4.6. Collection Valuation

1. Asset Valuation

Due to a change in Queensland Treasury policy in 2006, the collection is no longer capitalised (i.e. considered an asset for accounting purposes).

The new policy included definitions of three types of collections: common use, reference and heritage. The QUT Library collection was considered to fit the definition of common use. According to the policy, items in common use collections are expensed on acquisition (i.e. not considered assets for accounting purposes). The change took place in 2007.

The policy is part of the Queensland Treasury document: Non-Current Asset Policies for the Queensland Public Sector, The State of Queensland (Queensland Treasury and Trade) December 2014 and may be found at: https://s3.treasury.qld.gov.au/files/ncap-7-accounting-library-collections.pdf

In 2014, the policy was further updated to include the concept of “digital library collections” and to provide for capitalisation of electronic media where archival access is held.

The Library and Finance and Resource Planning (FRP) interpret the relevant sections as follows:

Classification of collections
**Common Use Collections** - QUT classifies its physical and online collections as *Common Use collections* which are expensed.

**Reference collections** – QUT Library does not generally have print reference collections and library reference collections are not recognised as an asset.

**Heritage collections** – Collections with the value of $5,000 and above are to be capitalised and recognised at fair value, or else expensed. QUT Library has no print heritage collections with the exception of the Schaeffer Cilento collection which meets the $5,000 recognition thresh-hold and for which a valuation has been provided.

Electronic media

Annual licence fees paid to access electronic media are expensed except where archival access is involved.

Digital library collections

For self-generated and purchased items in digital/electronic format the corresponding recognition thresholds for physical collections i.e. $1,000,000 for reference collections and $5,000 for heritage and cultural collections are applied. FRP has agreed that the QUT ePrints collection and QUT Digital Collections fail the threshold recognition test and are therefore expensed.

FRP have also agreed that QUT Readings should be regarded as common use and is expensed.

**Reporting**

At the beginning of each year the Library supplies to the QUT Division of Finance and Resource Planning a set of collection statistics as evidence to support the University’s report to Queensland Treasury.

In 2014 the Library supplied a valuation of the Schaffer- Cilento Scripts to meet requirements for valuation of heritage collections.

In October of each year the Library supplies to Finance and Resource Planning an estimate of the value of the perpetual access content of online journal subscriptions although the Library and Finance and Resource Planning are in agreement that library reference collections should not be recognised as an asset as QUT does not have control over the asset.

### 2. Insurance Valuation

A valuation for insurance purposes is conducted annually. It is based on the replacement cost of the collection at each branch.

The value for insurance of monographs and audio-visual material is determined by multiplying the number of items held at each branch by the average price of an item purchased in the previous year for that branch. The estimated value of serials is determined by multiplying the number of purchased serial volumes held at each branch by the average purchase cost of a volume for that branch. Processing costs are not included, as there is an upper limit on the value of such costs covered by the insurance policy.

The estimated value is discounted by 35% to reflect assumptions that a total branch collection would not normally be destroyed and not all items would be replaced, as many existing titles would be on loan, or out of print or otherwise unavailable. It may also be
possible to repurchase some material in electronic form. By discounting, these assumptions provide a more realistic estimate for insurance purposes.

Each year, the Library provides the QUT Division of Finance and Resource Planning the total estimated value for insurance purposes, including changes in the collection due to growth or withdrawal during the previous year.

### Modification History

<table>
<thead>
<tr>
<th>Date</th>
<th>Sections</th>
<th>Source</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 December 2006</td>
<td>All</td>
<td>Assoc Director (IR) via IRMG</td>
<td>Major change – moving collection from an asset to an expensed basis</td>
</tr>
<tr>
<td>12 September 2009</td>
<td>All</td>
<td>LRS Manager via IRC</td>
<td>Update to descriptions</td>
</tr>
<tr>
<td>29 November 2012</td>
<td>All</td>
<td>LRS Manager via IRC</td>
<td>Update to QLD Treasury policy</td>
</tr>
<tr>
<td>20 December 2013</td>
<td>All</td>
<td>LRS Manager via IRC</td>
<td>Endorsed Executive approval</td>
</tr>
<tr>
<td>23 December 2013</td>
<td>All</td>
<td>DLS (Acting)</td>
<td></td>
</tr>
<tr>
<td>23 December 2012</td>
<td>Formatting update</td>
<td>PA to Associate Directors, Library Services</td>
<td>Format overhaul in accordance with new Library look and feel</td>
</tr>
<tr>
<td>23 November 2016</td>
<td>All</td>
<td>Assoc Director (IRRS A/g) via IRC</td>
<td>Update to reflect 2014 QLD Treasury policy change</td>
</tr>
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