

ASSET DISPOSAL AND WRITE OFF POLICY

Section	Strategy, Finance, IT and Commercial Operations
Contact	CFO, Finance
Last Review	September 2016
Next Review	September 2019
Approval	C16/132

Purpose:

The purpose of this policy is:

- To ensure disposal of assets achieve the best value for money and is conducted in an efficient, effective, transparent and adequately documented and approved manner.
- To ensure assets sold or otherwise disposed of are correctly written off the assets records, removed from insurance schedules and that appropriate assets stewardship and balance sheet valuation can be verified.

Definitions:

Asset: includes, but may not be limited to, financial assets equipment, furniture and fittings, collections, artworks, software, intangibles, vehicles, land and buildings for which the University may have legal title. Assets also include Crown owned land and buildings used by Massey University.

Disposal: the sale, demolition, gifting or recycling of assets owned by the University or the disposal of assets declared surplus to University requirements.

Write off: specifically refers to the removal or derecognition of the asset from the University asset register, or Statement of Financial Position, at nil value.

Policy:

The following applies:

- To ensure compliance with University accounting policies and financial reporting standards,
 - Finance must be advised of all asset disposals where the original purchase cost of the asset exceeds \$2,000 or the asset is recorded on the University financial systems asset register.
 - Proceeds from the sales of assets must be correctly and expediently recorded in the financial accounting systems
- Budget centres disposing of assets should consult the Asset Financial Procedures or contact the Finance team for guidance on the financial requirements of the disposal process.
- University property that is declared surplus to requirements must be disposed of in accordance with current law and regulations stipulated by the Secretary of Education. Refer to the Tertiary Education Commission

(TEC) website for guidance on the asset disposal thresholds, notification and approval requirements. Link to the TEC Website - [Disposals, transfers and leases of TEI owned assets](#).

The Assistant Vice-Chancellor Strategy, Finance, IT and Commercial Operations (or delegate) must approve the sale and/or write off of all assets with Vice-chancellor and Council approval for certain strategic and material assets as per the financial delegations framework.

- Property assets should be independently valued by one registered valuer, or if expected to be over \$5 million two registered valuers, prior to being offered to the market for sale.
- Fixed assets that are declared surplus must be disposed of by public tender, auction, or by other such means as to ensure a transparent and competitive process is undertaken.

Audience:

All staff

Relevant Legislation:

Education Act 1989 and amendments

Finance Act 1989

Crown Entities Act 2004

Legal Compliance:

Ss 203 of the Education Act 1989 states that every tertiary institution (under than Act) is a “Crown Entity” for the purposes of the Public Finance Act 1989. All monies received by a crown entity must be banked into its bank account as soon as practicable.

S192 (4) of the Education Act 1989 requires written consent from the Secretary of Education to

- sell or dispose of assets or interest in assets
- Mortgage or charge assets or interests in assets
- grant leases of land or buildings

PBE International Public Sector Accounting Standard (IPSAS)

There is a materiality limit on the value of the assets to be sold. To ascertain the legality of sale of any University owned assets please contact the Chief Financial Officer (or delegate).

Related Procedures:

[Equipment Disposal Process and Procedures](#) (link to ITS website)

[Delegations of Authority Document](#)

Asset Financial Procedures

Document Management Control:

Prepared by: CFO, Finance

Owned by: AVC – Strategy, Finance, IT and Commercial Operations

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