

**STENSON FIELDS PARISH COUNCIL  
FIXED ASSET CAPITALISATION POLICY**

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## **INTRODUCTION**

Stenson Fields Parish Council must maintain an asset register to ensure fixed assets are appropriately safeguarded. Once recorded on the asset register at acquisition cost, the value of assets must not change from year to year until disposal. Concepts of depreciation and impairment adjustments are not appropriate for local councils.

The Register is confirmed by the Council at the end of each financial year but is a working document over the following financial year, during which the Clerk/RFO will update and amend details as necessary.

The definition of fixed assets is property, plant and equipment with a useful life of more than one year used by the Council to deliver its services.

## **PURPOSE**

A Fixed Asset Register has four main purposes:

- a) It forms a basis for completion of box 9 in the 'Annual Return;
- b) It forms a basis for decisions on risk and insurance issues;
- c) It provides information on the age and potential lifespan of certain items;
- d) It provides assurance of the continued existence of Council's property.

## **ITEMS FOR INCLUSION**

In order to ensure transparency and reasonableness, the following items (if applicable) should be included in the Council's asset register, whether purchased, gifted or otherwise acquired, together with their holding location:

- a) Land and buildings held freehold or on long term lease in the name of the Council;
- b) Community assets;
- c) Vehicles, plant and machinery;
- d) Assets considered to be portable, attractive or of community significance;
- e) Other assets estimated or known to have a minimum purchase or resale value of £250;
- f) Long term investments, shares and loans made by the Council;
- g) Assets held on trust (e.g. monies held on behalf of the Chairman's charity, if applicable).

Any fixed asset with an acquisition cost of less than £250 or will be entered on the Council's inventory list maintained by the Clerk/RFO; this document will also be confirmed by the Council at the end of the financial year.

Minute Reference: - 1267/19