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HANDLING OF OBSOLETE OR REDUNDANT ASSETS (SELLING/SCRAPPING/DONATION)

Policy number: 033A Audit Committee 08/11/18

Scope: This Policy document contains the rules and regulations of the SU with regards to the scrapping or selling or donation of assets, including items under R2000 which are not classified as asset-register items, and the handling of unsold items out of the Second-hand Goods Store.

Policy:

All scrapping or selling or donation of used assets must be dealt with in conjunction with the Division Funds and Asset Management, irrespective of out of which funds the original acquisition was made and irrespective of whether it was donated for a specific project.

Asset register items will only be removed from the asset register once the entire process with regards to the scrapping or selling or donation of these assets, as stated below, are adhered to.

1. SELLING OF ASSETS

The following procedure applies:

• COMPUTER EQUIPMENT

The following provisions are applicable with the sale or scrapping of computer equipment:

• Items less than 4 years old

If the item is less than 4 years old, only the Internal Departments/Divisions may receive the option of purchasing the equipment. An advertisement must be placed in the SU News by the relevant department (seller). The minimum selling prices are supplied by the Division Funds and Asset Management. Items that cannot be sold are treated as unsaleable items.

• Items older than 4 years, but younger than 5 years

If the item is older than 4 years, but younger than 5 years, the relevant department or division may still use the item internally. Otherwise an internal department or division may purchase the item, *but only* for use in instrumentation or control applications. An advertisement must be placed in the SU News by the relevant department (seller). The minimum selling prices are supplied by the Division Funds and Asset Management.

If the item is not purchased internally, it may be sold to an outside institution or private individual with the written permission from Division Funds and Asset Management, but without any guarantees. This equipment must be sold for at least the minimum selling price, as supplied by the Division Funds and Asset Management.

Items that cannot be sold are treated as unsold items.

• Items older than 5 years

If the items are older than 5 years, internal departments/divisions may not buy/sell the item. The item must be sold to an outside institution or private individual at the minimum suggested selling price as provided by Division Funds and Asset Management and with the written approval from Division Fund and Asset Management, without any warranties. .

Items that cannot be sold are treated as unsold items.

- **Unsaleable Items**

Unsaleable items must be returned to the Division Information Technology, but without any transfer of funds.

- **PRINTERS, MONITORS, SCANNERS AND DATA PROJECTORS**

Item must be offered to internal Departments/Divisions by advertising in SU News at a selling price as provided by Division Funds and Asset Management

If there is no internal interest in the relevant asset item, the item may be sold externally, but with the written approval from Division Funds and Asset Management.

Items that cannot be sold are treated as unsold items.

- **COMPUTER EQUIPMENT PURCHASED WITH RESEARCH FUNDS**

A researcher has the first option of purchasing computer equipment, acquired with research funds generated by him/her upon leaving the service of the University on condition that the concerned Dean/Faculty Manager has recommended this. The minimum suggested selling price, as provided by the Division Funds and Asset Management is payable, on condition that the selling price is also approved by the Dean/Faculty Manager.

- **SPECIALISED EQUIPMENT**

The item must be advertised in the SU News at the recommended selling price as determined by the concerned Dean/Faculty Manager and approved by the Division Funds and Asset Management.

If there be no internal interest for the asset concerned after being advertised for at least 3 times in the SU News these items may be sold externally with the written approval from Division Funds and Asset Management

It can be arranged in the case of where equipment was granted to a specific staff member by a Statutory Council and the staff member concerned takes a position at another institution of higher learning that the assets concerned be transferred to the institution concerned without compensation.

- **FURNITURE AND OFFICE EQUIPMENT**

Departments/Division within the University would always get preference before any private sale can be considered. Items must be advertised in the SU News unless the Dean/Faculty Manager is aware of a potential internal buyer (within the SU).

No furniture or equipment (other than computer equipment) may be sold to external institutions without the written consent of the Division Funds and Asset Management.

Items that cannot be sold are treated as unsold items.

SELLING PROCEDURE:

- A request for the interdepartmental selling of assets together with a complete list of items must be sent by the seller (Dean/Faculty Manager) to the Division Funds and Asset Management.
- Division Funds and Asset Management will provide the recommended selling price and will grant the necessary authorization for interdepartmental sales.
- The redundant assets must be advertised by the seller, subject to the above-mentioned conditions.
- The recommended selling price, as obtained by the Division Funds and Asset Management

must be authorized by the Dean/Faculty Manager.

- Any personal involvement with regards to the sale of goods should be declared by the seller or decision maker of the transaction to his/her Dean/Faculty Manager before the sales transaction to any family member or close relation, takes place. The sales transaction should then be handed over to an unrelated staff member unless the authorization of the Dean/Faculty Manager concerned is granted to allow the initial seller/decision maker to continue the transaction.
- The proceeds of the sale of assets (irrespective of its nature) that were originally purchased from institutional funds, departmental research funds or any other "own" funds and sold within the University gets transferred systematically between the cost centres involved and the account number: 5228. No journal requests for the transfer of funds are allowed. In the case where the assets involved are non-asset-register-items the funds are transferred by Division Funds and Asset Management using account number: 5227.
- The seller must submit a written request to the Division Funds and Asset Management for the private sale of the unsold items in the case where, after the minimal 3 advertisements there is still no internal interest in the advertised items and the Dean/Faculty Manager complied with the above-mentioned requirements.
- All SU licensed software must be removed from all computers being sold for private use. Written confirmation from IT must be submitted to the Division Funds and Asset Management before the selling process can be finalised.
- The proceeds with regards to the sale of goods to external institutions/ people in their private capacity, of assets (irrespective of its nature) that were originally purchased from institutional funds, departmental research funds or any "own" funds must be deposited in the relevant cost centre of the seller and the account number: 7070 (sales of asset register items) or 7075 (sales of non-asset register items).
- The selling price of unsold items (after advertising) can be reduced with the authorization of the concerned Dean/Faculty Manager.
- The proceeds from obsolete laboratory equipment to external institutions/ people in their private capacity, that was originally purchased from the University's budget funds, must be deposited in the relevant departments XXXXB cost centre and the account number: 7070 (sales of assets register items) or 7075 (sales of non-asset register items). The transfer of funds gets done systematically between the relevant cost centres and account number: 5228 in the case of internal sales of assets register items and in the case where non-asset register items were sold the proceeds gets deposited in account number: 5227 No journal requests for the transfer of funds are allowed. All asset-items purchased out of the Stellenbosch Trust funds that has fallen into disuse, must be reported to the Senior Director: Research. A written motivation with regards to the replacement of items must be handed in to the Senior Director: Research in the case where the current user of the above-mentioned item wants the proceeds to purchase new research equipment. The proceeds of the sales, in conjunction with the Senior Director: Research, should be relapsed into the Stellenbosch Trust funds for reallocation if no new research equipment is intended to be purchased with these proceeds.

Program EBR001P must be completed by the department/division after the sale of asset register items in order to put the Division Funds and Asset Management in the position to scrap the asset from the register or to be able to transfer the asset to the new OU.

After the completion of selling of non-register items, all concerned documentation regarding the buyer and final selling price, must be send to Division Funds and Asset Management for auditing purposes.

2. UNSOLD ASSET-ITEMS

• Furniture and Office equipment – Second Hand Store

If there is no interest in the advertised asset-items or if the department/division has redundant items that needs to be removed from their department/division, the department/division can, with the approval from the relevant Dean/Faculty Manager, contact the Purchasing Division for the removal of excess asset-items, but without the transfer of any funds.

The Purchasing Division must on removal of the items provide written confirmation of removal to the relevant Department/Division.

The relevant Department/Division must on receiving the written confirmation of removal from Purchasing Division, complete a systematic request to Division Funds and Asset Management

for the scrapping of the relevant asset item. Scrapping requests must be systematically approved by the relevant Dean / Faculty Manager.

Division Funds and Asset Management will scrap the relevant asset item from the asset register upon receipt of the approved scrapping request.

The Purchasing Division will not receive any items for the sole purposes of storage or items that are no longer usable. All furniture and office equipment that gets taken into the Second-hand Goods Store becomes available for redistribution, gets sold off by tender or gets sold as scrap. Any proceeds made from these items sold out of the store get deposited into the central budget and account number: 7075.

- **COMPUTER EQUIPMENT (E-WASTE)**

If there is no interest in advertised asset items or if the department/division has redundant items that needs to be removed from their department/division the department/division can with the approval from the relevant Dean/Faculty Manager, contact the Division Information Technology for the removal of the obsolete/redundant items, but without the transfer of any funds. The Division Information Technology must on removal of the items provide written confirmation of removal to the relevant Department/Division.

The relevant Department/Division must on receiving the written confirmation of removal from Division Information Technology, complete a systematic request to Division Funds and Asset Management for the scrapping of the relevant asset item. Scrapping requests must be systematically approved by the relevant Dean / Faculty Manager.

Division Funds and Asset Management will scrap the relevant asset item from the asset register upon receipt of the approved scrapping request.

- **SECOND-HAND STORE**

Stock in the second-hand goods store will be sold on a regular basis, using a tender process. Stock that does not get sold during the tender process will be sold as scrap. A minimum of 3 quotations for these items are required.

In order to comply with standard audit requirements, the Purchasing Division is responsible for the setting up of a register and to keep record of all collections of stock, the issue of stock and the sale of stock.

3. DONATION OF ASSET-ITEMS

No asset items may be donated without the written approval from the Division Funds and Asset Management in conjunction with the Director: Financial Planning and Budget.

- The department/division request to donate asset item to the relevant Dean / Faculty Manager
The request must include the following:
 - Complete list of items, description as well as asset numbers if applicable,
 - Confirmation regarding prospective intended beneficiary, including relevant documentation regarding the existence of the institution,
 - Estimated values of the asset items concerned.
- The favourable recommendation for donation is directed by the Dean / Faculty Manager to Division Funds and Asset Management for consideration, verifying and recommendation for final approval to the Director: Financial Planning and Budget.
- All SU licenced software must be removed from computers to be donated and confirmed in writing by IT to Division Funds Asset Management before a donation process can be completed.
- The donor beneficiary must submit a written acknowledgment of receipt to Division Funds and Asset Management.
- Division Funds and Asset Management will scrap the donated asset item on receipt of all relevant supporting documents (IT removal of software and Beneficiary Receipt Recognition)

4. "E-WASTE"

Obsolete computers, printers, batteries and other electronic equipment handed over to the Division Information Technology for responsible removal, will be stored in the central e-waste depot until permanently removed by the e-waste contractor. The Division Information Technology will follow the necessary controls and procedures to ensure that all items received, will be stored in the depot and thereafter removed by the contractor in order to comply with standard audit requirements.

Information Technology will wipe the hard drives of computers before placing in the "e-waste" depot.

Contact department:

Funds and Asset Management
