

POLICY AND PROCEDURE FOR THE DISPOSAL OF AN ASSET

POLICIES

Scope

Assets are the property of the University and it is therefore essential that the act of disposing of an asset is in accordance with University policy and procedures and audit requirements.

The proper recording of an asset disposal provides for an accurate account of profit or loss in the University's financial statements.

Any asset purchased using funds under the University's control including research grants, consultancies, sponsorships, awards or prize monies are deemed to be the property of the University. Where a research project is transferred to another external organisation, it is possible for assets purchased from the research grant to be transferred to the external organisation where the particular grant or contract contains a condition that states that the assets are not the property of the University.

Disposal of an asset may be necessary as the result of either the asset becoming redundant, obsolete or inefficient, replaced by an upgrade, becoming unserviceable or beyond economic repair, damaged, stolen or missing, or surplus to requirements.

An asset requiring disposal can be any item of plant, equipment (for example, computers, laboratory equipment, and office equipment), furniture and fittings, portable or attractive items, and computer software, regardless of purchase price.

The disposal of land, buildings, motor vehicles, artwork, library materials, and intellectual property are subject to separate University policies. The disposal of computers and small printers are subject to [Procedures for Disposal of Computer Equipment](#).

Asset Disposal Authorisation

The disposal of an asset must be duly authorised either by a Dean, Section Head, or Budget Centre Manager, and a delegated financial officer (Division of Finance) in accordance with the Financial Delegations Policy (FIN01) of the CSU Administration Manual. Approval for the disposal of an asset is to be sought using an [Asset Disposal Form](#) or an [Equipment Disposal via eBay Form](#), even when the written down value (WDV) of the asset is nil.

Approval must be received from the Delegated Financial Officer before arranging the disposal of an asset that had an initial cost price of >\$10,000.00. Once approval has been received, the disposal is to be noted on the School or Division's minor equipment register if it is minor equipment (<\$10,000), otherwise the disposal is recorded on the asset management software by the Assets Manager if it is a major asset (>\$10,000). All relevant documentation in relation to an asset disposal will be maintained by the Assets Manager for audit purposes.

The Assets Manager can provide further information regarding the asset being proposed for disposal. Information that can be provided includes purchase price, acquisition date, written down value (WDV), and Asset ID number.

Methods of Disposal – IT Equipment

All University-owned IT equipment that is surplus to requirements **must** be disposed of through the CSU Computer Shop. This includes all laptops, tablets, desktop computers, monitors, docking stations, external DVD/hard disk drives, cabling, power boards, software, mobile phones and digital cameras.

The CSU Computer Shop provides a collection and recycling service with the capabilities and resources required to safely and securely dispose of (or redeploy) IT equipment. The service guarantees the destruction/removal of all confidential (and personal) information and University licensed software prior to equipment being:

- redeployed within the University;
- sold (if economically viable) at appropriate market values and in accordance with best practices;
- donated or gifted to appropriate recipients with a focus on benefiting the University's local communities; or
- destroyed in an environmentally friendly way.

Staff are not permitted to:

- take or purchase IT equipment when leaving employment at University;
- gift/donate old IT equipment to others in the community; or
- dump old IT equipment, including any of constituent parts in general waste disposal bins.

Staff wishing to purchase IT equipment from the University may only do so through the CSU Computer Shop.

CSU Computer Shop Factsheet: [Computer E-Waste and its Disposal at CSU](#)
To initiate a disposal request: [Disposal of IT Equipment](#)

Methods of Disposal – All Other Assets

The recommended method of disposing of an asset depends upon an array of factors. By having a variety of methods of asset disposal, it allows the University to achieve probity and the maximum financial return for the disposal of an asset, and to dispose of an asset in the most efficient and effective manner. Whichever method of disposal listed below is chosen, an [Asset Disposal Form](#) must be completed. Assets that are sold via eBay require an [Equipment Disposal via eBay Form](#) to be completed.

1. If the Budget Centre Manager determines that it is economically feasible to sell the asset regardless of whether the asset is in working order or not, then the asset can be sold by either 'best offer' (where only Schools or Divisions within the University are given priority to acquire the asset), tender, fixed price, or auction (including online auction). The method of disposal selected will depend upon the type and the condition of the asset being sold, and which method is the most cost effective. The fixed price method of disposing of an asset should be avoided as it creates problems in setting adequate values for the sale of the asset, and ensuring that all potential buyers are treated equally. The fixed price method is only acceptable when:
 - a. There is only one apparent customer, or
 - b. There is an established market price for the asset, or
 - c. The cost of selling the asset by another means would likely exceed the anticipated proceeds.
2. If it is determined that it is not feasible to sell an asset, that is, the proceeds of the sale of the asset would not justify advertising costs, other Schools or Divisions within the University can then be offered the asset free of charge. This offer can be communicated using any of the internal communication channels including a 'What's New & News' message, an email to the generic email addresses for the various Schools and Divisions, or a memorandum sent to the Schools and Divisions for distribution to their staff. If you are relocating an asset to another building, campus, school or department within the University, then you are required to complete an [Asset Transfer / Loan Form](#).

3. If an asset cannot be utilised by another School or Division, a BEIMS request is to be submitted to arrange the Division of Facilities Management to collect the asset for dumping in landfill.
4. Alternatively, the asset can be donated to any external organisation or person. A letter justifying the donation is to be prepared by the Dean or Section Head and attached to the asset disposal form. Donating an asset may be justified where no sales market exists or where the costs of alternate methods of disposal exceed the expected proceeds. Donated items may be advertised via 'Yours2Take.com.au' website if no recipient can be initially selected.
5. The trade-in of an asset is permissible when it is the most appropriate method of disposal. Where an existing asset is to be traded-in for a new asset, the purchase order for the new asset must separately show the details and cost of the new asset being acquired, and the details of the existing asset being traded-in.
6. An asset can be written-off where it can only be used for spare parts or it has reduced functionality.

Stolen or missing assets are to be reported using a [Stolen / Missing Equipment Report](#).

GST and the Disposal of Capital Assets

The University is registered for GST and therefore the disposal of a capital asset is a taxable supply and the University is required to account for GST on that sale. This applies even if the asset was purchased before 1 July 2000 or the asset is sold to an individual who is not a business.

(Source: Australian Taxation Office (2007). *Fact Sheet: NAT 7682-07.2007 - GST and the disposal of capital assets*).

PROCEDURES – ALL OTHER ASSETS

Firstly decide upon what is the best method of disposing the asset. (Refer to 'Methods of Disposal' in policy document above). If the asset is to be disposed of via:

- ❖ eBay - please complete an [Equipment Disposal via eBay Form](#). This form contains all of the information required to arrange for the asset to be sold via eBay.
- ❖ Donation to another School or Division within the University - please complete an [Asset Transfer / Loan Form](#).
- ❖ All other methods of asset disposal will require an [Asset Disposal Form](#). If disposing of an asset using one of these other methods, please follow these steps:

- Step 1:** Complete the asset disposal form. The Asset Manager can provide information in relation to identifying the asset, and assistance with completing the form.
- Step 2:** Arrange for the form to be authorised by the Dean or Section Head.
- Step 3:** Send the authorised form and any supporting documentation to the Assets Manager, Division of Finance.
- Step 4:** The Asset Manager will arrange for the form to be approved by a delegated financial officer (where the asset has a purchase price >\$10,000.00). The Asset Manager will send you a copy of the approved form signalling that it is okay to proceed with the disposal of the asset.
- Step 5:** If the asset has a purchase price of <\$10,000.00, please proceed to dispose of the asset once the Dean, Section Head, or Budget Centre Manager has authorised the asset disposal form.

Step 6: Proceed to dispose of the asset using the method of disposal as indicated on the form. Refer to 'Methods of Disposal' in the policy document above to determine what appropriate cause of action is required.

Further information regarding the various methods of disposal

If the asset is deemed worthwhile selling and is to be disposed of by:

Best Offer

Schools or Divisions within the University are given the first opportunity to acquire the asset. This priority need only be given where it is determined that other areas within the University may have a need for the asset. To arrange the disposal of an asset by 'best offer', and once an asset disposal form has been completed as per above, follow these steps:

- Step 1:** Advertise the disposal on 'What's New & News' and by memorandum to each School or Division that may have an interest in the equipment. Ensure to include in the message:
- ❖ A reminder to staff that a [Best Offer Form](#) is to be used when submitting an offer.
 - ❖ Details regarding the asset such as acquisition date, price, condition, and location for inspection.
 - ❖ Inspection date and time.
 - ❖ Contact person, phone number, and address to return the [Best Offer Form](#).
 - ❖ Closing date for the receipt of the offers.
- Step 2:** Select the successful 'Best Offer' and send notification to the School or Division together with a [Funds / Transaction Transfer Request Form](#) for completion and authorisation. Include your School or Division's Banner Account Code on the 'Funds Transfer Form' for receipt of credit. Proceeds from the sale of an asset with an initial cost price >\$10,000.00 must be credited to Banner account code 562 –Sale of Assets. Proceeds from the sale of an asset with an initial cost price <\$10,000.00 must be credited to Banner account code 566 - Sale of Minor Equipment. The 'Funds Transfer Form' is to be returned to the Assets Manager for processing.

Tender

If an asset cannot be sold to another area within the University, then the asset can be sold by tender via **Tenderlink** once an asset disposal form has been completed. Tenderlink is an e-tendering service operated by Tenderlink.com that enables the electronic exchange of tendering information in a secure and neutral environment. Tenderlink offers direct advertising to potential purchasers (businesses and individuals) who are registered on Tenderlink. To arrange the sale of equipment via Tenderlink, please follow these steps:

- Step 1:** Send an email request to sell the equipment via Tenderlink and a photo of the equipment (if available) to the Asset Manager. The Asset manager will arrange for the 'Request for Tender' (RFT) for the sale of the equipment to be submitted on Tenderlink.com. The successful tenderer will be invoiced by Division of Finance. Proceeds from the sale of an asset with an initial cost price >\$10,000.00 will be credited to the School/Department's Banner Account code 562 - Sale of Assets, and an asset with an initial cost price <\$10,000.00 will be credited to Banner Account code 566 - Sale of Minor Equipment.
- Step 2:** Proceed to advertise the sale by tender:
- ❖ In the most appropriate media (eg. newspapers, industry classifieds magazines, online industry classified advertising), and/or

- ❖ By direct notification to an organisation or individual that may have an interest in purchasing the asset, and/or
- ❖ On What's New & News.

Ensure to include in the message:

- A reminder that tenders are to be submitted via Tenderlink at <https://www.tenderlink.com/csu/> since written tenders will not be accepted.
- Tenderlink registration can be performed at <https://www.tenderlink.com/csu/> (or staff may contact the Secretary to the Executive Director, Finance on Ext.32255). Notice to staff that CSU email addresses are not to be used when completing a registration. Private email addresses are to be used instead. Businesses not registered and wish to place a tender are advised to register on Tenderlink themselves because Tenderlink.com requires information specific to their business (such as company number, ABN, etc). Businesses that have questions regarding Tenderlink or require assistance with registration can contact the Procurement Manager on Ext.34066.
- Personal details are protected by Tenderlink's 'privacy policy'.
- Details regarding the asset such as acquisition date, price, and condition.
- Inspection location, date and time.
- Contact person and phone number.
- Closing date for the receipt of the offers.