

Capital Asset Policy



Responsibility for policy: Director of Finance

Approving authority: Vice-Chancellor

Last reviewed: December 2023

Next review: December 2028

Application

1. This policy applies to all staff of the University of Waikato.

Scope

2. This policy does not apply to Intellectual Property, as defined in the [Intellectual Property and Copyright Policy](#).

Purpose

3. The purpose of this policy is to:
 - a. describe capital assets and how they are recorded, and
 - b. identify responsibilities and accountabilities in relation to the University's capital assets.

Related documents

4. This policy should be read in conjunction with the following:
 - [Art Collection Policy](#)
 - [Asset Disposal Procedure](#)
 - [Desktop Computer Standards: Provisioning, Replacement, Disposal and Redeployment](#)
 - [Financial Authority Policy](#)
 - [Financial Ethics Policy](#)
 - [PCard Policy](#)
 - [Procurement Policy](#)
 - [Purchasing Policy](#)

Definitions

5. In this policy:

asset means an item of property, plant, or equipment or an item purchased or created by the University or donated to the University for use in the production or delivery of goods, services and/or works, whether tangible or intangible

capital asset means an asset that has been capitalised in accordance with this policy

ICT capital equipment means ICT equipment capitalised in accordance with this policy

ICT equipment means desktop computers, laptops, servers, monitors, printers, audio-visual (AV) equipment, software and network equipment, but excludes IT consumables such as printer cartridges.

Identification of an asset as a capital asset (capitalisation)

6. Any asset that meets all of the following conditions must be capitalised:
 - a. the asset must be controlled by the University
 - b. future economic benefits will flow to the University from the use of the asset for more than 12 months
 - c. the asset has not been acquired or constructed for the purpose of resale, and
 - d. the asset costs \$2,000 or more or, irrespective of cost, clause 7b, 7c or 8 of this policy applies.
7. Clause 6 of this policy applies whether the asset is:
 - a. an individual asset, or

- b. a collection of items or components that have been identified by the Director of Finance as one asset for the purpose of capitalisation, whose combined original cost is \$2,000 or more, or
 - c. an accessory which cannot operate in isolation and which was acquired for permanent attachment to an existing capital asset and judged by the Director of Finance to significantly increase the efficacy and efficiency of the existing capital asset, irrespective of cost.
8. All servers, desktop computers, laptops, AV equipment held in the Information and Technology Services pool, regardless of whether components are purchased separately or as part of a standard system bundle or a custom system bundle, and all artwork acquired for the University's art collection must be capitalised, irrespective of cost.
 9. Where an accessory is acquired for permanent attachment to an existing capital asset, the cost and life of the existing capital asset must be adjusted accordingly to take account of the value of the accessory.
 10. Cloud-based software, Software as a Service (SaaS) and the costs associated with obtaining or developing these for University use must undergo separate review by Finance to determine whether or not they can be capitalised prior to funding.
 11. In order to capitalise an asset, it must be:
 - a. recorded on the University's Fixed Asset Register
 - b. allocated a unique asset number, and
 - c. subject to depreciation.
 12. A capital asset whose individual cost is \$2,000 or more must be separately itemised in the Fixed Asset Register.

Funding for capital asset purchases

13. Funding for the purchase of a capital asset may be derived only from:
 - a. a capital budget approved by Council, or
 - b. internal research funding transferred from the University of Waikato Research Trust to the University specifically for the purchase of a capital asset or assets, or
 - c. external research contract funding provided to the University specifically for the purchase of a capital asset or assets, or
 - d. funding donated to the University specifically for the purchase of a capital asset or assets.
14. A capital asset purchased through the University of Waikato Research Trust or external research funds is not eligible for replacement through the University's capital budget.
15. The allocation of a capital budget does not in itself authorise the purchase of a capital asset; the purchase is also subject to the [Financial Authority Policy](#) and the [Procurement Policy](#).

Expenditure on existing capital assets

16. Expenditure that extends the useful life or expands the functionality of an existing capital asset may be deemed capital expenditure.
17. Expenditure to repair or maintain a capital asset that does not extend its useful life or expand its functionality is not deemed capital expenditure.

Partially or wholly internally created capital assets

18. Where a capital asset has been partially or wholly created using existing University of Waikato resources, the direct cost of the creation of the capital asset must be added to the value of the capital asset.

Disposal of a capital asset

19. Capital assets must be disposed of in accordance with the [Financial Authority Policy and the Asset Disposal Procedure](#).

Management and security of ICT capital equipment

20. The Chief Information Officer is responsible for ensuring that appropriate processes are in place so that:
 - a. asset numbers and labels are supplied for all ICT capital equipment, and
 - b. serial numbers of major components of ICT capital equipment, and other components as required, are recorded in the relevant database.
21. Divisional Pro Vice-Chancellors, Directors and equivalent are responsible for ensuring that appropriate processes are in place in their areas of responsibility so that:
 - a. the correct asset labels are affixed to all ICT capital equipment
 - b. the location of ICT capital equipment is recorded using the software tools provided by Information and Technology Services
 - c. the disposal of any ICT capital equipment is in accordance with the [Desktop Computer Standards: Provisioning, Replacement, Disposal and Redeployment](#).
 - d. Unisafe is notified, as soon as practicable, in the event of the theft of any ICT capital equipment.

Responsibilities and accountabilities

22. Responsibility for the capitalisation of an asset rests with the purchaser of that asset.
23. Responsibilities for the management of particular categories of capital asset throughout the complete lifecycle from acquisition to disposal are set out in the Appendix to this policy.
24. Responsibility for maintaining the Fixed Asset Register rests with the Director of Finance.
25. Staff must take reasonable care to prevent the damage, loss or theft of the University's capital assets.
26. Line managers must report any breaches of this policy to the Director of Finance.

Responsibility for monitoring compliance

27. The Director of Finance is responsible for monitoring compliance with this policy and reporting any breaches to the Vice Chancellor.
28. Breaches of this policy may result in disciplinary action under the [Staff Code of Conduct](#).

Appendix

Category	Description	Responsibility
Art	Artworks and collections of various mediums.	Art Curator
Building, Infrastructure and leasehold improvements	<p>Buildings</p> <ul style="list-style-type: none"> • Fitout • Services • Structure <p>Infrastructure</p> <ul style="list-style-type: none"> • Roads and Pavements • Water • Sewer • Storm water • HV Supply • Street Lights • Telecom and Communications • Services Tunnel • Gas <p>Leasehold improvements</p> <ul style="list-style-type: none"> • Any improvements made to lease properties that fit the Building or Infrastructure definitions 	Director of Property Development and Infrastructure
General equipment and furniture	All furniture, office equipment (excluding IT equipment), non-teaching related equipment	The relevant Divisional Pro Vice-Chancellor, Director or equivalent
ICT hardware	desktop computers, laptops, servers, monitors, printers, audio visual (AV) equipment (including video conferencing), and network equipment	Chief Information Officer
Land	As defined in the Certificate of Title	Director of Property Development and Infrastructure
Library resources	<ul style="list-style-type: none"> • Books – print books which we have purchased and retained in the collection • E Books – electronic books which have been purchased and to which we retain permanent access • E journals – electronic journals and databases which have 	University Librarian

	<p>been purchased and to which we will retain permanent access should the subscription be cancelled</p> <ul style="list-style-type: none"> • Serials backruns - serials in print or microfilm which we have purchased backruns of and retained in the collection • Serials Current – serials in print or microfilm which we have purchased and retained in the collection 	
Teaching and technical equipment	Technical equipment specifically utilised for teaching or research. Specifically includes Science lab equipment, musical instruments and computer hardware and software dedicated to running technical equipment	The relevant Divisional Pro Vice-Chancellor, Director or equivalent
Vehicles	Cars, vans, ride on lawn mowers, trailers, boats	Director of Campus Operations and Risk Management
ICT Intangible assets	<ul style="list-style-type: none"> • Generic software • Internally generated software • Web resources 	Chief Information Officer
Other Intangible assets	Any other intangible (not having physical presence) assets that are not ICT, excluding Intellectual Property.	The relevant Divisional Pro Vice-Chancellor, Director or equivalent