

Assets Policy

Section 1 - Asset Management

(1) An asset is anything of material value and which provides a potential future economic benefit to the University. The Associate Director, Financial Control is responsible for the strategic management of the University's assets including its property, plant and equipment.

(2) QUT's asset management framework identifies the key elements associated with asset management, namely acquisition, use, disposal and investment. For property, plant and equipment it considers a 'whole of life' approach including operational requirements, acquisition, enhancements, and disposal of assets, all of which have an impact on asset valuations and depreciation.

(3) The University may control other assets under arrangements with other bodies, or under terms of leasing or tenancy agreements.

(4) Further details on asset management are provided in the [Finance Manual](#) (QUT staff access only).

Section 2 - Cash Assets

(5) Cash assets include monies that are held in petty cash and in QUT bank accounts, and those monies held by the Queensland Treasury Corporation (QTC) or other approved financial institution ([Investments Policy](#)) for short term investment purposes. It is essential that particulars of all monies due to the University are identified and appropriately recorded so that they may be collected on or before the due date. Staff members who collect such monies are responsible for the safe custody of the collections from the time of receipt until deposited into authorised University bank accounts. Procedures for management and control of monies are provided in the [Finance Manual](#) (QUT staff access only).

(6) Bank accounts may only be opened with the approval of the Associate Director, Financial Control and only in the name of the Queensland University of Technology. The Associate Director, Financial Control is responsible for authorising officers to operate these accounts.

(7) Procedures for the conduct of QUT bank accounts are provided in the [Finance Manual](#) (QUT staff access only).

Section 3 - Receivables

(8) A receivable is money owed to the University for goods or services purchased on credit. Receivables include trade receivables which are sales to regular trade customers that have been completed but not yet paid for, and student outstanding invoices.

(9) All University debt is administered either through the student management system for student fees (Fees and Charges – Students Policy), or through the University's finance system for all other activities.

(10) Prior to performing any work or services that will result in a material debt by a potential customer to the University, the responsibility centre performing the work or services must perform a credit check on the customer to

ensure that the likelihood of a default is minimised.

Credit Notes

(11) Credit notes are raised to cancel or amend an invoice raised in error and may only be issued subsequent to approval being given by an officer authorised to commit funds to specific limits, in accordance with the [Register of Authorities and Delegations](#) (QUT staff access only).

Write-off of Debt

(12) Debts due to the University may only be written off in accordance with the delegated authorities to write off bad debts and assets - see [Register of Authorities and Delegations](#) (QUT staff access only).

(13) Detailed procedures dealing with revenue, credit checks, credit notes, debt management and debt write-off are provided in the [Finance Manual](#) (QUT staff access only).

Section 4 - Inventories

(14) Inventories for purposes of QUT assets include land held for resale and stock held by the QUT Bookshop. QUT does not normally purchase land for the purposes of resale, however where this is the intention the [Finance Manual](#) (QUT staff access only), identifies the appropriate management and accounting for the asset. All purchases of land must be notified to the Associate Director, Financial Control.

(15) Items such as stationery, spare parts, consumables and components, loose tools, consignment stock and minor equipment held for resale to students or the public are not considered to be assets. However, these items are to be managed and controlled as outlined in the [Finance Manual](#) (QUT staff access only).

Section 5 - Other Financial Assets

(16) Other financial assets include medium to long term investment funds ([Investments Policy](#)) and investments in associated companies.

(17) The University has a number of associated companies and treatment of these companies is outlined in the [Finance Manual](#) (QUT staff access only).

(18) Shares that are fortuitously acquired arising from prior research activity which recognises part ownership of the inherent intellectual property may be disposed of subject to the financial authority of the Vice-Chancellor and President.

(19) The purchase of additional shares within companies already part of the University's portfolio of investments requires the Vice-Chancellor and Presidents approval and shall only be progressed if directly linked with a clear strategic positioning and not be speculative in nature.

(20) All unrealised gains and losses during the period of investment and realised gains and losses following disposal will be accounted for centrally.

Section 6 - Property, Plant and Equipment

(21) A Fixed Assets Register is maintained by the University for all non-current assets with acquisition costs in excess of \$5,000. This register records all data necessary to identify and locate assets, together with other relevant information (eg depreciation, life expectancy).

(22) Assets with acquisition costs less than \$5,000 but greater than \$2,000 (greater than \$1,000 for ICT equipment) are also recorded in the Fixed Asset Register as portable and attractive items, where required.

(23) High value equipment is deemed to be assets of greater than \$100,000 (ex GST) per asset item regardless of asset category or type. The cost of the asset includes the purchase price, freight and installation.

(24) Heads of responsibility centres should exercise efficiency and economy in acquiring assets on the University's behalf and observe University and State Government purchasing policies.

(25) Where applicable, project proposals must be prepared in accordance with Chapter 1(C) of the [Finance Manual](#) (QUT staff access only) and the QUT [Project Proposal Framework](#).

Insurance of assets

(26) The Associate Director, Financial Control oversees the appointment of an insurance broker to manage the University's insurance requirements. Details of the insurance broker and the University's insurance program are available on the [Insurance](#) website (QUT staff access only).

Rental of assets

(27) When not required for University purposes, University assets may be hired to staff and outside bodies on terms and conditions contained in QUT's policy for user charging ([User Charging Policy](#)). Requests for new arrangements must be forwarded to the Vice-President (Finance) and Chief Financial Officer for consideration and endorsed by the Vice-Chancellor and President.

Leasing of assets

(28) A purchase versus lease appraisal should be prepared by the faculty or division to validate a recommendation to either lease or purchase an asset. Heads of responsibility centres should obtain the approval of the Associate Director, Financial Control before entering into commitments for leasing assets. Where applicable, project proposals must be prepared and approved for significant lease versus buy decisions, in accordance with the Finance Manual [Finance Manual](#) (QUT staff access only).

Loss or damage of assets

(29) Heads of responsibility centres are responsible for reporting any loss of or damage to assets as soon as possible to the Manager, Security and Emergency Management who will take action to prevent the loss recurring. Where appropriate, an insurance claim should be completed as per instructions on the [Insurance](#) website (QUT staff access only).

(30) In the event of a possible offence under the Queensland Criminal Code or other act or law, the Manager, Security and Emergency Management is required to advise the police and the Associate Director, Financial Control, who shall notify the Auditor-General. Where corrupt conduct by a member of the University is indicated, the Manager, Security and Emergency Management must instead report the matter to the Vice-President (Administration) and University Registrar who shall notify the Crime and Corruption Commission. The Associate Director, Financial Control is responsible for ensuring that all material losses are recorded in the Record of Material Losses Register (Non-Cash).

Write-off of assets

(31) Action to write-off assets must be in accordance with the delegated authority ([Register of Authorities and Delegations](#) (QUT staff access only)). The Vice-Chancellor and President can authorise the write-off of bad debts and assets which are missing, obsolete, irreparable, at the end of their useful lives or scheduled for replacement where the value exceeds \$100,000. Vice-President (Finance) and Chief Financial Officer can authorise the write-off of bad debts

and assets up to the value of \$100,000. The Associate Director, Financial Control can authorise the write-off of bad debts and assets up to the value of \$25,000. Executive Deans of faculty, Heads of Division, Heads of School, Heads of Department, Heads of Independent Section, Faculty Operations Managers and Directors of divisional offices can authorise the write-off of assets which are obsolete, at the end of their useful lives or scheduled for replacement or retirement equal to or less than the value of \$10,000.

Depreciation

(32) Assets are depreciated according to accounting standards and policies prescribed by legislation. Depreciation is calculated by applying the straight-line method. Further details are provided in the [Finance Manual](#) (QUT staff access only).

Disposal

(33) Disposal of items can be made when assets are no longer required, have reached the end of their useful life, or are technically or economically redundant. Faculties and divisions are provided with the flexibility of choosing how to dispose of their assets through methods described in the [Finance Manual](#) (QUT staff access only). To be able to make informed asset disposal decisions, a disposal decision tree has been developed. If a responsibility centre has assets which are surplus to their requirements, but still serviceable, they must canvass other areas of the University to determine whether another responsibility centre has a need for such assets and would be interested in acquiring those assets. Approval for disposal of assets and write-offs is in accordance with the delegated authority ([Register of Authorities and Delegations](#) (QUT staff access only)).

Assets review

(34) At minimum, an annual review of assets is to be undertaken to verify the existence of assets recorded in the Fixed Assets Register and to assess the serviceability of those assets (remaining life and depreciation rate). Any discrepancies are to be investigated by the responsibility centre. Detailed procedures are provided in the [Finance Manual](#) (QUT staff access only).

(35) Heads of responsibility centres should also annually review asset usage to determine whether excess capacity exists that may benefit another responsibility centre by mutual arrangement.

Control of assets

(36) In addition to the above controls, heads of responsibility centres should also:

- a. implement procedures ensuring as far as possible the security of assets under their control;
- b. ensure assets are properly maintained with a view to maximising the period of effective use; and
- c. ensure assets are not exposed to any hazards which may result in the insurance contract being rendered null and void in the event of a loss.

Section 7 - Intangible Assets

(37) An intangible asset is an asset that is without physical substance, such as intellectual property (IP) and information technology software. Software (including purchased software) that is not an integral part of hardware is treated as an intangible asset.

(38) Where the software is an integral part of the related hardware (for example the operating system), it is treated as Property, Plant and Equipment.

(39) To assess an internally generated intangible asset, the project needs to be identified at the earliest possible

stage. Internally generated assets arising from development of an internal project must demonstrate that the asset will generate probable future economic benefit.

(40) Software development can be undertaken in-house and will include activities such as design and construction, testing, specifications works, pre-production use, alternatives, improved products, processes or service. Further details on intangible assets are provided in the [Finance Manual](#) (QUT staff access only).

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