

DISTRICT DIRECTORS  
DISTRICT FINANCE AND ADMINISTRATION OFFICERS  
PRINCIPALS  
DEPUTY PRINCIPALS  
REGISTRARS

## **CHANGES TO THE RECORDING OF SCHOOL SOFTWARE AND LIBRARY COLLECTION**

As a result of the changes to the Department of Education and Training's accounting policies to comply with the Australian Accounting Standards, I would like to advise of the following important changes to the recording of software and the library collection in school asset registers.

### **Software**

Previously software with a bought value of \$5 000 was capitalised, recorded in the school asset register and depreciated over two years.

Effective 1 July 2006:

- Software, whether purchased or internally developed by the school, with a value of \$50 000 or more must be capitalised, recorded in the school asset register and depreciated over four years.
- Where the value is less than \$50 000, the amount is expensed and is therefore not required to be recorded in the asset or resource register.

### **Library Collections**

In addition to the library cataloguing system, some library items must now also be recorded in the asset register as part of the library collection.

- Books, CDs, DVDs and other recorded media (e.g. video tapes) with a useful life of two years or more must be recorded collectively in the asset register as part of the library collection and the rolling method of depreciation applied.

To assist in implementing these changes and to minimise the impact on workload for the school registrar, the asset recording software has been modified to include:

- a threshold value of \$50 000 for new items entered into the Software category;
- depreciation of Software over four years;
- a new Library Collection category; and
- rolling depreciation of the Library Collection acquisitions over five years.

The new version of Asset Manager will be rolled out to schools early in Term 2.

I have taken the opportunity to include detailed guidelines for schools to assist in implementing the change. Full support is available from the district finance and administration officers and from the Financial Policy and Services Branch in central office.

If you have any further queries please do not hesitate to contact the Manager of Financial Policy and Services, Mr John Kenney, on 9264 5346.

PETER MCCAFFREY  
DEPUTY DIRECTOR GENERAL  
FINANCE AND ADMINISTRATION

7 May 2007

# **GUIDELINES FOR RECORDING SOFTWARE AND THE LIBRARY COLLECTION**

---

## **SOFTWARE**

### **Expenditure on Software**

Effective immediately, expenditure of \$50 000 (ex GST) or more on purchased or internally developed software applications must be recorded in the D2460 Purchase of Software range of accounts or the N1850 Software Replacement Reserve range of accounts. If required the school can expend from a faculty area, however the expenditure must be analysed to D2460.

In determining the value (or costs) of an internally developed software, schools are to refer to the FMIS Asset and Resource Policy and Procedures manual for instructions, or alternatively contact their respective district finance and administration officer for advice.

### **Recording in the Asset Register**

Software that is purchased or internally developed by the school with a value of \$50 000 (ex GST) or more, must be recorded in the Software category of the asset register.

Where the value is less than \$50 000, the software is not required to be recorded in the asset or resource register.

Note: Existing items in the Software category that are less than \$50 000 are not to be removed from the asset register.

## **LIBRARY COLLECTION**

From 1 July 2007, the following library items are to be included, collectively, in the Library Collection category of the asset register:

- fiction and non-fiction books;
- class room reading books;
- text books;
- video/audio tapes;
- recorded DVD;
- recorded CD; and
- other recorded media.

NOTE: Heritage and rare books are to be included in the Artworks category.

Items such as charts, journals, magazines and teaching aids are not to be included in the Library Collection category of the asset register.

## **Expenditure on the Library Collection**

Effective 1 July 2007, the D2480 Library Collection range of accounts or the N1900 Library Collection Replacement Reserve range of accounts must be used to record expenditure on **all** items that are to be included in the Library Collection category on the asset register.

The D2480 range of accounts was previously used to record expenditure on library references over \$5 000. As advised last year in the Modifications to the Standard School Chart of Accounts v9.1 September 2006, this has now changed.

Schools wishing to use faculty accounts for library collection expenditure must ensure that analysis code D2480 is used.

The analysis report will be used to determine the value of new library collection acquisitions for entry into the asset register twice per year. It will be necessary to take into account expenditure from both the N2480 and N1900 range of accounts.

Expenditure for items that are not part of the library collection (for the purpose of the asset register) can be posted to the relevant faculty area or D3400 range. Analysis code D2480 must not be used.

## **Recording in the Asset Register (See Appendix A - Checklist)**

Recording the collection comprises two steps:

### **1. Enter the value of the existing library collection into the Library References category.**

The total value (a single entry) of the existing library collection is to be entered into the Library Reference category of the asset register. This is a once only posting to be completed in **June 2007 prior to the roll-over**.

The schools may obtain the value of the existing library collection from any available sources such as the library cataloguing system or from the current and previous four years' ledger accounts. Where this is not possible, an estimated value should be used. The estimated value of the existing library collection should be based on the value of the previous year's acquisitions multiplied by four. For those schools that are less than four years old, the estimated value should be based on the value of the previous year's acquisitions multiplied by the number of years in existence. For brand new schools, the actual acquisitions for this year to date should be used.

The Library References category will not be used again for purchases made after 30 June 2007.

### **2. Enter the value of new acquisitions bi-annually in the Library Collection category**

The total value of new acquisitions for the library collection (a single entry) is to be entered into the Library Collection category of the asset register once every six months (December and June). This information is obtained from the reports for expenditure on library collection acquisitions.

## RECORDING THE LIBRARY COLLECTION

**IMPORTANT:** Ensure all expenditure transactions in RM Finance for the Library Collection are analysed to D2480 Library Collection (or N1900 Library Collection Replacement Reserve).

### 1. Record the Existing Library Collection

**15 June 2007 or thereabouts (but not later than 30 June or June rollover)**

- Estimate the value of the existing library collection.
- Enter the total value of the existing collection into the **Library References** category of Asset Manager. Use:

Description: Library Collection - Initial  
Bought Date: xx.06.2007 (current date)  
Category: Library References

The screenshot displays the 'Asset Window' interface. The main form contains the following fields:

- Code:** 00167
- Description:** LIBRARY COLLECTION INITIAL
- Serial No.:** (empty)
- Bought Value:** \$ 150000.00
- Bought Date:** 15/06/2007
- Status:** Owned
- Category:** Library References
- Supplier Name:** (empty)
- Supplier Address:** (empty)

The 'User Fields' dialog box is open, showing the following fields:

- User Values:** Freq of Lease, End Of Lease, No. Items, Lease Payment, Residual Costs
- User Sort Keys:** Location (LIBRARY), CC Number, CC Name (LIB COLL - INITIAL), Supply Code, Warranty Exp

Red circles highlight the 'Description', 'Bought Value', 'Bought Date', and 'Category' fields in the main form.

**NOTE:** After entry of the existing collection, this category must not be used again.

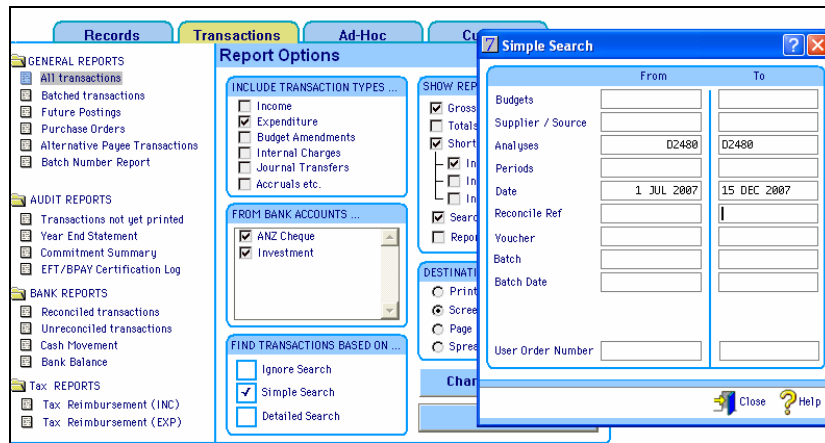
This is only completed once to enter the existing collection.

**2a Post New Library Collection Acquisitions (December Take-Up)**

**15 December 2007 or thereabouts (but not later than 31 December or December rollover)**

- Use the RM Finance analysis report for D2480 Library Collection to determine the total nett value of acquisitions from 1 July to take-up date in December (e.g. 15 December).

RM Finance > Reporting > Transactions >  
 Select - All Transactions > Expenditure > Short Report Format >  
 Select - Simple Search  
 Enter D2480 to D2480 and the take-up period (e.g. 1 July 2007 to 15 December 2007).  
 Close Simple Search and Print.



Selected Transactions: All Transactions										Data for 2007	
Account	Analysis	Budget	Ref	Type	Date	Nett	Tax	Total	Voucher		
ABA001	D2480	D2481	123456	ADMIN ESP	15 DEC 2007	50.00	5.00	55.00	13722		
ABA001	D2480	D2481	123456	ADMIN ESP	15 DEC 2007	50.00	5.00	55.00	13723		
ACT001	D2480	D5740	123458	ADMIN ESP	15 DEC 2007	400.00	40.00	440.00	13724		
DYM001	D2480	D2481	123459	ADMIN ESP	15 DEC 2007	90.91	9.09	100.00	13725		

Key					Nett	Gross
INC	Income	IC	Income Correction	<b>Total Income</b>	0.00	
ESP	Expenditure	ESC	Expenditure Correction	<b>Budget Amendments</b>	0.00	
ACR	Accrual	PRE	Prepayment	<b>Expenditure Against Budget</b>	590.91	650.00
CRT	Creditor	DBT	Debtor	<b>Internal Charges</b>	0.00	
ALL	Budget Allocation	VR	Budget Virement	<b>Inter Transfers</b>	0.00	
					0.00	
					0.00	
					0.00	
					0.00	
					59.09	

*URC - Prior year unreconciled transactions not included in totals*

Transactions > Reports > General Reports > All Transactions

Use the nett value for entry to the Library Collection category.

- Repeat for analysis N1900. Add any expenditure recorded in the N1900 Library Collection Replacement Reserve for the take-up period to the figures reported in D2480, for the total value of the new acquisitions.
- Enter the value of the new acquisitions in the **Library Collection** category of Asset

Manager. Use:

Description: Library Collection December 2007

Bought Date: xx.12.2007 (current date)

Category: Library Collection

The screenshot displays the 'Asset Window' in a software application. The main window contains the following fields:

- Code: 00167
- Description: LIBRARY COLLECTION DECEMBER 2007
- Serial No.: [blank]
- Bought Value: \$ 590.91
- Bought Date: 15/12/2007
- Status: Owned
- Category: Library Collection
- Supplier Name: [blank]
- Supplier Address: [blank]

A 'User Fields' dialog box is overlaid on the right side of the window. It has two tabs: 'User Values' and 'User Sort Keys'. The 'User Values' tab is active and contains the following fields:

- Freq of Lease: [blank]
- End Of Lease: [blank]
- No. Items: [blank]
- Lease Payment: [blank]
- Residual Costs: [blank]
- Location: LIBRARY
- CC Number: [blank]
- CC Name: LIBRARY COLLECTION
- Supply Code: [blank]
- Warranty Exp: [blank]

Buttons for 'Edit' and 'Delete' are visible at the bottom of the main window. An 'Accounts Link' icon is also present.

- All purchases made after the current take-up date (e.g. 15 December) are to be included in the next June take-up.

## 2b. Post New Library Collection Acquisitions (June Take-Up)

### 15 June 2008 or thereabouts (but not later than 30 June or June rollover)

- Use the analysis report for D2480 and N1900 to determine the total nett value of acquisitions from 1 January to the take-up date in June (e.g. 15 June).
- It may be necessary to refer to Last Year's data if acquisitions for the library collection were made between the previous year take-up date (e.g. 15 December 2007) and 31 December 2007.
- Enter the value of the new acquisitions in the **Library Collection** category of Asset Manager. Use:
  - Description: Library Collection June 2008
  - Bought Date: xx.06.2008 (current date)
  - Category: Library Collection
- All purchases made after this take-up date (e.g. 15 June) are to be included in the next December take-up.

Repeat steps 2a and 2b each year.

NOTE: Schools using Maze 5 to record assets will need to follow the same procedures to record the library collection. The software will be updated to reflect the changes.