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An **asset** is:  
 a resource;  
 controlled by the entity;  
 as a result of a past event;  
 probable that economic benefits or service potential will flow to the entity.

Does the transaction meet the asset definition?

Expense the transaction

NO

YES

Is the asset a monetary or non-monetary asset?

Monetary asset

Non-Monetary asset

Is the asset tangible or intangible? (i.e. does it have physical substance)

Tangible asset

Intangible (asset without physical substance)

Is the asset a living animal or plant or agricultural produce at the point of harvest?

NO

YES

Does the asset form part of an agricultural activity undertaken by the entity? i.e. does the entity manage the biological transformation of biological assets for sale, into agricultural produce or additional biological assets?  
 Is the asset agricultural produce at the point of harvest?

YES

Treat as biological assets or agricultural produce at the point of harvest in accordance with GRAP 101

Is the asset an identifiable asset i.e.:  
 It is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged?  
 Arises from contractual or legal rights (excluding rights granted by statute), regardless of whether rights are transferable or separable from the entity?

YES

Treat as an intangible asset in accordance with GRAP 102

NO

Is there a contractual arrangement between the two parties?

YES

NO

Is there a binding arrangement between the parties?  
 and  
 Is the timing and amount of the instrument certain?

YES

Consider using relevant standards on Financial Instruments to develop appropriate accounting policies

Does the contract give rise to a financial asset in one entity and a financial liability or equity instrument of another?

NO

YES

Treat as a financial instrument in accordance with the relevant Financial Instrument Standards

NO

Is the asset:  
 Minerals or supplies (either to be used in the production process or distributed in rendering of services); or  
 Held for sale in distribution in the ordinary course of operations; or  
 In the process of being produced; or  
 Agricultural produce after harvest; and  
 Will be used, consumed, distributed or sold within 12 months of reporting date?

YES

Treat as inventory in accordance with GRAP 12

NO

Is the asset:  
 Used by the entity over more than one reporting period; and  
 Used by the entity for the production or supply of goods and services, for rental to others or for administrative purposes; or  
 Investment property in the process of being constructed?

YES

Treat as property, plant and equipment in accordance with GRAP 17

NO

NO

Land and buildings

Is the asset:  
 Land and/or buildings or part of a building;  
 Not occupied by the owner of the building; and  
 Held for capital appreciation or rental to others (or both)?

YES

Treat as investment property in accordance with GRAP 16

NO

Does the asset:  
 Meet the definition of an asset in the GRAP Framework;  
 Is it probable that economic benefits or service potential will flow to the entity; and  
 Can the entity make a reliable measurement of the asset?

YES

Treat as an asset in accordance with the GRAP Framework

NO

Consider if the asset meets the definition of another element of the GRAP Framework e.g. an expense.

Biological and other assets