

Standard Operating Procedure

Asset Management - Operational (Acquisition and Disposal) Under review

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| To be read in conjunction with: | Corporate Policy – Asset Management – Operational (Acquisition and Disposal) | | |
| Approval Date | Nov 2018 | Approved by | Chief Executive |
| Next Review | Nov 2019 | Responsibility | Deputy Chief Executive: Corporate Services |

PROCEDURE

In relation to policy *Asset Management Operational (Acquisition and Disposal)* the following procedures should be followed, and forms used.

ISS Assets:

1. The asset user must email ISS to organise the appropriate disposal or relocation of the asset. ISS must follow the standard asset disposal procedures.

Non-ISS Assets:

2. If the asset is still in good working order the department should contact CSD who will assess whether it is appropriate to offer to other Otago Polytechnic Limited departments for use.

All Disposals:

3. After it has been determined by CSD or ISS that the asset cannot be used elsewhere at the Polytechnic, the following process is followed:
 - a. Departments must ensure that all assets being disposed of do not contain any software, Polytechnic information, or logos.
 - b. A request for disposal is made by the completion of the Disposal of Assets form (Appendix 4) by the Head of College/Director (excluding the actual sale price and the purchaser sections). This applies to all types of asset disposal.
 - c. The partially completed form must be forwarded to Finance for appropriate sign-off. Completion and signing of the disposal of assets form by all parties will satisfy the appropriate delegated authority requirements.
 - d. Finance will return the signed form to the department manager.
 - e. If the asset has a market value or a book value greater than \$20,000 the department manager must forward the form to the COO to approve the sale and to agree the method of sale.
 - f. Once the form is signed the department manager is able to dispose of the listed assets for no less than the approved sale price.
 - g. Once the assets have been sold the department manager must complete the section of the form advising the sale proceeds and the purchaser for each item number listed.
 - h. The barcode must be removed and returned to Finance with the fully completed disposal of assets form.

Method of Sale (estimated market value) Guidelines

4. The Asset Owner must establish the estimated market value based on previous sales, from advertisements or other sources such as newspapers and internet auctions. Where no market value is available the written down value from the fixed asset register should be used as a best estimate. It is essential that the process whereby the market value is estimated be properly documented, including keeping copies of relevant advertisements. This documentation should be attached to the disposal of assets form. In many cases a

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sale using Trademe will be appropriate, with the reserve set at the approved sale price. The OP Trademe account should be used (details can be obtained from Finance).

5. Assets or groups of assets valued up to and including \$20,000 estimated market value can be disposed of following the Guidelines above.
6. The Head of College/Director is responsible for ensuring an arm's length transaction between the seller and the buyer and approving the sale in writing.
7. Assets are available to New Zealand buyers, with transportation costs to be met by the buyer and the purchase is at the buyer's risk.
8. Offers received must be documented and the Asset Owner must approve the successful offer.

Sale of Land and Buildings:

9. Any sale of land or buildings regardless of ownership or value must be approved by the Secretary of Education via Council. The Chief Operating Officer will ensure that internal and external delegations and approval processes are followed.

Trade-in of Assets:

10. Where the trade-in of an existing asset is included in the acquisition of a new asset, the external requisition and purchase order must identify:
 - a. the asset being acquired including full cost;
 - b. the asset being traded in with full details of the trade-in value;
 - c. the net amount payable.

Donations to schools, charities, or non-profit organisations.

11. Under the Charitable Fundraising Act surplus assets may be donated to charities, schools or colleges or community/non-profit organisations.
12. The reasons for a donation rather than a sale must be included on the Assets Disposal form. In most cases it is expected that the asset will have been previously offered for sale however no acceptable offers were received.
13. CSD can assist with transporting the item to the organisation with any costs being met by the School/Service Department.
14. Items cannot be given/donated to staff or learners unless approved by the Chief Executive or Chief Operating Officer.

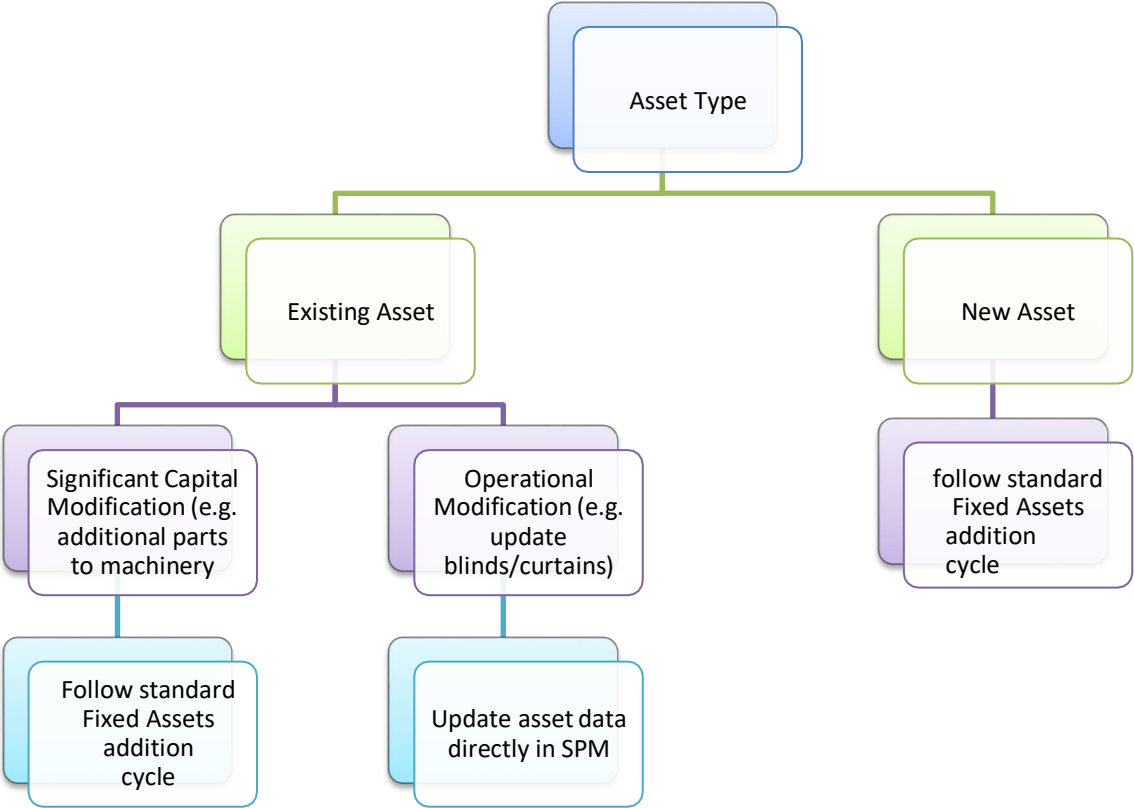
Obsolete Unserviceable or Beyond Economical Repair Assets that cannot be sold.

15. Assets or groups of assets that are obsolete, unserviceable or beyond economical repair and cannot be sold or donated to a community organisation must be written off.
16. CSD must be contacted for assistance with regard to items with environmental considerations.

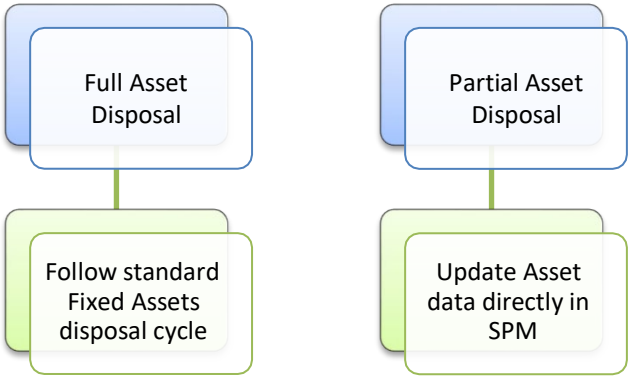
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Otago Polytechnic Limited Assets Flowchart – asset recording required in SPM

Asset Addition



Asset Disposal



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Disposal of Assets Form

Department: _____

List Assets to be disposed of:

| Description | Barcode # | Estimated Market Value | Book value at disposal | Approved sale price | Authorised by HOS/SM (signature) | Actual sale price | Purchaser | Authorised by HOS/SM (signature) |
|-------------|-----------|------------------------|------------------------|---------------------|----------------------------------|-------------------|-----------|----------------------------------|
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State reason(s) for disposal:

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| Account to be credited with proceeds: | | | 134 |
| Head of Department approval: | | | |
| Date: | | | |
| Certified as within current Education Act limits : (Senior Financial Analyst) | | | Date: |

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|--|--|--------------------|
| Assets > \$20,000 estimated market value or book value: Approved by: (COO) | | Date: |
| Application to Secretary of Education approved: (Chief Executive) Correspondence attached: Consent given on: | | Date: Date: |

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| Executive Leadership Team advised by: | | Date: |
| Asset Register updated by: | | Date: |

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Otago Polytechnic Limited Fixed Assets Cycle – Capital Assets Addition Process

