



UNIVERSITY OF TASMANIA

ASSET MANAGEMENT SERVICES

ASSET DISPOSAL POLICY

PRINCIPLE STATEMENT

All assets purchased from any funds under the University's control must be disposed of in accordance with University procedures. The disposal process is controlled through Asset Management Services who will liaise with Budget Centres.

REMOVAL OF UNIVERSITY IDENTIFICATION

In regard to disposal of assets of any type by any method, it is the responsibility of the Budget Centre to ensure that the item and all parts of the item are completely cleansed of all University identification. This includes erasure of any electronic information.

PROCEDURES FOR DISPOSAL OF ASSETS

Action to dispose of University assets by any method must be initiated on the Asset Disposal Request form. This form is available from the Asset Management Services website at http://www.utas.edu.au/dept/ams/Forms/rasset_dsp.pdf or from the Asset & Property Officer on 6324 3605. The form must be completed, authorised by the School or Section Head, and forwarded to the Asset & Property Officer in Asset Management Services prior to initiating disposal action.

DISPOSAL OF COMPUTERS

The University requires, that computers be disposed of via an Expression of Interest, if less than three years old. If the computers are greater than three years old, the method of disposal that is most appropriate rests with the Head of School/Section. This policy should be read in conjunction with the "Desktop Computing Policy (Procurement, Installation and Service)", available at http://www.utas.edu.au/itr/policies/standards_private/dtpolicy.pdf, in particular reference to 7.5 and 7.6.

OPTIONS FOR DISPOSAL

The decision as to which method of disposal is most appropriate rests with the Head of School or Section. Implicit in this decision is the maximisation of the University's financial returns and minimisation of outlays in disposing of and acquiring assets. The options for disposal of assets are as follows:

Expression of Interest – Computers Only Less Than Three Years Old

Expression of Interest is the method for disposal of computers, less than three years old. Budget Centres must dispose of assets by this method before resorting to any other method as it ensures that computers for disposal are offered first to University Schools and Sections. The Budget Centre wishing to dispose of assets should advise the Asset & Property Officer of details of the

assets to be offered for disposal. The Asset & Property Officer (6324 3605) can advise the appropriate format for this information.

The Asset & Property Officer will arrange to advertise the asset/s for 7 days, and will circulate the advertisement to all Schools and Sections. During this period, interested Schools should contact the Budget Centre holding the item to arrange for an inspection and to negotiate a purchase price. Payment will be by Inter-Department Requisition (IDR).

If after 7 days there are no acceptable offers, the asset/s may be made available for sale or disposal by alternative means. Asset Management Services will liaise with the Budget Centre to determine the most appropriate method of sale or disposal, and will coordinate the sale or disposal in accordance with University policy.

Sale by Tender

Two tendering options are available - either internal tender within the University where offers are accepted from individuals, or internal and external tender where advertisements are placed in the newspaper and offers are accepted from the general public. Factors to be considered when deciding whether to offer the goods for tender and the method of tender include:

- the value of the asset to be disposed;
- the general attractiveness to the wider group of buyers; and
- the prospect of increasing the net sale value compared to an alternate method of sale.

Goods which are up for tender remain within the Budget Centre. It is the Budget Centre's responsibility to provide a contact person to deal with any enquiries and to make arrangements for potential bidders to view the goods.

An Asset Disposal Request form for all tenders must be lodged with the Asset & Property Officer in Asset Management Services, who will arrange advertising of the tenders. In the case of external tenders, the Budget Centre will be responsible for advertising costs. Tenders will be open for 14 days. Once the tender is closed, a tender committee is formed to open the tenders and record the details. The committee consists of:

- the Director, Asset Management Services or nominee; and
- a Budget Centre representative.

Once the committee has met, the Budget Centre is advised of the tender results and approves the final disposal. The successful bidder is advised by letter from Asset Management Services. The purchaser is required to pay the purchase price to the Cashier and must present the receipt to the Budget Centre for collection of the goods.

Sale by Auction or Direct Sale

This method may be used if:

- the items have been unsuccessful at tender;
- the items are valued at less than the cost of disposing of the goods through tender;
- it is reasonable to believe the item will not attract tenders; or
- the offer received is equivalent to what would be received at tender.

The Asset & Property Officer may inspect goods to be disposed of through sale by auction or direct sale to ensure that they are of minimal value. If it is considered that the timing and

effectiveness of disposing of assets via auction is not economical, disposal via direct sale can be considered by the Director of Asset Management Services. The Asset & Property Officer will then make a recommendation to the Director, Asset Management Services, who must approve disposal by these methods. An Asset Disposal Request Form must be lodged with the Asset & Property Officer **before** disposal can be finalised.

Trade In

If appropriate, assets may be traded in on the purchase of a new item. An Asset Disposal Request form must be authorised by the Head of School or Section and forwarded to Asset Management Services for all items traded in. Details of the trade should also be noted on the purchase order for the new item purchased.

Salvage

Some unsaleable items may have reusable components and the Budget Centre may arrange for removal of these prior to the item being scrapped. Alternatively, some items may no longer be functional and may be held for spare parts. In these cases a correctly authorised Asset Disposal Request form should be completed and forwarded to the Asset & Property Officer, advising that the item is no longer functional and that it should be removed from the Asset Register.

Scrapping

Scrapping of assets is undertaken when it is considered uneconomical to proceed with disposal by any other means. Budget Centres are required to lodge an Asset Disposal Request form authorised by the Head of the School or Section, which details the method by which the items will be scrapped. The Asset & Property Officer will then remove the asset from the asset register. The Asset & Property Officer can assist with determining the most appropriate procedure for scrapping the asset.

Donation

Approval for the donation of University assets is required from the Executive Director, Finance and Administration Services **prior** to the donation taking place.

Donations to organisations must be “at arms length”, such as to another educational body, library or community organisation. It is the responsibility of the Head of the School or Section to ensure that these transactions take place “at arms length”. The Asset & Property Officer must be advised of the donation on an Asset Disposal Request form authorised by the Head of School or Section.

ASSET VALUATIONS

It is the responsibility of the Head of School or Section to determine the market value of an item, which is to be disposed of, by professional valuation or other appropriate means. The calculation of market value, with documentation if appropriate, must be provided to the Asset & Property Officer prior to disposal of the asset. Salvage or scrapping may be appropriate for items which no longer have a sale value. Budget Centres may contact the Asset & Property Officer for assistance in determining the most appropriate course of action.

HAZARDOUS PLANT

A range of assets including but not limited to autoclaves, sterilisers, pressure vessels and all types of lifting equipment are classed as hazardous plant. Processes for the acquisition, maintenance and disposal of items of hazardous plant are controlled through Asset Management Services, to ensure compliance with Workplace Standards Tasmania requirements.

It is the responsibility of the Head of School or Section to notify the Asset & Property Officer prior to initiating disposal of any item of hazardous plant, to satisfy the requirements of registration and record keeping contained in the Workplace Health and Safety Regulations 1998. This requirement applies regardless of the value of the hazardous item. Please refer also to the clause relating to Hazardous Plant in the “Asset Acquisition Recording and Control Policy”, available on the Asset Management Services website at <http://www.utas.edu.au/dept/ams/policies.htm>.

Where a Budget Centre is not sure whether an item is classes as hazardous plant, the advice of the Asset & Property Officer must be sought before initiating any action.

DISPOSAL OF UNIVERSITY REAL ESTATE PROPERTY

Disposal of University properties can only be undertaken with the approval of the Vice-Chancellor. The disposal process is controlled through Asset Management Services, who will normally liaise with an approved Real Estate Agent to ensure that an appropriate method of disposal is chosen which maximises the University's financial returns in the disposal of the property.

DISPOSAL OF MOTOR VEHICLES

In accordance with the University Vehicles Policy (revised June 2003), all University vehicles are managed centrally by the University Vehicle Fleet. The Vehicle Policy is available on the Financial & Business Services website at http://www.utas.edu.au/docs/fin_services/policies/index.html (Item 15.1).

The decision to initiate disposal of a University vehicle rests with the Vehicle Fleet Manager in accordance with the Vehicle Policy. The Vehicle Fleet Manager will arrange for disposal and ensure duly authorised Asset Disposal documentation is forwarded to the Asset and Property Officer.

Further information on disposal of motor vehicles is available from the Assistant Director - Financial Operations on 6324 3925.

REMOVAL FROM ASSET REGISTER AND CREDIT OF PROCEEDS

The Asset & Property Officer will initiate removal of an asset from the Asset Register following receipt of an appropriately authorised Asset Disposal Request form. To be eligible for removal from the asset register, items must be approved for disposal by one of the disposal methods outlined above.

After disposal of University assets, the proceeds from the sale of the assets will be placed in the account nominated by the Budget Centre. The Budget Centre will then receive the net proceeds after any charges for advertising. The Budget Centre should place the proceeds from the sale of the asset to the same source from which asset was originally purchased, with the revenue account code to be used being ‘3804’ (Proceeds from Sale of Assets).

There may be GST implications to be considered when disposing of University assets. Further information on this issue is available from Finance and Business Services on 6324 3655.

FURTHER INFORMATION

6324 3605. Related asset policies are available on the Asset Management Services website at <http://www.utas.edu.au/dept/ams/policies.htm>.

Version Control Section

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Responsibility

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Approved

Executive Director, Finance & Administration

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