

WAIPAPA MARAE TRUSTEES

ASSET MANAGEMENT – ACQUISITION AND DISPOSAL POLICY

Effective asset management and capital expenditure are essential for the continuity, development and growth of Waipapa Marae. This policy is to ensure that capital expenditure by the Marae is planned, evaluated, authorised, implemented, monitored and reported in a systematic manner and that the disposal of assets is a transparent process that best achieves the best value for the Marae.

1. Purchase of Assets

- (i) All purchases of assets should be included in the capital budget or reforecast approved by the Marae Trust.
- (ii) The asset is to be loaded into the Fixed Asset Register
- (iii) If the asset purchased replaces an existing asset, the existing asset must be disposed of in line with the following disposal of assets procedures.

2. Disposal of Assets

2.1 Assets may be disposed for the following reasons:

- (i) Surplus to current or immediately foreseeable requirements.
- (ii) Part of an asset replacement programme.
- (iii) Unserviceable or beyond economic repair.
- (iv) Technologically obsolete and operationally inefficient.
- (v) A replacement asset has been purchased.

2.2. All monies received from the disposal of assets must be banked into the Trust's Working Account.

2.3. The Trust will appoint two of its Trustees with the delegated authority to dispose of assets up to a certain financial limit of \$500. Assets with values above this limit will require a written approval from the whole Trust to endorse and approve the sale and or disposal of assets.

2.4. Disposal of assets will be carefully managed to ensure the best net value for the asset to be realised, and completed in an efficient, effective and transparent manner. All disposals will be appropriately authorised and adequately documented.

2.5. Trustees, Marae Committee members and contactors (and their related parties) should not be given preference to purchase surplus assets over Beneficiaries or the general public.

2.6. Marae Trustees, Committee members and Beneficiaries may purchase an asset in an open tender or auction process provided they have no decision-making involvement in the disposal process.

2.7. Marae Trustees, Committee members and Beneficiaries may purchase assets without an open tender or auction process provided that the market value has been established by reference to independent comparisons for the like product e.g. using Trademe.

3. Recording of Assets

3.1. All assets (capital expenditure) must be recorded on the fixed asset register.

3.2. In the fixed asset register, purchased assets are initially recorded at cost price except for donated items which are recorded at their fair market value.

- 3.3. After the initial purchase, assets are recorded at cost price less depreciation or at revaluation dependent on the asset class.

4. Asset Stocktake

Physical verification of assets is to be completed in line with the following procedures:

- 4.1. The Marae Committee, with the delegated authority from the Marae Trust, is primarily responsible for undertaking verification (stocktake) of the assets and specified assets of the Marae, except for land and buildings. This verification process is to be completed annually on the last day of the financial year (31 March) and reported to the Marae Trust for preparation of the Annual Financial Statements.
- 4.2. The objectives of the physical verification to maintain the integrity of the Asset Register is by:
- (i) ensuring that all assets held with a net book value over \$2,000 are recorded in the register.
 - (ii) verifying that all assets in the register with net book value over \$2000 have been physically located and are still functional and in use.
 - (iii) updating the register with unrecorded changes in asset ownership responsibility or location.