



FIXED ASSETS POLICY

Reference CO/01/0509/11

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A: POLICY STATEMENT

1. PURPOSE STATEMENT

This document sets out the University of KwaZulu-Natal's ("the University's") Fixed Assets policy and related procedures, including measures to provide for the acquisition, ownership, custodianship, insurance and disposal of all fixed assets. These include items classified as Property, Plant and Equipment (PPE), both moveable and immoveable, but does not include incorporeal assets. It provides information about, and guidance in respect of, the definitions of items of PPE, their classification and how fixed assets are to be recorded, controlled and accounted for in the University's records.

2. INTRODUCTION AND BACKGROUND

In the formulation of this policy, cognisance was taken of the University's compliance requirements relative to the prescribed International Financial Reporting Standards (IFRS), the University's Financial Regulations and the King Report on Corporate Governance.

The South African Statement of Generally Accepted Accounting Practice, AC123 [International Accounting Standard - IAS16]: *Property, Plant and Equipment*, requires the assessment of useful lives and residual values for plant and equipment capitalised under the standard on at least an annual basis. In addition, it requires that each part of plant and equipment that is significant in relation to each other be depreciated separately. A complete assessment of the University's property, plant and equipment is a pre-requisite to statutory compliance.

The need for the University's compliance with the statutory requirements and its progressive move towards enhanced devolution of accountability and responsibility to budget holders, cost centre controllers and custodians of fixed assets in Colleges, Schools and Support Service Divisions has necessitated a review and revision of the current fixed asset policy.

3. DEFINITION OF TERMS

- 3.1. "ALTERATIONS TO BUILDINGS" - Changes made to a building during its remodeling, such as increasing or reducing floor area, making or closing openings, erecting or demolishing walls, referred to as alterations and/or extensions. Alterations to buildings are further classified into "minor" and "major" and distinguished by project costs which are outlined in Annexure C of this policy.
 - 3.1.1. Minor - Alterations, as defined above, with project values referred to in Annexure C, approved by the Executive Director: Physical Planning and Operations and funded from the "Land and Building Maintenance" budget.

- 3.1.2. Major - Alterations, as defined above with project values referred to in Annexure C, approved by the Vice-Chancellor.
- 3.1.3. Major - Alterations, as defined above with project values referred to in Annexure C, approved by the Executive Management Committee.
- 3.2. "CAPITAL BUDGETING" – A formal plan for making investments in property, plant, equipment, (PPE) or other form of infrastructural development. Items included in the capital budget have lives in excess of one year and often require long-range planning.
- 3.3. "CAPITAL EXPENDITURE" - The purchase of or outlay for an asset with a life of more than one year, or that increases the capacity or efficiency of an asset or extends its useful life. Generally, such expenditures must be depreciated or amortised over the respective useful lives of the relevant assets.
- 3.4. "CARRYING AMOUNT" is the amount at which an asset is recognised in the University's financial records after deducting any accumulated depreciation and accumulated impairment losses.
- 3.5. "CLASS (Alternatively, CATEGORY) OF PROPERTY, PLANT AND EQUIPMENT" means a grouping of assets of a similar nature or function within the University's operations that is shown as a single item for the purpose of disclosure in the financial statements.
- 3.6. "COST" is the amount of cash or cash equivalents paid to acquire an asset at the time of its acquisition or construction.
- 3.7. "COST MODEL" – after recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.
- 3.8. "DEPARTMENT" shall mean all University Schools, departments and divisions in the Edgewood, Howard College, Medical School, Pietermaritzburg and Westville campuses. "DEPARTMENT" shall also include all affiliated bodies, units, institutes, clubs and societies, whether legally autonomous or not, whose financial records are, by agreement, maintained within the University's Financial Accounting System.
- 3.9. "DEPRECIABLE AMOUNT" is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
- 3.10. "DEPRECIATION" is the systematic allocation of the depreciable amount of an asset over its useful life.
- 3.11. "EXPENSIVE CAPITAL EQUIPMENT" - This category relates to items of equipment to be used for research purposes (refer to Annexure C), the funding of which is considered and approved by the University Research Committee.
- 3.12. "FACILITIES MANAGEMENT" – The integration and multi-tasking of activities in the built environment and the management of affairs within the areas of operation, maintenance, security (risk management) and health and safety, which are either administered in-house or outsourced, or a combination of both.
- 3.13. "FAIR VALUE" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

- 3.14. "FAR" - Fixed Assets Register
- 3.15. "FUNDS" shall mean all monies received, administered and controlled within the University's Financial Accounting System, irrespective of the purpose for which they are received or donated.
- 3.16. "IFRS" – International Financial Reporting Standards.
- 3.17. "INVESTMENT PROPERTY" - This is property viz: land, a building or part of a building or both, held under a finance lease to earn rentals, capital appreciation or both.
- 3.18. "MAINTENANCE, REPAIRS, OPERATIONS ITEMS (MRO)" – MRO items include consumables (such as cleaning, laboratory, or office supplies), industrial equipment (such as compressors, pumps, valves) and plant upkeep supplies (such as gaskets, lubricants, repair tools). **These items do not form part of assets and are therefore not capitalised.**
- 3.19. "PROPERTY, PLANT AND EQUIPMENT (PPE)" – Property, Plant and Equipment comprise all long-term (fixed) assets, both immovable and moveable, which are owned by the University or is in its custody as a result of donation, loan, hire or other specific agreement. These include:
- 3.19.1. Immoveable assets which are used by the University for whatever purpose, including research out-stations. Items of Equipment that are affixed to the land or building also constitute immovable property.
- 3.19.2. Moveable assets comprise property not affixed to the land, or buildings, purchased by the University and processed through the University's Financial Accounting System, irrespective of the source of funding.
- 3.19.3. Moveable assets as defined, donated to, or otherwise acquired by, the University from whatever source.
- 3.20. "RESIDUAL VALUE" of an asset is the estimated amount that the University would currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
- 3.21. "REVALUATION MODEL" – After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.
- 3.22. "UNIVERSITY" - shall mean University of KwaZulu-Natal.
- 3.23. "USEFUL LIFE" is the period during which an asset is expected to be available for use by the University and / or the duration of its anticipated economic benefits.

4. OBJECTIVES OF THE POLICY

The primary objective of this policy is to ensure compliance with statutory requirements and the proper governance, control and the safeguarding of the University's fixed assets (referred to also as property, plant and equipment or "PPE").

5. SCOPE OF THE POLICY

This policy applies to all fixed assets owned by and / or in the custody of the University and to assets owned by all affiliated bodies, units, institutes, whether legally autonomous or not, the financial records of which are, by agreement, maintained within the University's Financial Accounting System. In the devolved model, accountability and responsibility for PPE rests with budget holders, cost centre controllers and the custodians of items of property, plant and equipment. The Finance Division is responsible for the maintenance of a central fixed assets (PPE) register, the recording of all PPE accounting-related transactions, and the reconciliation and periodic reporting thereof for statutory and management purposes.

6. POLICY

6.1 Recognition Criteria

- 6.1.1 The cost of an item of property, plant and equipment shall be recognised as a fixed asset (also referred to as an asset) if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the University, and the cost or fair value of the item can be measured reliably.
- 6.1.2 The item of property, plant and equipment that qualifies for recognition as a fixed asset shall be measured at its cost.
- 6.1.3 Where a fixed asset is acquired at no cost, or for a nominal cost, for the purposes of this policy, cost will be deemed to be its fair value as at the date of acquisition.
- 6.1.4 The cost of an item of fixed assets comprises :
 - The purchase price, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates;
 - Direct costs to bring the asset to the location and condition necessary to be capable of operating in the manner intended; and
 - Professional fees incurred during the construction of buildings, including but not limited to, fees for architects and quantity surveyors.

6.2 Measurement After Recognition

- 6.2.1 Except for items of moveable assets that have been donated for which a fair value shall be determined, all moveable assets owned by the University shall be carried at their cost, less accumulated depreciation and impairment losses.
- 6.2.2 All immoveable assets owned by the University shall be carried at fair value at the date of their acquisition or revaluation, less any subsequent accumulated depreciation and impairment losses. The fair values for items of land and buildings will be determined once every five years from market-based evidence by appraisal performed by professionally qualified valuers. The appointment of professional valuers shall be in accordance with the University's Procurement Policy.
- 6.2.3 Any increase in the carrying amount arising from a revaluation of an asset shall be credited directly to a revaluation reserve account. Conversely, a decrease in the carrying amount arising from a revaluation of an asset shall be debited directly to the relevant revaluation reserve account.

6.3 Depreciation

- 6.3.1 Depreciation is calculated on the straight-line method, at rates calculated to write off the costs or revalued amounts of assets, to their residual values over their estimated useful lives, as follows:
- | | | |
|---------------------------|-----|-------|
| • Buildings (Structure) | 50 | years |
| • Motor Vehicles | 5 | years |
| • Computer equipment | 3-5 | years |
| • Furniture and equipment | 5 | years |
- 6.3.2 Library books, journals and collections are written off in the year in which they are acquired.
- 6.3.3 Land is not depreciated as it is deemed to have an indefinite life.
- 6.3.4 Routine maintenance costs are charged to income as incurred. Costs of major maintenance or refurbishment of items of property, plant or equipment are recognised as expenses, except where the useful lives of the assets concerned have been extended. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.
- 6.3.5 Gains and losses on disposal of property, plant and equipment are determined by comparing the carrying values of the respective assets at disposal to the proceeds on their disposal and are accounted for in the consolidated statement of comprehensive income.
- 6.3.6 Each part/component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. Separate depreciation for components of items with significant costs and varying useful lives of moveable property, plant and equipment shall apply where the total cost of the respective items exceeds the value as indicated in Annexure C of this policy. Components with significant costs and varying useful lives will be assessed at the acquisition date of the relevant item of PPE.

6.3.7 Unless otherwise stated, immoveable property is deemed to have an estimated useful life of 50 years. The components of immoveable property with significant costs and varying useful lives that shall be subject to separate depreciation are categorised as follows;

- | | |
|----------------------------------|----------|
| • Air-conditioning (Split Units) | 5 Years |
| • Lifts | 10 Years |
| • Roofs | 15 Years |

6.3.8 The accounting treatment for items of moveable assets shall vary depending on the purchase value of the item (refer to Annexure C for threshold amounts).

6.3.9 Subject to an annual review, residual values shall be allocated only to major categories of moveable assets as follows :

6.3.10 Where the residual values of the asset increases to an amount equal to or greater than the asset's carrying amount, the asset's depreciation charge is zero unless and until the residual value subsequently decreases to an amount below the asset's carrying amount.

6.3.11 Depreciation shall be recognised even if the fair value of an asset exceeds the carrying amount provided that the residual value of the asset does not exceed its carrying amount.

6.3.12 The respective threshold amounts referred to in Annexure C shall be reviewed and revised from time to time, as deemed appropriate and subject in each case to the approval of the University Finance Committee.

6.4 Borrowing Costs

6.4.1 Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and therefore must be capitalised.

6.4.2 Where funds are borrowed for a specific asset, costs eligible for capitalisation are the actual costs incurred less any income earned on the temporary investment of such borrowings.

6.4.3 Capitalisation of borrowing costs shall be suspended when active development on the qualifying asset is suspended.

6.4.4 Capitalisation of borrowing costs shall cease when all of the activities necessary to prepare the affected assets for their intended use are complete. An asset is ready for its intended use when the physical construction of the asset is complete.

6.5 Derecognition

6.5.1 Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in the income statement when the item is derecognised. This gain or loss shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item at the time of its disposal.

The disposal of moveable assets, whether by sale, trade-in, donation or dismantling for parts, requires the prior authority of the responsible Head of department.

Moveable assets which are reported stolen, lost or irreparably damaged will also be treated as disposals in terms of this policy. The relevant centralised procedures on fixed assets must be followed to ensure that the proceeds of disposal, if any, are properly and fully accounted for, and that the University's Financial Accounting records are correctly maintained. Except for the sale of motor vehicles, all proceeds from the sale of fixed assets, shall revert to the University's Main Fund. (Cost Centre F001). Proceeds from the sale of motor vehicles shall be credited to the University's designated Motor Vehicle Replacement Fund, which is managed centrally by the Finance Division.

Instructions to either write-off or otherwise dispose an asset must be recorded in writing or electronic mail by the responsible Head of department.

6.6 Impairments

- 6.6.1 The carrying amount of an asset or a group of identical assets shall reviewed in order to assess whether or not the recoverable amount has declined below the carrying amount by the Fixed Assets Section of the University in terms of IAS16.
- 6.6.2 Impairments must be reviewed by the responsible College or other Financial Manager (Assets) and approved either by the Director: Financial Planning and Operations or the Chief Finance Officer.

6.7 Classification of Property, Plant and Equipment

- 6.7.1 Fixed Assets are classified into the following major categories:

6.7.1.1 Immoveable Property

Immoveable property includes land owned by the University and improvements thereon as shown below:

- 6.7.1.1.1 Land: Tracts of land acquired by purchase, gift, bequest or otherwise.
- 6.7.1.1.2 Buildings: Buildings and structures, including permanent fixtures and fittings, machinery and other appurtenances that cannot be removed without cutting into walls, ceilings, or floors, or otherwise damaging the building or items so removed.
- 6.7.1.1.3 Land Improvements other than Buildings: Improvements to land other than buildings, such as streets, roads, bridges, pavements, landscaping, utility distribution systems and open-air recreational, parking, and seating areas.

6.7.1.2 Moveable Property

Moveable property comprise long-term property which is owned by the University or is in its custody by way of loan, hire or other specific agreement, and which falls into one of the categories listed below :

6.7.1.2.1 Furniture and Equipment with the following characteristics:

An acquisition value referred to in Annexure C for each unit (invoice price including VAT), which value will be reviewed as indicated in 6.3.12 above, and

6.7.1.2.2 Museum and Art Collections include museum items, works of art, scientific collections, and permanent displays, except those that are a part of the library holdings. This includes works of art on loan to the University.

6.7.1.2.3 Library Collections, which include library books, bound periodicals, microfilms and other library items controlled by libraries, are treated as expenses and are therefore not capitalised.

6.7.1.2.4 Motor Vehicles include motorised vehicles registered for use on public roads, as well as vehicles not requiring registration (e.g. farm tractors).

6.7.1.2.5 Depending on the purpose for which animals are held. Only those animals which are used for instruction and research, and which are registered for stud purposes should be capitalised and listed as assets.

(Note: Records of furniture and equipment, museum and art collections and motor vehicle categories mentioned above are maintained in Moveable Property Registers by the Finance Division. Records of the categories of library collections are separately maintained by the University Librarians..

6.8 Specific Rules : Property, Plant and Equipment

6.8.1 This policy is applicable to all funds administered by the University, irrespective of the source of such funds.

6.8.2 All Departments must comply with this policy and related procedures.

6.8.3 Any waiver or modification to the application of this policy must be agreed to by the Financial Manager: Assets in advance.

6.8.4 Should specific conditions prescribed by a donor or sponsor be in conflict with University policy, the donor's conditions will have preference in relation to the administration of the funds concerned.

6.8.5 Where there is a change in Headships (of Schools, Divisions and departments, as defined), there must be a formal handing over of responsibility for assets from the outgoing Head to the incoming Head, as appropriate.

6.8.6 Acquisition of Assets

The acquisition of property, plant and equipment by Departments (with the exception of those items that have been donated and on loan) shall be in accordance with the University's Purchasing Policy and Procedures, together with the relevant Financial Procedures.

6.8.7 Availability of Funds

In terms of the University's policy of devolution of authority, responsibility and accountability to departments, it is incumbent on the Departmental Head to ensure in advance that sufficient funds are available to cover the full acquisition cost(s) of the items of property, plant and equipment intended to be acquired.

6.8.8 Donated Assets

It is the responsibility of Heads of Department to advise the Financial Manager: Assets of all items of property, plant and equipment donated to the University. Where applicable, supporting documentation from donors should be sent to the Assets Section.

Donated assets must be recorded in the University's Fixed Asset Register.

The value at which a donated asset is to be recorded in the University's Fixed Asset Register will be determined by the Financial Manager: Assets, in consultation with the Head of Department, having regard to relevant circumstances.

6.8.9 Ownership of Assets

Ownership of immovable and moveable assets acquired in terms of this policy shall vest in the University, unless there is a written agreement with a donor, sponsor, or other contracting party, which provides that ownership of the assets –

6.8.9.1 Vests with an individual staff member or researcher, or

6.8.9.2 Initially vests with the University, but upon the staff member or researcher leaving the University, is to revert to the staff member, researcher, donor or other contracting party, subject always to adherence to the applicable tax legislation.

6.8.10 Custody of Assets

The Head of Department is responsible for the custody of moveable assets which are acquired from funds allocated to and/or generated by the department, or which are in the custody of the department. He/she is responsible for ensuring that all such assets are suitably identified, correctly used, properly maintained, and adequately safeguarded.

Save for immovable property, all individual items of moveable property will be identified by "asset number tags", which are to be affixed by the Department to each asset as appropriate.

The Head of Department must ensure that a physical verification of moveable assets is conducted regularly at least once every three (3) years or more frequently if so requested (for example, for audit verification purposes) in accordance with Centralised Fixed Assets Procedures and, when called upon to do so, shall confirm that the specific details in the moveable Assets Register, where appropriate, are accurate and complete.

6.8.11 Insurance of Assets

Heads of Department must annually review replacement values as per the moveable Assets Register to ensure that these provide a realistic basis for insurance declaration purposes, and advise the responsible Financial Manager of any required amendments in order that adequate insurance cover is maintained at all times.

Heads of Department must ensure that the responsible Financial Manager is advised of all assets in the temporary custody of a Department or individual staff member or researcher by way of donation, hire, loan or other arrangement, in order that adequate insurance arrangements may be made.

6.8.12 Transfer of Assets between Campuses or Functional Locations

The relevant centralised procedures on assets must be followed in respect of assets transferred between campuses or functional locations.

B: PROCEDURES AND GUIDELINES FOR IMPLEMENTATION (MOVEABLE ASSETS ONLY)

The following procedures apply to moveable assets only and are in respect of the following categories of assets:

- Furniture and Equipment (including computer related equipment)
- Museum and art collections
- Vehicles

1. Acquisition of Assets

1.1 Purchases – The Department must complete a Purchase Requisition in accordance with the procedures set out in the Centralised Purchasing Policy and Procedures. It should be noted that Supplies and Services such as consumables, maintenance and computer software must not be charged to asset account codes. Similarly, asset purchases must **not** be charged to non-asset account codes, such as Supplies and Services accounts or Income accounts.

In addition to signing the Goods Received Voucher (GRV) upon the receipt of an asset, the Department must record in the block provided the additional information required for asset purchases such as Building, floor and room numbers. (Note: This is particularly important in respect of replacement assets and additions or upgrades to existing assets). An asset number tag will be supplied to the Department to be affixed to the new asset.

1.2 Assets donated, on loan or on hire – Department must advise all details of purchased/hired/on loan assets so that the moveable assets register can be updated on a timely basis by the Assets Section of the Finance Division.

2. Disposal of Assets

Disposal of moveable assets includes the following:

Disposal by sale, trade-in, donation, dismantling for parts or fair wear and tear, and assets irreparably damaged.

The Department is responsible for advising the Financial Manager: Assets in writing with regards to any asset that is to be written-off and/or disposed of.

It is the function of the Assets Section of the Finance Division to make the necessary arrangements for all disposals in conjunction with the respective Heads of Department.

All funds generated by the disposal of fixed assets shall revert to the centrally-administered Asset Revenue account and not to the Department concerned. .

Where an asset which was acquired from external funds (for example by an affiliated unit or against a research code), is subsequently disposed of by sale, the proceeds will revert to the unit or the research project, subject to any conditions stipulated in the relevant grant.

The Financial Manager: Assets must be advised immediately by the Departments of all moveable assets reported stolen, lost or irreparably damaged which are, or may be, subject to insurance claims. The insurance claim procedures must be followed as set out in the University Insurance Guide.

3. Assets verification and replacement values

Departments are required to verify their Moveable Asset Register at least once every three (3) years. To this end, the Assets Section will provide each Department with a copy of its Moveable Asset Register. The Department must verify the existence of individual assets and check that key information (such as asset number, location, quantity, acquisition value, replacement value) is correctly recorded.

Any amendments shall be endorsed on the Departmental Moveable Asset Register, which must be signed by the Head of Department and returned to the Assets Section, Finance Division.

4. Asset transfers between Departments

Documentation supporting the transfer from one cost centre to another must be authorised by both Heads of Department involved in the transfer and forwarded to the Financial Manager (Assets).

5. Loan of Equipment

The Head of Department must authorise all equipment that is loaned and must ensure that the equipment is returned at the end of the agreed loan period. Any loan equipment that is lost or damaged whilst on loan must be replaced by the person responsible for the custodianship and use of the equipment on loan.

6. Repairs of Equipment

The Head of Department is responsible for all equipment that is sent for repairs and must take reasonable measures to ensure that the equipment is returned intact and sound working order upon completion of the repairs

7. Donations

All donations to Organisations/Schools or any needy individuals must be approved beforehand by the Head of the Department who is responsible for the asset thus donated.

8. Asset Tracking and Recording System

In order to ensure adequate safeguarding and control of the University's moveable assets, the University shall provide an appropriate asset tracking and recording system for use by the Head of Department.

ANNEXURE A

CATEGORIES OF PROPERTY, PLANT AND EQUIPMENT

Classes of property, plant and equipment are groupings of fixed assets of a similar nature or function used in the operations of an entity. The following are examples in the context of the University :

1.	Operational Buildings
2.	Roads
3.	Machinery
4.	Electricity Transmission Networks
5.	Specialised Research Equipment
6.	Motor Vehicles
7.	Furniture and Fixtures
8.	Office Equipment

ANNEXURE B

ASSET TYPE CODES

The following asset type codes are used within the University's Financial Accounting System :

USEFUL LIFE IN MONTHS	TYPE CODES	DESCRIPTION	ASSET ACCOUNT	DEPRECIATION	ACCUMULATED DEPRECIATION
36	8880	COMPUTER RELATED EQUIPMENT	50032	30765	50036
36	2221	RESEARCH COMPUTER RELATED	50032	30765	50036
36	4555	PRINTERS	50032	30765	50036
36	4556	SCANNERS	50032	30765	50036
36	4557	SERVER	50032	30765	50036
36	2553	COMPUTER	50032	30765	50036
36	2555	NOTEBOOK	50032	30765	50036
48	2040	MAINFRAME COMPUTING EQUIPMENT	50033	30776	50026
60	4554	PHOTOCOPIERS	50022	30766	50026
60	2554	FAX MACHINES	50022	30766	50026
60	8883	FURNITURE	50042	30764	50046
60	2228	RESEARCH FURNITURE	50042	30764	50046
60	6666	OFFICE EQUIPMENT	50022	30766	50026
60	7777	LABORATORY EQUIPMENT	50022	30766	50026
60	7778	AUDIO VISUAL EQUIPMENT	50022	30766	50026
60	3331	RESEARCH EQUIPMENT	50022	30766	50026
60	8882	CLEANING EQUIPMENT	50022	30766	50026
60	8881	MUSIC EQUIPMENT	50022	30766	50026
60	8885	SPORTS EQUIPMENT	50022	30766	50026
60	8886	WORKSHOP EQUIPMENT	50022	30766	50026
60	4559	FARM EQUIPMENT	50022	30766	50026
60	6661	GROUNDS EQUIPMENT	50022	30766	50026
60	6665	KITCHEN EQUIPMENT	50022	30766	50026
60	9099	SECURITY EQUIPMENT	50022	30766	50026
60	7772	TELEPHONIC EQUIPMENT AND CELLULAR PHONES	50022	30766	50026
60	732	BOATS	50052	30767	50056
60	9011	VEHICLES	50052	30767	50056
60	9998	ART COLLECTIONS AND ARTIFACTS	50062	30768	50066

ANNEXURE C

FIXED ASSET PURCHASE VALUE THRESHOLDS

MINOR BUILDING ALTERATIONS	
Item 3.1.1 of Fixed Assets Policy	Alterations, as defined in item 3.1.1, with project values (individually less than R1 million), approved by the Executive Director: Physical Planning and Operations
MAJOR BUILDING ALTERATIONS	
Item 3.1.2 of Fixed Assets Policy	Alterations, as defined in item 3.1.2, with project values (individually greater than or equal to R1 million but less than or equal to R2 million), approved by the Vice-Chancellor.
Item 3.1.3 of Fixed Assets Policy	Alterations, as defined in item 3.1.3, with project values (individually greater than R2 million), approved by the Executive Management Committee.
EXPENSIVE CAPITAL EQUIPMENT	
Item 3.11 of Fixed Assets Policy	Items of equipment to be used for research purposes costing more than R 50 000 per item, the funding of which is considered and approved by the University Research Committee
DEPRECIATION - COMPONENTISATION	
Item 6.3.6 of Fixed Assets Policy	Separate depreciation for components of items with significant costs and varying useful lives of moveable property, plant and equipment shall apply where the total cost of the respective items exceed R 1 million (R 1000 000) in value

ANNEXURE C

ACCOUNTING TREATMENT

Item 6.3.8 of Fixed Assets Policy	Items of moveable assets with the purchase value greater than or equal to R 5 000 but less than R 20 000 per item	These items will be depreciated in one year and recorded as depreciation in the statement of comprehensive income	These items are classified as fixed assets (Chart of Accounts : account definition 40058; 40068; 40078; 40098)	These items are recorded in the fixed asset register of the University
Item 6.3.8 of Fixed Assets Policy	Items of moveable assets with the purchase value less than R 5 000 per item	A direct charge (expense) to the statement of comprehensive income in one financial year in which the items are acquired	These items are categorized in the statement of comprehensive income as "minor capital items expensed"	Except for where users have identified items to be at risk and computing equipment (central processing units, laptop computers, iPads, iPhones etc), all other items of moveable assets with a purchase value of less than R 5 000 are NOT recorded in the fixed assets register of the University
CLASSIFICATION OF MOVEABLE PROPERTY (FURNITURE AND EQUIPMENT)				
Item 6.7.1.2.1 of Fixed Assets Policy	The acquisition value of R 20 000 and above for each unit (invoice price including VAT), which value will be reviewed as indicated in item 6.3.12			