

Finance and Accounting Manual

Heritage Assets: Valuation and Stocktaking Policy

Approved by the Chief Operating Officer and DVC on 16 November 2007

Date of effect: 16 November 2007

Updated for Delegation amendment 4 October 2011

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Updated for Delegation amendment: 29 May 2017 (commencing 1 June 2017)

Administrative amendment: 29 May 2017

1. Overview

- 1.1** This document outlines a policy for the valuation and stocktaking of the Heritage Assets of The University of Sydney. Currently, these are defined as the registered items of a recognised collection and include the Macleay Museum, Nicholson Museum, University Art Collection and Power Collection.
- 1.2** Regular valuation of the Sydney University Museums collections is necessary for several collection management functions. Current values are required for insurance purposes as well as to satisfy auditing and accounting requirements.
- 1.3** Stocktaking of objects is also necessary for security purposes, condition checking and maintaining accurate location records. As such, stocktaking can be seen as part of security procedures, daily security checks of objects on display and controlling access to keys for storage areas.
- 1.4** Objects owned by others, on long-term loan to a recognised collection will also be subject to stocktaking and the regular valuation schedule, as their value is calculated as part of the insurance liability of the University's collections.
- 1.5** Information regarding the Heritage Assets of The University of Sydney is located on databases managed by The University of Sydney's ICT department.
- 1.6** Heads of Administrative Units / Schools which administer the recognised collections are responsible for scheduling and overseeing the valuation and stocktaking program, and maintaining accurate records of valuations, object location and movement.
- 1.7** The [University of Sydney \(Delegations of Authority – Administrative Functions\) Rule 2016](#) part 6.13 provides delegations for the sale disposition or loan of University art and heritage items not subject to the terms of a trust.

2. Object Categorisation

- 2.1** To assist in calculating accurate valuations and to monitor the most significant Heritage Assets of The University of Sydney, each object will be assigned a category as follows:-

A = highest cultural significance or valuation over AUD 250,000

B = valuations between AUD 50,000 - 250,000

C= valuations between AUD 5,000 - 50,000

D= valuations less than AUD 5,000

3. Schedule

3.1 Given the prohibitive resources required to re-value the Heritage Assets of the University of Sydney a staggered 5-year cycle has been established. Please refer to **Appendix A** for the detailed valuation schedule, for Sydney University Museums.

4. Valuation

4.1 Definition

There are two basic valuation standards: fair or current market value and insurance replacement value. Replacement value is higher to cover the additional costs involved in locating and buying an equivalent object. The University standard will be fair value.

4.2 General Policy Statements

4.2.1 All collections will be globally re-valued at 2% every year, to avoid any material change to values due to the 5 year valuation plan interval.

4.2.2 All category A, B and C objects will be formally valued by independent valuers (on rotational basis to ensure the same individuals do not value the same items in consecutive years) every five years as per the schedule, to be organised by the Collections Manager.

4.2.3 All category D objects will be re-valued once every five years as per the schedule, as a percentage of their previous value.

4.2.4 All new acquisitions will be reviewed, assessed and their value added to the collection.

4.2.5 Curators are to regularly assess category B and C objects for any likely inclusions in the A category.

4.2.6 Independent valuers will be recognised experts and will be either independent Sydney University Museum curators or will be selected from DCITA's Cultural Gift Program listing of approved valuers.

4.3 Resolution

Annual Certificates of Verification of Heritage Assets will be produced and signed by the Heads of Administrative Units/ Schools which administer the recognised Heritage Assets of The University of Sydney collection in consultation of the University's Financial Control and Treasury.

4.4 Procedures

For detailed procedures for Sydney University Museums please refer to **Appendix A**.

5. Stocktake

5.1 Definition

A goal of a stocktake is to obtain a list of objects in their exact location on a specific date. A stocktake has several purposes. It is a systematic check to see that all objects can be accounted for and that they are stored and numbered properly. It brings objects that may require conservation treatment to light. It checks the accuracy of the museum's location records and therefore the adequacy of the museum's movement controls.

5.2 General Policy Statements

5.2.1 All category A and B objects and all loans will be sighted every year.

5.2.2 In line with section 3.1 above, all category A, B and C objects will be individually checked (on rotational basis to ensure same individuals do not value same items in consecutive years). In addition, every year, 10% of category D objects of the collections being scheduled for that year will be checked through a computerised, random selection.

5.3 Resolution

5.3.1 Stocktake results and the actual sighting dates are updated in the database.

5.3.2 A missing object report is to be completed and submitted by the Heads of Administrative Units / Schools which administer the recognised Heritage Assets of The University of Sydney collection for discussion with the University's Financial Control and Treasury.

5.4 Procedures

For detailed procedures on stocktake for Sydney University Museums please refer to **Appendix A.**

6. Related Information

6.1 Additional Resources

- [University of Sydney Museums](http://sydney.edu.au/museums)
sydney.edu.au/museums
- [Heritage Management Policy 2014](http://sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/9&RendNum=0)
http://sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/9&RendNum=0

7. Contact and Review

7.1 Contact

Unit: Financial Control and Treasury
Phone: 9351 - 3592
Fax: 9351 - 5861

7.2 Review

The Finance and Accounting Manual will be reviewed annually and on an ad hoc basis if required.

The Chief Financial Officer will approve changes to financial procedures and guidelines and will co-ordinate changes to financial policy, with the Vice-Chancellor delegated to approve University financial and infrastructure policy.

Amendments to forms, schedules and weblinks will be processed by Financial Services.

Amendments to the Finance and Accounting Manual procedures and forms are listed on the Financial Services website under:-

- [FAM Amendments](#)
- [Amendments to Forms](#)

Please forward suggestions and comments on the Finance and Accounting Manual via the [Feedback Form](#).

Heritage Assets: Valuation and Stocktaking Procedures for Sydney University Museums

This document should be read in conjunction with the [Heritage Assets: Valuation and Stocktaking Policy](#)

1. Overview

1.1 While it is usually convenient to carry out valuation and stocktaking concurrently, as both processes require the sighting and identification of the object, the Collections Manager in consultation with the Director, Sydney University Museums and Senior Curators will decide each case on its merits.

1.2 Information regarding the cultural assets of Sydney University Museums as it pertains to this policy is retained on KE EMu, a proprietary museums specialist database. This database is on a server housed, monitored and backed up by University of Sydney's ICT department.

1.3 Schedule

The collection is sighted and revalued every 5 years. The schedule, shown below, is the current program.

Year	Collections
2007	University Art Collection
2008	Nicholson Museum and Macleay Entomology collection
2009	Macleay Ethnography Collection
2010	Macleay History Collection
2011	Macleay Natural History Collection
2012	University Art Collection
2013	Nicholson Museum
2014	Macleay Ethnography Collection
2015	Macleay History Collection
2016	Macleay Natural History Collection

1.4 The Collections Manager, in consultation with the Director, Sydney University Museums and Senior Curators, is responsible for scheduling and overseeing the valuation and stocktaking program. The annual stocktake usually precedes the valuation program, ensuring that all objects for valuation have been located and their location updated.

2. Object Categorisation

2.1 To assist in calculating accurate valuations and to monitor the most significant Heritage Assets of The University of Sydney, each object will be assigned a category as follows:-

A1= highest cultural significance

A2= valuation over AUD 250,000

Public Liability policy – Items under the University's "Care, Custody and Control"

For the purposes of the renewal we report any items that are within the "care, custody and control" of the University with a value of \$250,000 and above.

B = valuations between AUD 50,000 - 250,000

C= valuations between AUD 5,000 - 50,000

D= valuations less than AUD 5,000

2.2 The category will be entered on the computerised object record. This will allow the creation of lists of the most significant objects in the collection as well as those with the highest monetary value.

2.3 A listed object will correspond to the priority listed objects in Sydney University Museums' Disaster Preparedness Action Plan.

3. Valuation Procedures

3.1 The Collections Manager will be responsible for scheduling and supervising the valuation program, and maintaining accurate records of valuations.

3.2 The Collections Manager in consultation with the Director, Sydney University Museums and Senior Curator nominates the valuer/s to be used for each collection and decides on the scope of the valuation.

3.3 The Valuation Process will be aligned with the principals provided under Australian Accounting Standards Board (AASB) 116.

3.4 A, B and C category objects will always be re-valued individually. Sometimes, previously unvalued objects may be included for individual valuations. Otherwise, the valuer is asked to estimate a percentage increase or decrease for the rest of the collection.

3.5 The valuer is contacted and dates set for the valuation.

3.6 The Collections Manager produces a list of objects to be individually valued, including the object number and name, exact location, the last value assigned, the date of the last value.

3.7 The staff member works with the valuer, recording the new values on the list. The valuer must sign and date each sheet of the valuation listing at the end of the process. Where values have increased or decreased dramatically, i.e., over 10%, the valuer must include a written statement explaining his/her rationale for the change in value.

3.8 When the valuations are complete, the valuer presents a written letter of confirmation of the valuation process.

3.9 The values are then updated on the database [The percentage update is entered first (e.g. 2% increase), then the individual values are overwritten. This avoids adding the percentage to the individually valued pieces].

3.10 Annual Certificates of Verification of Heritage Assets of all Sydney University Museums Collections, to be signed by the Director, Sydney University Museums and Senior Curator of the Collection, will be produced by the Collections Manager in consultation with the Financial Control and Treasury.

3.11 A complete list of objects, date valued and current valuation for the collection scheduled that year will be printed out and delivered to the Director for dissemination.

3.12 The University's Advancement Services will be forwarded a copy of all new donations, including donor details and their value.

4. Stocktake Procedures

4.1 The Collections Manager will be responsible for scheduling and supervising the stocktake program, and maintaining accurate records of object location and movement.

- 4.2** The Collection Manager produces a list of objects to be sighted, including the object number and name, current location, previous location and the date of the last sighting.
- 4.3** Two staff members will work together, checking off or amending the current locations of the objects on the list.
- 4.4** Labels or tags should be attached to objects, if missing, during the stocktake.
- 4.5** All locations are updated and the location date is changed to the official stocktake date.
- 4.6** Where objects are not in their specified locations a separate report needs to be produced, including images that were available. A second wider search needs to be done; including informing and questioning all staff if they have any knowledge of the objects' whereabouts.
- 4.7** If after exhaustive searching the object is not found, a missing object report with the most recent values is to be completed and submitted to the Director of University Museums for the final decision that may involve formal investigation, insurance claim and initiation of the disposal process from the collections database
- 4.8** A missing object report is to be completed and submitted by the Director of University Museums for discussion with the University's Financial Control and Treasury, which may include notifying the Asset Management Unit for adjusting the overall value of the collections.
- 4.9** An explanatory note stating the decision on missing objects to be recorded in the database.