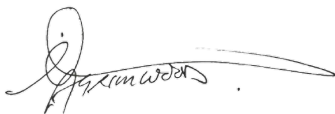




POLICY DOCUMENT

Finance: Asset Management

Exco Review	
Signature Date	14 September 2025
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Policy

All assets (including fixed and moveable assets) should be protected, well maintained, tracked and recorded and used effectively by KI.

Assets are defined as resources acquired by the organisation that are expected to yield future benefits beyond the current financial year.

Assets to be capitalised (known as fixed assets – in accounting terms “property and equipment”) refers to real or tangible property having:

- a value greater than or equal to the capitalisation threshold (R5000)
- having an estimated useful life of greater than one year from time of acquisition.

Fixed assets are categorised and assigned a relevant useful life (period over which they will be depreciated) on purchase. Depreciation is recorded as an expense in the statement of comprehensive income for each year of the life of the item.

Items of moveable assets with the purchase value less than the capitalisation threshold per item of R5000 will be expensed to the statement of comprehensive income in the financial year in which the items are acquired.

Costs include costs incurred initially to acquire or construct a fixed asset and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of fixed asset, the carrying amount of the replaced part is derecognised.

In the accounting records, fixed assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the fixed assets, which is as follows:

Item	Average useful life
Leasehold improvements	5 years
Fixtures and fittings	6 years
Computer equipment	2 years
Motor vehicles	5 years

If there is an indication that there is a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of the asset is revised prospectively to reflect the new expectations. Each part of a fixed asset with a cost that is significant in relation to the total cost of the item and has significantly different patterns of consumption of economic benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

Disposals of assets no longer required or usable by KI will be donated to another organisation or sold to employees and external parties. A recommendation has to be sent to EXCO for approval.

Controlled assets

These are assets with an individual historical cost of less than the capitalisation threshold, but which are particularly at risk or vulnerable to loss or theft. While not recorded in the fixed asset register, these items are nevertheless kept on a controlled asset register (on the Helpdesk database). Examples could include cell phones, cameras or tablet computers.

Responsibility

The facilities department responsible for systems of physical security of assets.

The facilities department is responsible for receiving deliveries of fixed assets, to increase separation of duties.

The finance manager ensures that assets are properly recorded and accounted for in the accounting records.

The administrators at the various offices are responsible for the systems of custody and control of assets assigned to the applicable office.

The district coordinator at the various offices is responsible for co-ordinating asset audits and physical inventories (verification) with the facilities administrator as well as recording capital asset acquisitions, transfers and disposals.

Each employee assigned custody of an asset is accountable for that asset.

Stocks of Supplies Use of Assets

Policy

Stocks of supplies are to be effectively controlled to protect against loss or misuse, on a cost-benefit basis.

Responsibility

The administrator at the respective offices are responsible for stock control. At the national office that would be the facilities administrator and at the district offices, the administrator will be responsible.

Use of Assets

Policy

1. Assets should be retained on KI's premises unless **clear authority** has been given to remove the asset from the premises for good reason.
2. Authority to remove assets or other resources from the premises is given by the relevant manager, or by the chair of the board or the CEO. A resource/asset lending form is completed and signed by the borrower and authoriser, and maintained on file in the office where the asset is recorded. The administrator assigns a number to each such form and maintains a register of the numbers.
3. Access to KI's various office premises is **controlled**. Keys, key cards and/or alarm codes are supplied to employees at the discretion of the district or departmental manager and obtained from the employee at the end of their employment.
4. Any misuse of assets should be reported to an employee's manager.

Motor vehicles

Refer "Use of company vehicles" in the section entitled 'Transport and Travel'.

IT equipment

Refer IT policy and procedures.