



Asset Fund Policy

Reference Number:	3.2
Type:	Council
Category:	Corporate Services
Relevant Community Plan Outcome:	<ul style="list-style-type: none"> • Be bold and innovative in our practices, leadership and decision making. • Adaptive and sustainable management of the City's finances.
Responsible Officer(s):	Manager Financial Services
First Issued/Approved:	July 1996
Minutes Reference:	CoS 4/02/2019, Item 3.6
Last Reviewed:	February 2019
Next Review Due:	February 2021
Applicable Legislation:	Local Government Act 1999 Local Government (Financial Management Regulations) 2011
Related Policies:	
Related Procedures:	

1. Purpose

The purpose of the Policy is to identify how the net cash proceeds from the sale of unbudgeted surplus properties which are established in Council's asset fund will be allocated.

2. Scope

This policy is applicable to surplus revenue from the sale of Council properties.

3. Policy Statement

The Asset Fund is a reserve established to identify how unbudgeted surplus revenue arising from the sale of properties will be used by Council:

1. To enable the purchase or development of significant strategic assets
2. For major self-funding projects
3. To reduce Council's short-term debt
4. To replace or renew Council's infrastructure and property assets as a last resort
5. To fund replacement of depreciating assets, or
6. To reduce Council's need for long term borrowings.

The Asset Fund will benefit Council by enabling the allocation of funds for future capital expenditure for the purpose of replacing, renewing and procuring significant assets. This will minimise impacts upon rates and/or debt levels. The fund will also assist with Council's asset renewal and replacement strategies. When a surplus property is sold the net proceeds will be identified as surplus to be accounted for as a restricted asset in the year-end financial statements. In the absence of a council resolution at the time of the property sale to specifically allocate funds to designated capital expenditure, the surplus revenue will be used to retire debt.

Use of the Fund

Fund transactions will be controlled by specific Council resolutions and will specify the source of revenue and the application of funds as per items 1-6 above.

4. Definitions

N/A