



Society for Creative Anachronism Ltd (Australia)

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Assets Policy

Purpose

This document sets out the Asset Policy for SCA groups in Australia. It seeks to make clear the legal requirements for dealing with assets of value. This policy is written in the following format: The policy is written in **bold** and the rationale and explanations are written in a normal font.

Authorisation

Society for Creative Anachronism Ltd (Australia)

Summary

There are two types of assets, Current and Non-Current.

Current assets are those which are expected to be used within a year. Non-current assets are those which it is expected will last longer than a year.

That said, we do not treat an item as an asset simply because it is expected to last longer than a year. For example you might expect a stapler to last longer than a year but you do not treat it as an asset because of its low value. It is customary to form a policy that only items over a certain value and which are expected to last more than a year are treated as assets.

This policy covers all assets. That means it covers both current and non-current assets. It covers motor vehicles, investments, land, buildings, garb, weapons, office machinery, computer equipment and even software that might be treated as an asset.

Guiding Principles

The Society for Creative Anachronism Ltd is the legal owner of all assets. The reason for this is that branches are not “separate legal entities”. This means they have no standing as a “body” under mundane law. The only legal body that exists is the company which is a company limited by guarantee under the corporations law. The company is the only body that can own something. That is why, for example, all bank accounts are in the name of the company.

Policy Details

1) **Only assets which are expected to last more than a year and which cost more than \$300 need to be treated as assets.**

We do not take our cue from what the Tax Office stipulates because we prepare our accounts for our own purposes and then adjust for taxation. Tax law changes and it does not take our circumstances into consideration. We need to set the cut off figure at a level which reflects our financial state. To some people, only assets worth over \$10,000 might be worth considering because anything under that is chicken feed to them. Those are people who deal in billions. If

we were to stipulate \$1000 that might leave out some items that are very valuable to us at \$900. We need to set this figure at an amount that reflects what is important to us. On the other hand, we might purchase something that costs less than \$300 but it is very important to us so we might decide to “give it the assets treatment” by following the rest of this policy regarding the way we take care of it. That is fine.

2) Branch Office-bearers are responsible for the safe custody of all SCA assets.

This applies regardless of the form the asset takes. It can be small petty cash or land and buildings or everything in between, including investments, motor vehicles, and equipment held for use at events. The office-bearers are responsible for it and must take whatever action is necessary to safe guard it. If office-bearers adhere to the following standards then they will have met this responsibility

3) All cash must be banked within three days of its receipt.

Generally speaking, cash should always be banked as soon as possible so stipulating 3 days could be considered a rather lax policy. There are many situations where even three days is going to be difficult but we will leave it that our policy is three days, with the understanding that this is the ideal. The main thing to remember is that it is not necessary to “balance the books” before cash is banked. It is more important to get it banked so that it is in safe custody.

4) Between the time when cash is received until it is banked, cash must be kept in a cash-box which is kept under lock and key in a safe place.

Keys to the safe place should be held by a responsible person, normally the reeve but who may be the event steward or some other responsible person decided by the branch. It is also important that you know precisely how much is in the cash-box at any time so that you will know if some is stolen or so you can tell the police how much was stolen if you discover a theft. Make sure you keep the record of how much cash is in the cash box, somewhere else so it does not go “walkabout” with the cash box.

5) Any asset which has a value of \$2000 or more must be approved by the Board of Directors before any steps are taken to acquire it.

Under SCA Policy, no expenditure should be undertaken without discussion and approval being granted first. However, our policy would not be complete without some reminder that decisions of this magnitude need to be made and authorised by the board. No one person should ever take it on themselves to unilaterally decide such things. Any branch which is unsure of the wisdom of acquiring an asset under the value of \$2000 may always refer to the Board of Directors or a parent or larger branch for advice. You are not expected to know everything.

6) All non-cash assets must be marked as belonging to the SCA as soon as possible after they are acquired.

There must be some way to identify an asset as belonging to the SCA. Marking the asset in some way by putting the logo on it or writing the name on it in a way that cannot easily be removed is the most logical way to identify an asset as belonging to the SCA and of course to a particular branch. Sometimes, even this may not be practicable, particularly for items that are works of art such as crowns. In that case and especially for any item that is in any way unique,

the best way to identify it is to photograph it. Take photos of the item from all angles. Be sure to note down the dimensions or include a ruler or other tape measure in the picture. These can be used for identification purposes and can also be used to show to the police if the items are stolen or lost. In fact, even items that can be marked but are unique in some way will benefit from being photographed. If these photos are uploaded with descriptions to the drop box, then we need not fear that the photos will be lost when someone's computer crashes.

7) A written list should be kept of all assets with sufficient information to allow new office-bearers to locate and identify them. The date of acquisition and cost of the item should also be noted.

Assets can easily be lost when there is a change in office bearers or even a change in membership. Therefore it is important that the assets be clearly listed so that the list can be handed over to the new office-bearers. Preferably this list should be kept in hard copy format in a book or folder and all documentation associated with the asset can be kept in the same book or folder. Of course this list may also be kept electronically and in fact the hard copy list may well be a printout of the electronic list. However, it is not easy to keep registration papers pinned to a laptop so the idea of having a written list in a folder gives you a place to put all the documentation relating to assets such as warranties, manuals, registration papers etc. You can scan the documents and keep an electronic copy but you still need somewhere to keep the originals.

The date of acquisition and the full cost of acquiring the asset should also be noted. The full cost of acquiring an asset includes any freight that had to be paid to get it and also any set up costs that had to be paid. These all form part of the cost of the asset.

This list also needs to record the person who is in charge of the asset and where it is located. When there is a change in office-bearers, the whole folder can be handed over and the new office bearers can go through it and check that everything is there. There should not be any need to be going back to former office-bearers and asking if they have the manual for the so and so or such other requests.

The branch needs to select the most appropriate person to take care of these records. In some cases it may be the reeve as they form part of the accounting books and records. However in some branches it may be the Hospitaller or the Chandler.

Care must also be taken when someone who is "looking after" an asset moves away that they do not take the asset with them. It would be the responsibility of the person appointed by the branch to take care of branch asset records, to be aware of the fact that a member has in his/her possession, some branch assets and they need to be retrieved before the member moves.

8) Any assets which are required to be registered under state or federal law must be so registered.

This applies to motor vehicles and the like. Anything which must be registered under the law of the state in which the item is kept must be registered in that state with the SCA being stipulated as the registered owner. The address given for the item is the address where it is in fact kept.

This will very likely be the address of one of the persons authorised under paragraph 9 to sign the papers on behalf of the board.

9) Registration papers must be signed by members of the board or any two other persons nominated by the board for that purpose.

This is in the event that the registration papers do not need to be signed under seal. If there are documents which require the company seal, then the branch should contact the Company Secretary as soon as possible.

Any branch which wishes to obtain an item that needs to be registered may request that the registration documents be signed by the board or that the board nominate two persons within their branch who may sign those documents on their behalf. This is to make it easier for branches to effect registration and transfer of registration at a later stage. Obviously only the persons nominated for a particular asset may sign for that asset. It would also make sense to have the person at whose address the item is to be kept, as one of the signatories. It is customary to have two persons to sign together as signatories when an item is registered in the name of a company. This is similar to the idea that a cheque needs to have two signatories. It does not mean that those two people become joint owners. The company is still the owner. It is just having two people to sign together for it.

The letter advising of the nomination must be kept with the registration papers in accordance with paragraph 7 above. If it happens that a few years later, one of the people who was authorised has died, left the SCA or moved away, another signatory can always be nominated and authorised by the then current board of directors to sign for that asset. There is no need to chase up the person who has moved away (or indeed have them exhumed and resurrected) just to sign a document.

10) Assets must only be operated in accordance with any laws which apply to them

This means, for example, that if the asset is a motor vehicle of any sort, then it can only be driven by a person who holds the appropriate licence to drive that vehicle. The driver must also obey all road rules such as not driving while under the influence of alcohol. If the asset is a weapon of any kind which is the subject of any legal requirement now or in the future, then only persons who can fulfil those requirements are permitted to operate the asset.

11) Assets may only be used for SCA purposes.

Private use of SCA assets is strictly forbidden. Members may however use an SCA asset if they pay a reasonable amount to the branch by way of a hire charge. The reason for this rule is that the SCA is a not for profit company and if members were allowed to use SCA assets without paying a hire charge, then this use could be construed as a distribution of profits. In some circumstances, it might also involve the SCA in fringe benefits tax. The easiest way to avoid these pitfalls, and to maintain the asset in good order and condition so it is available for the branch's use, is to prevent private use.

12) Assets must be kept in good order and condition

This means that assets must be stored in a safe place. If they require regular servicing then these services must be done. They should be examined at least once per year to see that they are in good condition and if not, steps should be taken to restore them.

13) All costs associated with the acquisition, care and maintenance of an asset are to be borne by the branch which has custody of it.

All assets are of course owned by the company. However, the individual branch which acquires the asset has the use and benefit of it. Therefore it is their responsibility to maintain the asset.

14) Assets must be kept insured if the value is more than \$5000 or if there is a legal requirement for insurance.

This is a common sense rule. If the branch has put a fair amount of its hard earned money into acquiring an asset of considerable value, then insuring it is the best way to protect the branch's investment. In some instances, branches may decide to self-insure but the question should always be seriously considered.

15) Existing assets can be brought into the record system by adding them to the list, ensuring they are identified and gathering together whatever documentation is available and including it in the assets folder.

If a branch wishes to bring existing assets into the recording system it may do so by adding the asset to the list, making sure the asset is identified by either marking it or photographing it and finding any documentation that exists for it such as warranties and manuals. If the original price of the item is known then make a note of this price and the date of acquisition as well.

If you do not know the date and price of acquisition you can make a guestimate or else have some of the members, who might be knowledgeable of these matters, give an estimation of the value. In accounting records these items are said to be "at officers' valuation."

16) If a branch wishes to dispose of an asset it should offer the asset first to other branches of the SCA.

This is logical since the asset actually belongs to the company. Also, if the asset is sold outside the SCA, then the value obtained for it, might not be as much as the value to the company of keeping it within the company. The overall objective is to maximise the value that is obtained by the company as a whole.

17) Log books showing the use of an asset need only be kept if there is a legal or practical requirement to do so

A legal requirement only applies to trucks in some circumstances. A practical requirement might exist when the asset is being hired out and the hire charge is being based on some usage factor such as kilometres used in the case of a trailer or copies done in the case of a photocopier. There is no point in keeping a log book just for the sake of it.

18) If an asset is damaged, the person responsible for the damage must make good.

If an asset is being used by a member or other person who is hiring the asset, then the person hiring the asset must pay for repairs. If the asset is being used for SCA business and it is damaged totally by accident so that the SCA member who is using the asset is not in any way careless, then the SCA branch should pay for the repairs. In all other circumstances the cost of the repairs should be borne by the person responsible for the damages.

19) In the event of a dispute, responsibility for damage will be decided by a committee of three persons chosen from the officers of the branch.

In the event that there is a dispute as to who is responsible for damage to an SCA asset and it is not a matter for the courts to decide, then the branch should form a committee to decide the issue. The committee will comprise three senior officers who are not involved in the damage or connected to a person involved in the damage.

If there are more than three persons willing and able to go on the committee then the committee can be elected by the drawing of straws. The committee should look at the facts of the case, ask for witnesses' opinions and then make their decision. They may decide that responsibility is to be borne by one person or it is to be shared. The committee is to be free to make whatever decision it thinks is reasonable in the circumstances.

Other Relevant Documents

SCA Ltd Financial Policy

Further Information

For further information on the above policy, please contact the SCA Ltd Secretary by emailing secretary@sca.org.au or by post to:

The Secretary
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Revision History

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