



Shree Pretoria Hindu Seva Samaj

Established in 1932

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"Satyameva Jayate" - Truth Alone Prevails

SAMAJ ASSET MANAGEMENT POLICY

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1. PURPOSE

This Asset Management Policy has been drafted for the purpose of managing the assets of the Samaj, thus providing an accurate reliable, real-time account of assets under the control of the Shree Pretoria Hindu Seva Samaj (SPHSS). Its primary objectives are:

- To safeguard the Assets of the Samaj
- Record & identify all tangible & intangible Assets.
- Apportion correct valuations to all Assets on Register.

In January 2019, the Executive Committee of the Shree Pretoria Hindu Seva Samaj drafted and adopted the following ***Samaj Asset Management Policy***.

2. DEFINITION OF A FIXED ASSET

A fixed asset is defined as a tangible item of property, plant or equipment held by the Shree Pretoria Hindu Seva Samaj (Samaj) for use in the productions or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).

A fixed asset is thus an asset, either movable or immovable, under the control of the Samaj, and from which the Samaj reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

To be recognised as a fixed asset, an asset must also meet the criteria as per the IFRS statement.

3. ROLE OF CHAIRMAN OF TRUSTEES & PRESIDENT OF SAMAJ

As accounting officers of the Samaj, the Trustees Chairman and President of the Samaj shall be the principal custodians of all the Samaj's fixed assets and shall be responsible respectively for ensuring that the fixed asset management policy is scrupulously applied and adhered to.

4. ROLE OF CHIEF FINANCIAL OFFICER (CFO)

The Chief Financial Officer shall be the fixed asset administrator of the Samaj, and shall ensure that a complete, accurate and up-to-date electronic fixed asset register is maintained.

No amendments, deletions or additions to the fixed asset register shall be made other than by the chief financial officer or by an official acting under the written instruction of the CFO.

5. FORMAT OF FIXED ASSET REGISTER

The fixed asset register shall be maintained in the format determined by the CFO, which format shall comply with the requirements of International Financial Reporting Standards (IFRS).

The fixed asset register shall reflect the following information:

- A brief but meaningful description of each asset
- The date on which the asset was acquired or brought into use;
- The location of the asset;
- The department(s) or section(s) within which the assets will be used;
- The title deed number, in the case of fixed property;
- The stand number, in the case of fixed property;
- Where applicable, the identification number, as determined in compliance with clause 11 below
- The original cost, or the revalued amount determined in compliance with clause 26 below, or the fair value if no costs are available;
- The (last) revaluation date of the fixed assets subject to revaluation;
- The Current market value of the Asset
- The name of person who did the (last) revaluation;
- Accumulated depreciation to date;
- The depreciation charge for the current financial year;
- The carrying value of the asset;
- The method and rate of depreciation;
- Impairment losses incurred during the financial year (and the reversal of such losses, where applicable);
- The source of financing
- The current insurance arrangements;

- Whether the asset is required to perform basic services;
- Whether the asset has been used to secure any debt and, if so, the nature and duration of such security arrangements;
- The date on which the asset is disposed of;
- The disposal price;
- The date on which the asset is retired from use, if not disposed of.

All officials and staff under whose control any fixed asset falls shall promptly provide the CFO in writing with any information required to complete the fixed asset register and shall promptly advise the CFO in writing of any material change which may occur in respect of such information.

A fixed asset shall be capitalised, that is, recorded in the fixed assets register, upon acquisition & brought into use.

A fixed asset shall remain recorded in the fixed assets register until disposed of by SPHSS.

6. CLASSIFICATION OF FIXED ASSETS

The CFO shall ensure that all fixed assets are classified under the following headings in the fixed assets register:

6.1 *Property, Plant and Equipment*

- Land (not held as investment assets)
- Infrastructure Assets (assets which are part of a network of similar assets)
- Community Assets (resources contributing to the general well-being of the community)
- Heritage Assets (culturally significant resources)
- Other Assets (ordinary operational resources)

6.2 *Investment Property*

- Investment assets (resources held for capital or operational gain)

7. INVESTMENT PROPERTY

Investment assets shall be accounted for in terms of IFRS.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

A registered valuer shall be engaged by the Samaj to undertake such valuations.

8. RECOGNITION OF HERITAGE ASSETS IN THE FIXED ASSETS REGISTER

If no original costs or fair values in the case of one or more or all heritage assets, the CFO may value the asset fairly.

For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

9. RECOGNITION OF DONATED ASSETS

Where a fixed asset is donated to the Samaj, or a fixed asset is acquired by means of an exchange between the Samaj and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the CFO.

10 SAFEKEEPING OF ASSETS

Every portfolio head shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the portfolio in question.

11 IDENTIFICATION OF FIXED ASSETS

The President shall ensure that the Samaj maintains a fixed asset identification system which shall be operated in conjunction with its computerised fixed asset register.

The identification system shall be determined by the President, acting in consultation with the CFO and other portfolio heads, and shall comply with any legal prescriptions.

12 PROCEDURE IN CASE OF LOSS, THEFT, DESTRUCTION OR IMPAIRMENT OF FIXED ASSETS

Every portfolio head and member of staff shall ensure that any incident of loss, theft, destruction or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the CFO or Finance Administrator. In the case of theft or malicious damage, the CFO should ensure that the incident is reported to the authorities, where required.

13 CAPITALISATION CRITERIA: REINSTATEMENT, MAINTENANCE AND OTHER EXPENSES

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

14 MAINTENANCE PLANS

The Facilities Management Head, in conjunction with the Finance Administrator, shall review all fixed assets for maintenance, to ensure all assets are maintained to prolong the useful lives of such assets.

15 GENERAL MAINTENANCE OF FIXED ASSETS

The CFO and Financial Administrator shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in clause 17 and 18 above are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

16 DEPRECIATION OF FIXED ASSETS

All fixed assets, except land and heritage assets, shall be depreciated or amortised, over the useful lives of the Asset, as per IFRS.

17 RATE OF DEPRECIATION

The CFO shall assign a useful operating life to each depreciable asset recorded on the Samaj's fixed asset register. In determining such a useful life, the CFO shall adhere to the useful lives set out in the annexure to this document (clause 27 below)

In the case of a fixed asset which is not listed in this annexure, the CFO shall determine a useful operating life, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.

18 METHOD OF DEPRECIATION

Except in those cases specifically identified in clause 24 below, the CFO shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of an asset in question.

19 AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF FIXED ASSETS

Only the CFO may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs the CFO shall inform the executive committee of the Samaj of such amendment.

The CFO shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.

If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which diminution in value occurs.

Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be depreciated in the financial year in which the event occurs, and if the fixed asset has physically ceased to exist, it shall be written off the fixed asset register.

If any of the foregoing events arises in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalised at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset.

20 CARRYING VALUES OF FIXED ASSETS

All fixed assets should be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at the original cost or fair value less any accumulated depreciation.

The only exceptions to this rule shall be revalued assets (see clause 25 below) and heritage assets in respect of which no value is recorded in the fixed asset register (see clause 8 above).

21 REVALUATION OF FIXED ASSETS

All land and buildings recorded in the Samaj's fixed asset register shall be revalued periodically. ~~annually~~.

The CFO shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the fixed asset as recorded in the asset register.

The fixed asset concerned shall, in the case of buildings, thereafter be depreciated on the basis of its revalued amount, over its remaining useful operating life.

Revalued land and buildings shall be carried in the fixed asset register, and recorded in the AFS, at their revalued amount, less accumulated depreciation (in the case of buildings).

22 VERIFICATION OF FIXED ASSETS

The CFO, supported by the Finance Administrator, shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the Samaj

23 ALIENATION OF FIXED ASSETS

All requests for the alienation of fixed assets carrying a value less than R5 000 must be approved by the Executive Committee. The alienation of any assets greater than R5 000 must be approved by the Trustees of the Samaj.

Once the fixed assets are alienated, the CFO shall delete the relevant record from the fixed asset register.

If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the income statement. If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the income statement.

24 OTHER WRITE-OFFS OF FIXED ASSETS

A fixed asset, even though fully depreciated, shall be written off only on the recommendation of the portfolio head controlling or using the asset concerned, and with the approval of the Executive Committee of the Samaj.

Every portfolio head shall report to the CFO by 31 December of each financial year on any fixed assets which such portfolio head wishes to have written-off, stating in full the reason for such recommendation. The CFO shall consolidate all such requests, and promptly submit a recommendation to EXCO of the Samaj on the fixed assets to be written off.

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, destruction or material impairment of the fixed asset in question.

25 REPLACEMENT NORMS

The President, in consultation with exco members, shall formulate norms and standards for the replacement of all normal operational fixed assets. Such norms and standards shall be incorporated in a formal policy. This policy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, generator, and any other appropriate operational items.

26 INSURANCE OF FIXED ASSETS

The President shall ensure that all movable fixed assets are insured at least against fire and theft, and that all Samaj buildings are insured at least against fire and allied perils.

The CFO shall annually determine the premiums payable based on a list of the fixed assets and insurable values of all relevant fixed assets.

The CFO shall recommend to the Executive Committee of the Samaj, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the asset concerned, taking due cognisance of the budgetary resources of the Samaj.

27 ANNEXURE: FIXED ASSET LIVES

Community Assets

The following is a list of community assets, with the estimated useful life in years indicated in brackets in each case.

Auditorium (including dining room & kitchen)	(20)
Priest flat	(20)
Classrooms, including MMC	(20)
Temple	(20)

Heritage Assets

The following is a list of at least some typical heritage assets encountered at the Samaj (no asset lives are given as no ordinary depreciation will be charged against such assets:

Statues or murthis

Shiv temple

Investment Assets

Samaj Marabastad Centre (20)

Marabastad stands

Flat

Other Assets

Office Equipment

Computer hardware (5)

Computer software	(3-5)
Air conditioners	(5-7)
Furniture & Fittings	
Chairs	(7-10)
Tables & desks	(7-10)
Cabinets & cupboards	(7-10)
Bins & Containers	
Refuse bins	(5)
Emergency equipment	
Fire hoses	(5)
Plant & Equipment	
Lawn mowers	(3)
Telecommunication equipment	(5)

Adopted by the Executive Committee of the Shree Pretoria Hindu Seva Samaj on 19 February 2019



R. CHHAGAN
PRESIDENT: SPHSS

19 FEBRUARY 2019
DATE