



VICTIMS SUPPORT PROGRAMME

&

PEACE IV

Guidance Note on Capital Expenditure

G16/VSS

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1. Introduction and Background

- 1.1. This policy is intended to assist VSS funded organisations to make appropriate decisions about the application of Capital Expenditure and the management of Fixed Assets.
- 1.2. Capital Expenditure is money spent by a business or organisation on acquiring or maintaining fixed assets such as land, buildings and office / IT equipment.
- 1.3. Items should be capitalised and are considered to be assets if:
 - 1.3.1. The purchase price exceeds £1,000 (excluding VAT). This price applies to each individual item, e.g. an item costing £1,200 and billed across two invoices of £600 should be treated as an asset, or, three laptops costing £500 each and billed on one invoice of £1,500 should not be treated as assets; and
 - 1.3.2. They have an expected useful lifetime of more than one year, i.e. it is anticipated that the item will be fit for use more than one year on from the date of purchase.
- 1.4. This Guidance Note outlines the standards & controls VSS funded organisations must observe in relation to capital expenditure and the purchase, management and disposal of Fixed Assets.

2. Purchase of Assets

- 2.1. As a general rule capital expenditure is ineligible under VSP funding, however, the VSS may choose to invite Funded Organisations to apply for Capital Expenditure if budget becomes available.
- 2.2. Capital expenditure is currently ineligible under PIV funding.
- 2.3. VSS Funded Organisations are reminded to ensure that all normal procurement requirements are applied as per Guidance Note 5.

3. Asset Management

- 3.1. Where a Funded Organisation is using VSS Funding to purchase Fixed Assets, the organisation should ensure they have an Asset Management Policy in place which, at a minimum, complies with VSS requirements for asset management, as defined in this Guidance Note.
- 3.2. VSS Funding may only be used to purchase equipment, goods or other assets as directly approved / awarded by the VSS.
- 3.3. Assets purchased with VSS Funding must primarily be used for the purposes agreed in the Letter of Offer.
- 3.4. In the case of moveable equipment, there must be assurance that the equipment is for the sole use of the Funded Organisation and primarily for the purpose of VSS funded activities.
- 3.5. An Assets Register must be kept up to date by Funded Organisations for all VSS funded assets. The register should include item description, serial number, purchase price and date of purchase. The Assets Register must clearly identify where an item has been funded by the VSS.
- 3.6. For any IT equipment purchased the serial number must be provided to VSS.
- 3.7. Funded Organisations must obtain appropriate insurance, i.e. buildings and or contents insurance.
- 3.8. Funded Organisations must inform VSS of any circumstances which have caused, or are likely to cause, a loss or misuse of any asset which has been purchased using VSS Funding. Such notification should be made in writing within 5 working days of the circumstances becoming known.

- 3.9. Funded Organisations shall permit any VSS Officers access to inspect any asset at any time.
- 3.10. Funded Organisations should be aware that the VSS will investigate all instances of actual, attempted and suspected fraud and will seek to recover funds and assets lost through fraud.
- 3.11. Funded Organisations must inform the VSS in writing of any changes to the conditions of assets, such as the sharing of assets or the transfer of assets to any other organisation.

4. Asset Disposal

- 4.1. Funded Organisations must ensure that no VSS Funded asset will be disposed of before the end of its useful life (as defined by the funded organisation's Assets Policy) without prior written agreement of VSS. If an Organisation wishes to dispose of an asset before the end of its useful life, it must have the agreement of VSS as to how the asset can be disposed of and how the proceeds might be spent. The latter might include, if appropriate, repayment to VSS of the net proceeds of any sale of assets which were bought with VSS Funding.
- 4.2. If there is any doubt regarding the disposal of assets purchased with VSS funding, VSS should be contacted for guidance prior to disposing of, lending or donating equipment.
- 4.3. If an organisation has purchased items using VSS funds and is to close down they should enter into negotiations with VSS to establish the appropriate redistribution of such equipment.