

(Logo for the Cooperative)

FIXED ASSETS POLICY

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BACKGROUND AND PURPOSE

The purpose of this Fixed Asset Policy is to set forth the guidelines for the physical and reporting control of Cooperative assets. The policy establishes definitions, assets valuation methods, capitalization thresholds and useful life, and depreciation method. It will provide best practices in disposing of fixed assets. The policy will assist Cooperative in gathering and maintain information needed for the preparation of the financial statements and budget preparation. The guidelines assigns responsibility to the area of Business, Administration & Finance for the proper accounting for fixed assets at the department level and to Business Administration Office Manager for the maintenance of the Fixed Assets Database and Accounting system. Final oversight lies with the Treasurer of the Board.

POLICY STATEMENT

This fixed Assets Policy is designed to help maintain uniform accountability of (Name of Cooperative) assets, as well as to track and keep accurate inventory records for the control, maintenance, and disposition of assets according to audit requirements. It is also intended to provide the guidelines needed to formally document the (Name of Cooperative) annual physical inventory counts and to define the procedures for the removal of sensitive information from discarded or transferred assets.

This Fixed Assets Policy is intended to increase organization awareness of the importance of reducing the risk of loss, theft, or inadequate control over assets, especially those containing sensitive data (i.e. equipment such as laptops, stationary computers, cell phones, external hard drives, etc.).

APPLICABILITY TO THE POLICY

This policy applies to all Cooperative staff and to fixed assets from all funding sources. This policy applies to all property for which Cooperative staff is accountable, including property that has been purchased with outside funding. It further covers the acquisition, valuation, donation, salvaging, record keeping, custodianship, use, transfer, loan, retirement, accountability, care, modification, and reporting of all property under the Cooperative care and custody. This policy sets out required minimum standards. SACCO policies might exist in addition to this policy and complement but may not substitute this policy.

CAPITALIZATION AND DEPRECIATION PROCEDURES

A. Capitalization

Non-Depreciable Capital Equipment - a fixed assets that has purchase value of more than three thousand emalangeni (E3000.00) and less than four thousand nine hundred and ninety-nine (E4999.00).

Depreciable Capital Equipment - a fixed asset that has a cost value of five thousand (E5000.00) or more. A useful life greater than three years will be capitalized and tracked on a depreciation schedule.

The rates for the depreciable assets are as follows:

Asset	Rate of Depreciation
Office Equipment	10%
Computers	33.3%
Buildings	5%
Leasehold improvement	10%
Furniture & Fittings	10%
Motor Vehicles	20%

TAGGING AND ANNUAL INVENTORY PROCEDURES

A. Tagging

Upon approval and acquisition, all fixed assets must be received through the Cooperative Office in (**Cooperative Physical Address**) for tagging and entry into the fixed assets inventory lists (FIXED Assets Database) which shall include the asset's serial number, model number, inventory number (PIN), as well the asset's description, location, total cost, tax, freight and installation, if any. The Accounts Officer is responsible for maintaining a sequential number log, which provides a unique PIN used to tag all new fixed assets including movable items.

B. Fixed Assets Annual Inventory

A complete physical inventory of all assets must be conducted and documented during the month of September of each fiscal year. The Office Manager will access the records in the

Fixed Assets Database, and will print a detailed Asset Report of each program's assets; prepare a memo with specific annual inventory guidelines and the inventory completion deadlines.

PROCEDURES FOR DISPOSAL OR TRANSFER OF FIXED ASSETS

A. Fixed Assets Disposal

Fixed Assets can be disposed of if damaged or no longer useful. Before any fixed assets can be disposed of, the Office Manager/Treasurer must complete and sign an Inventory Removal Worksheet and submit it to the Board to ensure the integrity of the fixed asset detail. The Inventory Removal Worksheet requires the approval of both the Treasurer and the Board before any assets can be disposed of and/or removed from their respective Program's inventory.

Prior to any asset disposal/removal, the information Technology (IT) appointed person will verify that sensitive data has been deleted from assets such as laptops, stationary computers, cell phone, external hard drives, etc., and sign the respective section of the Inventory Removal Worksheet.

The Office Manager will coordinate the disposal /removal of the equipment according to the procedures and will ensure that the Fixed Assets Database is updated accordingly.

B. Fixed Assets Transfer

Fixed asset transfers between Officers must be reported by the Manager to the Board for approval of such.

LOST OR STOLEN EQUIPMENT

Whenever equipment is discovered to be missing, lost or stolen, the following actions shall be taken:

- (a) The Office Manager or the individual responsible shall immediately report the missing or lost equipment to the Treasurer
- (b) The Treasurer shall notify the Management Board for follow-up action to be taken such as research of negligence, obtaining additional information through internal investigation, preparing an Inventory Worksheet, an initiating insurance claim if any are available. A police report should also be obtained.

- (c) Within one week of reporting to the Management Board, the investigation team should be appointed to determine if negligence was involved. A report will then be issued and the outcome of the investigation will be discussed at the entire Board members. The Chairman of the Board will issue the final verdict of the matter.

SECURITY AND UTILIZATION OF FIXED ASSETS

Office Manager and the entire staff shall take reasonable precautions to adequately safeguard Cooperative property. Security measures will vary depending on the nature and use of the assets. Rooms containing assets that are not permanently attached or secured shall be maintained under lock and key when not in use. To the degree practicable, small expensive items shall be kept in locked cabinets/desks and so forth. Assets should not be removed unless procedures are followed and documented in the Inventory Removal Worksheet.

Property not receiving adequate utilization should be reported to the Management Board for recommendation to the entire Board for redistribution.

INVENTORY RECONCILIATION TO FINANCIAL RECORDS

For the purpose of inventory reconciliations to financial records, the Office Manager will be responsible for submitting the Asset Report to the Treasurer after the fixed annual inventory check has been performed.

REVIEW OF THE POLICY

The policy shall be reviewed after three (3) years or when the need to do so arises.

Signed:

CHAIRPERSON

Name and Signature

SECRETARY

Name and Signature

MANAGER

Name and Signature

DATE
