

APPENDIX E

IT Asset Disposal Policy

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1 General

- 1.1 The purpose of this procedure is to provide the means for the disposal of redundant or surplus IT assets.
- 1.2 The policy aims to achieve the best possible outcome for Widnes CLC by gaining the best available net return when selling and to ensure Widnes CLC is even-handed, open and honest in all dealings.
- 1.3 The best value outcome to Widnes CLC must be a major consideration when disposing of assets.
- 1.4 Asset disposal decisions, and the reasons for taking them, should be documented. Not only does this assist in audit and other examinations, but it highlights successes and problems for future reference.
- 1.5 Non-disposal of obsolete equipment only takes up space, potentially incurs on-going maintenance costs and deprives Widnes CLC of income without any offsetting benefit. The CLC should therefore dispose of such equipment in line with the processes set out below.
- 1.6 Consideration has been given to identifying the risks and the areas most susceptible to fraud and the policy is designed to minimise fraud.
- 1.7 In the interests of promoting probity, fair dealing and openness, sections must not sell or otherwise transfer surplus equipment to staff (for personal use) (or their relatives or friends) unless arising from a public competitive process, i.e. advertised sale which is open to the public. Where a member of the public and a staff member offer an equal price, the item must be sold to a member of the public.

The sale price must be the best market price and under no circumstances may equipment be donated to staff.

2 **Definitions**

'Assets' applies to the terms 'asset(s)', 'item(s)', 'equipment', throughout this policy and refers to an item with a useful life greater than 12 months, an original purchase value of more than £500 or a residual value of £50.

'Market Value' means the value of an item in the market place and is regardless of its initial purchase price or residual value.

'Leased Items' – any item that was financed other than by direct purchase, e.g. Finance Lease, Hire Purchase, Operating Lease, Rental Agreement.

3 **Reasons for Disposal**

Items can be available for disposal because they are:

- ◆ Not capable of running required operational software systems or being upgraded to do so
- ◆ No longer required, due to changed procedures, functions or usage patterns
- ◆ No longer complying with occupational health and safety standards
- ◆ Beyond repair but able to be sold for scrap.

4 **Responsibilities of the CLC Manager**

Must be aware that:

- ◆ They are accountable for all decisions they take in the disposal process
- ◆ Proper accounting and audit procedures should be observed and all decisions documented and reported to the CLC Management Group

5 Assets which are leased

6 Options for Disposal of IT Assets

IT assets identified for disposal may be dispensed with using the procedures below.

Acceptable methods of disposal are:-

- ◆ Transfer of the asset to another part of Widnes CLC
- ◆ Private Sale
- ◆ Donated to a community service organisation subject to the provisions of section 8 of this policy
- ◆ Destroyed or recycled

Choice of the most appropriate disposal option will normally be influenced by the age and functionality of the equipment for disposal and by market value.

In all cases IT assets disposed of must be reported on an 'Asset Disposal' form to ensure they are removed from the central IT Inventory.

A more detailed description of each disposal option is set out below.

6.1 Sale

Private sale involves assigning a price to the item(s) and publicising the item(s) availability for sale and setting a closing date for receipt of bids. This may range from a newspaper advertisement to a general Email notice and in some instances sealed bids.

To ensure a fair price is paid in the case of a private sale, a market value assessment should be obtained, in writing, from Widnes City Learning Centre's IT contractors.

Prospective buyers should be given adequate opportunity to inspect the goods prior

to sale. Collection or forwarding of the goods is normally contingent on the presentation to Widnes CLC of evidence of payment of the sale price.

The item may, on receipt of an offer, be sold to the first person to make such an offer.

6.2 Donations

Widnes CLC may authorise the donation of the equipment to another organisation.

Ideally, such donations should be to organisations and not to individuals. The preferred recipient of such donations by the CLC should be partnership primaries. Offers of equipment should be made by the CLC to specific schools on advice from LA ICT Advisory service who track the level of ICT resource held by schools. The CLC should not invite bids or involve schools in the creation of proposals.

All donations must be approved by the CLC Management Group.

6.3 Destroyed or Recycled Equipment

Items with no market value and no use to any other organisation or person may be destroyed in an appropriate and safe manner.

An 'Asset Disposal' form must be completed and authorised by the Authorised Officer and forwarded for updating of the IT Inventory.

7 General Procedures for Disposal of Equipment

7.1 Identify assets for disposal

7.2 Complete Asset Disposal sheet (Appendix 'A')

7.3 Determine the market value of the asset

7.4 Select the best disposal option – where the nature of the asset means it is not suitable for donation to a primary but has significant value then sale should be the preferred option.

7.5 Upon receipt of a written request from the relevant IT Client, Widnes City Learning Centre's IT Contractor will undertake the following actions:-

- Validate the serial numbers/identity of devices
- Remove the item from the Help Desk Inventory
- Remove the item from maintenance arrangements

For disposal of terminals and other 'dumb' equipment

- Obtain estimate for disposal
- Raise quote via quote system return to IT Client for consideration
- Upon receipt of order from IT Client, arrange for collection and disposal

For disposal of PCs

- Obtain estimate from the preferred supplier recommended by Environment and Waste for disposal – this is normally at no cost

For disposal of Active Equipment

- Obtain estimate from preferred supplier
- Complete Active Equipment Disposal Certificate in consultation with preferred supplier

For re-sale/donation of PCs

- Estimate the time required from to erase all hard disc contents and re-install the base operating system (e.g. win 3.xx, w95, win2000, winXP, etc)
- Upon receipt of order from IT Client arrange for hard disc erasure and re-install
- Ensure the IT Client is aware that the recipient of the kit should be advised in writing that:-
 - Widnes CLC will not be liable for any Health and Safety issues surrounding the use of the equipment – sample wording might be: “It is the recipient’s responsibility to ensure that the equipment is suitable and safe for its intended use, installed correctly, and that it can be used without risk to health or safety. It is the recipient’s responsibility to obtain any instructions for and advice on the installation and use of the equipment and to carry out or to have competent persons carry out all necessary checks appropriate to the equipment. Widnes CLC will not be liable for any loss, damage, or injury arising out of the installation or use of the equipment, however caused”.
 - Maintenance is not included on the kit.

When complete, arrange for collection.

7.6 Oversee the sale including the collection of income and issuing of receipts.

8 **Disposal Limits**

The disposal of all equipment up to the original value of £5,000 can be made by the CLC Manager. Unless the equipment is non-functional then over this value, the equipment must be offered to schools in the Partnership and agreed by the Management Board.

9 **Other Issues**

9.1 ***Widnes CLC Liability***

Widnes CLC offers no warranty on the condition of the equipment it sells or donates. Sales or donation documentation should provide as full a description of the items as possible, specify that goods are sold 'ex works' or 'as is, where is', and invite prospective buyers/beneficiaries to inspect the goods before the sale.

Asset Disposal Sheet

Asset Tag No	Asset Type	Method of Disposal (Destroyed, Donated, Re-sold)	Third Part details to whom the equipment was passed	Financial Consequences of Disposal of Leased Item

Engineer's Name Client Contact

Date of Disposal

Authorising Officer

Remarks

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