

FIXED ASSET ASSESSMENT

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*AMS FINANCE
COMMISSION*

Fixed Asset Assessment Report

What is the FAA project?

The Fixed Asset Assessment is for the AMS Finance Commission to keep track of the value of all the fixed assets that have been invested by the AMS and its members over the years. This allows the AMS to accurately keep a record on how these investments have been made towards the different clubs that are hosted under the AMS and to better manage our finances in the future. In addition, the information provided by clubs and constituencies allows the AMS to keep track of the properties which further enhances accountability and transparency of the subsidiaries.

The Process

In order to complete the project at first we drafted an email which contained all the instructions regarding the FAA project in terms of what it is about, what we need from the treasurers, what is considered a fixed asset, the definition of a fixed asset and detailed guidelines on how to value a fixed asset. Secondly, we created an FAA Excel template in which the treasurers had to provide details of each of the assets they wished to value. This template required the description of the asset, estimated current value, quantity, subtotal value, decision on if they were moving this asset to the new SUB, replacement cost and the same for the parts and infrastructure as well. Thirdly, we prepared an online application where the treasurers were expected to write the club's name, their name, their email address, any additional questions they had, a disclaimer expecting them to complete the project with full honesty and an attachment option where they had to attach their completed FAA template excel file. This form was prepared using "FormStack". So we included the link to the FAA online application in the drafted email, attached the FAA template and send out the email to all the current AMS club treasurers through "MailChimp".

Timeline

The FAA email was sent to all club treasurers on March 11, 2015 and they were expected to have the project completed and the online application submitted by March 27, 2015. Moreover, all clubs who were not in possession of any fixed asset or did not have any fixed asset in possession which did not qualify with our criteria had to notify the AVP Finance for exemption from this project by March 18, 2015.

Treasurer Inquiry

Throughout the project there were not any major inquiries from club treasurers however there were a few minor questions. One of the inquiries was regarding the valuation process for which some treasurers required some assistance. This was not an issue as the Associate

Vice-President set up individual appointments in order to guide them through the process and help them complete the FAA excel template on time. Secondly, a few of the treasurers also asked for a deadline extension on the project as they required some extra time for accurate data collection. Thirdly, there were also a few inquiries in terms of understanding the criteria of what qualifies as a fixed asset and in understanding the grave importance and relevance of this project for the AMS Finance Commission. However, since none of these were any concerning inquiries hence they were smoothly dealt with some assistance from the Associate Vice-President Finance.

Results

From looking at the results of the FAA project it can be said that there were a total of 60 submissions that were received from all club treasurers. Moreover, there were around 140 club treasurers who opted-out from the project as they did not have any fixed assets or any assets which qualified as a fixed asset according to our criteria. Although, based on our records from "MailChimp" there were around 367 treasurers who successfully opened the FAA project email. Hence, with a total of 200 responses from the club treasurers successfully completing or opting out from the project and a total of 167 missing responses we can say that the responsive rate for this project was around 55%.

Thinking forward/Recommendations

In result from looking at the results and inquiries from this project the following would be some recommendations for the future if this project were to be done again:

- 1) Making sure that there is a better mechanism in place in order to assess if all the clubs are honestly and accurately valuing all their fixed assets. Currently, we hope to do random checks in various club offices in order to verify that their fixed asset assessment was done accurately. However, this is not very effective as we will not be able to do this check for all clubs. Secondly, many clubs may not even have their fixed asset in their offices as well. Hence, we need to figure out a more effective way to verify these fixed asset assessments in the coming future
- 2) The valuation method could also be enhanced as currently we use a simple current value formula in which the treasurer has to estimate the approximate number of years the asset will be kept and useful which is quite subjective. Hence, for more accurate valuations in the near future if we should consider more detailed and complex valuation method that will minimize any room for error or estimates.
- 3) The significance of the project on the FAA draft email could be written in a bit more detail in order to stress the importance of the project to all the treasurers and avoid any inquiries in terms of the reason why they should complete the project.