDPR and the way in which we handle and dispose of personal information. The Data Protection Act 1998 (the DPA) is based around eight principles of 'good information handling'. These give people specific rights in relation to their personal information and place certain obligations on those organisations that are responsible for processing it. This is relevant in the ICT asset disposal and recycling processes. For further reference please see the following linked document; <https://ico.org.uk/media/for-organisations/documents/1570/it-asset-disposal-for-organisations.pdf>

5.3. The ICO states the following in relation to ICT assets and their disposal.

5.4. You should:

- Ensure that the responsibility of asset disposal is assigned to a member of your staff with a suitable level of authority;
- Complete a full inventory of all equipment that you have marked for disposal;
- Be clear about what will happen with devices when you no longer need them;
- Consider the security vulnerabilities associated with each method of disposal;
- Ensure you delete personal data before recycling devices, so that data is not accessible to others after the device has left your ownership;
- Be aware that any specialist service provider you use will be considered to be a 'data processor' under the DPA; and
- Have a written contract in place between you and the data processor, ensuring that there is an appropriate level of security in place.

6. Writing Off Debt

6.1. Invoices are issued and payments are due to the Academy from a range of services provided. Primarily these will include income due for lettings and payments from parents for school dinners, school trips and visits. In general payment for all goods and services supplied by an academy should be collected in advance or 'at the point of sale'.

6.2. The Nexus MAT Charges and Remissions policy explains that we may charge parents for: Materials, books, instruments or equipment, where they desire their child to own them; Optional extras; Music and vocational tuition (in certain circumstances and Use of community facilities.

6.3. Payments from parents for school trips and visits are voluntary contributions and fall within the scope of the Nexus Charges and Remissions Policy.

- 6.4. The Nexus MAT Debt Recovery Policy specifies that all Nexus MAT academies will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it. The procedures to secure the collection of all debts are outlined in the Debt Recovery Policy and should be followed by all academy staff.
- 6.5. The Trust's Audit & Finance Committee will approve the write-off of all debts, stocks, stores and surplus assets and all such write-offs will be recorded in the minutes of the committee. A formal record of any debts written off will be maintained and this will be retained for 7 years. The Trust will seek the advice of legal advisors should we consider taking legal or other action to recover the debt.
- 6.6. If an Academy wants to write off a debt, the 'Request to Write off a Debt' form number **NF6** at **Annex A** should be completed and submitted to the Chief Finance Officer. The Chief Finance Officer will submit this to the next meeting of the Audit & Finance Committee for approval. Once approval to write off the debt has been given, the Chief Finance Officer will write to the Headteacher informing them of the decision. The formal record will be kept by the Deputy Chief Finance Officer for the auditors to note for the accounts to ensure the debt is written off in the correct accounting period.

Form Number: NF6

Appendix A: Request to Write Off a Debt

Debtor Details (Do not use specific names. If Debtor is a parent, insert 'parent' below, if debtor is a staff member insert 'Staff' below)	Details/Type of Debt (e.g. Dinner money; lettings; music tuition; uniform etc.)	Amount £	Invoice reference & Date (where applicable)	Reason for Write Off (See Nexus MAT Debt Recovery Policy. including brief details of measures taken to secure payment)

To be filled in by the Head Teacher

As Headteacher, I confirm that the Trust's Debt Recovery Policy been followed and the request to Write off the above Debt is justified. All reasonable measure have been taken to secure payment.

Print name:.....

Signature:.....

Date:.....

Appendix B: Asset Disposal Procedure

Roles

At School/Academy level, the Assets Processor (SBM) follows or delegates the internal disposal process, as set, or agreed by the Controller (Head Teacher).

For ICT asset disposals, the School/Academy then commissions a third party Asset disposal company who operates as the external Data Processor. Ecosystems retail LTD (Reg no: CBDU129077) has been selected as our chosen external data processor for ICT asset disposals.

Process

1. Asset processor (SBM) ensures that the **Asset Disposal Form** – Form Number NF6 attached to this policy, Parts A, B & C are completed in full. As asset processor, the SBM should only pass the Asset Disposal Form to the Headteacher for signature when they are fully satisfied that Part A is completed correctly and the disposal is justified.
2. Any assets requiring disposal should be categorised as: Beyond Economical Repair (BER), deemed as Obsolete (O) or PAT Failed (PF).
3. For ICT assets, hard drives must be left in devices to ensure the Disposal Company can conduct their process in full. All sections of Part A should be completed in full.
4. Asset processor (SBM) submits the completed Asset Disposal Form via email to the Finance and Compliance Officer (FCO) FCO@nexusmat.org. FCO to note the Asset Disposal for the accounts and then submits to Chief Finance Officer (Cath Sands) csands@nexusmat.org.
5. Chief Finance Officer checks the form and submits the Asset Disposal Form to the next Audit & Finance Committee meeting for approval.
6. Following approval from the Audit & Finance Committee, Chief Finance Officer writes to the Headteacher, copying in the SBM to inform them that the Assets can be disposed of.

7. The Headteacher to ensure the LGB are then informed of the proposed disposals.
8. For ICT disposals, the ICT engineer in the academy will then contact the disposals company to arrange a suitable collection date, ensuring the Assets are stored securely and are fully accountable at the time of collection.

Note: the collection company may wish to know the amount and type of equipment they are collecting. ICT engineers to receive a formal disposal letter on completion; this should be provided to the schools SBM for Asset records. The ICT inventory should be updated.

Part B – to be filled in by the SBM (Processor)

Asset Processor: As nominated Asset processor (SBM), I can confirm that the Fixed Assets listed in part A belong to the Academy and the disposal is justified.

Note for ICT Assets: ICT engineer to ensure all items are secure at all times pre collection.

Print name:..... Position:.....

Signature:..... Date:.....

Part C – To be filled in by the nominated controller (Head Teacher)

Controller: As nominated controller, I can confirm the Trust’s Asset Disposal process has been followed and, following approval of the Audit & Finance Committee, the academy assets can be released. For ICT disposals this will be via our nominated external Data Processor Ecosystems.

Print name:..... Position:.....

Signature:..... Date:.....

Appendix D: Checklist for Capitalisation

1. Is the Asset purchased above the capitalisation value of £1000?

If NO: normal purchase procedure is followed to record the transaction.

If Yes: code to the correct Capital Expenditure code (which records the transaction on the Balance Sheet).

2. Establish the expected useful life of the asset and any residual value. If unsure check with the DCFO.

3. Record the Asset on the Fixed Assets Register.

Fixed Asset Register is to include:

1. Asset number

2. Asset description

3. Serial number (if available)

4. Date of acquisition

5. Asset cost

6. Source of funding (% of original cost funded from DFE grant and % funded from other sources)

7. Expected useful economic life

8. Depreciation

9. Current book value

10. Location

11. Name of member of staff responsible for the asset