

GUIDE TO ASSET MANAGEMENT POLICY TEMPLATE

ABOUT THIS POLICY AREA

This policy guides how the organisation plans and manages its assets.

A written asset management policy is required as part of meeting Standard 11 (Governance and accountability).

Standard 11 — governance and accountability

The organisation develops, implements and reviews procedures for managing assets used in the delivery of services funded by the Department of Communities.

Policy checklist

The following checklist will help you check that an existing policy covers this area adequately.

The policy should:

- say who will be responsible for asset management
- say how asset management will be documented
- explain how assets will be periodically upgraded and maintained
- show how assets will be protected through insurance cover
- contain clear procedures and actions
- indicate the timing of any actions
- show when it was approved
- show when it was last reviewed.

COMPLETING YOUR ASSET MANAGEMENT POLICY

Using the policy template

The template provides some example statements. You can adapt these statements and include them in your policy or write your own statements to better suit the operations and services of your organisation.

To customise the policy template, click on the shaded sections <<Insert text>> and insert the information that is specific to your organisation.

When you have completed the policy template, delete the shaded instruction sections such as: [Refer to the asset management policy template guide for questions and/or examples to consider when customising this section.](#)

For further information on using the policy guides, refer to the information in *Using the policy templates and guides*.

Guidelines for each section of your policy

1. Purpose

In thinking about the purpose of this policy, consider how it might apply to the range of assets your organisation purchases and maintains.

2. Scope

To determine the scope of the policy, consider the following questions:

- Does this policy apply to all your organisation's assets?
- If relevant, are land and buildings covered by this policy?
- Are there any unusual assets that require specific policy or procedures?

3. Policy statement

If you are adopting the policy statement in the template, consider whether there are any additional commitments your organisation wants to make.

In identifying the actions your organisation will take to implement this policy, you should include the following:

- ensuring that assets are purchased with careful consideration and at the best possible price
- maintaining an asset register that tracks the value and location of assets
- ensuring cyclical maintenance of relevant assets
- ensuring appropriate insurance cover is maintained for assets.

4. Procedures

The procedures describe how your organisation achieves the aims and goals you have outlined in your purpose, scope and policy statement.

4.1 Purchasing of assets

Indicate who will have the delegated authority to approve purchases and the value of the items they can approve.

Describe the process that will be followed when equipment or other assets are to be purchased.

If your organisation is small, with relatively simple assets, this may just involve identifying the need for a particular item, management or board approval to purchase, and obtaining a few quotes to identify the best purchase price.

If your organisation has a more significant level of assets, you may want to consider:

- developing an annual asset purchase plan in conjunction with the annual budget
- establishing a 'preferred supplier' list, where potential suppliers of equipment or services are listed.

4.2 Maintaining an asset register

An asset register should include:

- type of asset
- date purchased
- amount paid

- supplier (name and address)
- serial or identification number
- warranty dates and reference number
- maintenance or repairs conducted (type and date)
- depreciated value (if relevant)
- date of disposal and amount obtained (if relevant).

The asset register will usually be maintained by the person responsible for general administration or bookkeeping.

4.3 Insurance cover

All assets should be insured against common risks such as fire, theft and accidental damage. Depending on the circumstances of the organisation, you may want also to take insurance cover for motor vehicles, specific items of value, items in transit or used away from the main premises etc.

You should also state who will be responsible for maintaining insurance cover and ensuring that insurances are kept current.

4.4 Maintenance of assets

Different assets will require different maintenance cycles, and you should consider a cyclical maintenance plan for major assets, including (where relevant):

- buildings
- motor vehicles
- computers, photocopiers and other office equipment
- office furniture
- furnishings or equipment used by clients.

Larger organisations, or organisations with large assets (such as accommodation facilities), should consider developing a cyclical maintenance plan that documents a maintenance schedule for each major asset.

5. Other related policies and documents

List the other policies related to the asset management policy. The policy should be linked to:

- financial management and delegations policy
- budget policy.

6. Review processes

Consider how often the policy should be reviewed and the process for doing this:

- **frequency of review:** Most policies benefit from an annual review. The experience of implementing the policy is used to decide which changes are necessary. Consider reviewing your asset management policy as part of an annual review of your organisation's governance- and accountability-related policies or, if your organisation is small, perhaps over a three-year period. Critical incidents may prompt you to review the policy ahead of schedule.
- **responsibility for the review:** In most organisations, the senior staff and/or board or management committee would be responsible for reviewing this policy.
- **process for the review:** Decide which particular staff, volunteers, external people and organisations will provide input to the policy review.

- **decision-making process:** Who will review draft changes to the policy and approve changes? What will be the timeframe for the review process?
- **documentation and communication:** What records of the policy review process are needed? How will changes to the policy be communicated to staff implementing the policy? In a small organisation, this may be as simple as noting the changes at a staff meeting. In a larger organisation, an email memo may be needed.
- **key questions for the review:** Is the policy being implemented? Are procedures being followed? Is the policy clear? What has changed that may prompt a change to the policy? Have particular stakeholders had difficulty with any aspect of the policy? Can their concerns be resolved? How does the policy compare with that of similar organisations?