



**Manchester  
Metropolitan  
University**

**FINANCIAL PROCEDURE - 10  
ACQUISITION & DISPOSAL OF ASSETS**

**Financial and Legal Services**

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## Financial Procedure – 10, Acquisition & Disposal of Assets

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## **Financial Procedure – 10, Acquisition & Disposal of Assets**

### **1 Policy**

1.1 Manchester Metropolitan University is committed to ensuring that all of the University's physical assets are properly recorded at the time of acquisition and disposed of appropriately when no longer of use.

1.2 When such resources become surplus to requirements, the University must ensure the disposal process achieves best value for money and is conducted in an environmentally applicable and effective manner. The process should also be transparent and adequately documented and approved.

### **2 Purpose of the Policy**

The purpose of the policy is to safeguard the assets of the University. To achieve this the University will:

- i. Record details including location of assets acquired.
- ii. Aid identification of University assets that are no longer required by the present department or unit.
- iii. Obtain maximum benefit from University assets, which are, considered to be of no further use to the present department or unit, by optional use internally or trade in on new purchases or sale to outside parties or donation to other organisations.
- iv. Document the transfer or disposal of University assets.
- v. Ensure that the University community is made aware of the availability of useable and marketable equipment and furnishings.
- vi. Comply with and support the University's current Environmental Policy and its strategic aims.

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### **3 Maintenance of Asset/Inventory Registers**

- i. The registers are to be updated on a timely basis with details of acquisitions and disposals so that the University has an effective system to record its assets.
- ii. All University acquisitions valued £5,000 or more must be recorded using the process set out in section 4.
- iii. All assets to be disposed of must be processed in accordance with sections 9-11.

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### ACQUISITION OF ASSETS

#### 4 Acquisitions of new assets

1. All purchases must be made in compliance with the University's Purchasing Procedures, located at:

[http://www.finance.mmu.ac.uk/uploads/35/FP4\\_Purchasing\\_Procedure.pdf](http://www.finance.mmu.ac.uk/uploads/35/FP4_Purchasing_Procedure.pdf)

2. A tangible asset purchased by the University with a value of £5,000 and over (incl. VAT) is to be recorded on the University's Inventory and Asset Registers.
3. Copies of invoices for any tangible assets valued £5,000 and over are to be sent to Financial & Legal Services, Room 2.15.
4. Once the asset has been received, the department concerned should notify Financial & Legal Services at [assets@mmu.ac.uk](mailto:assets@mmu.ac.uk) of its location. The Asset Manager will record the following information on the appropriate register in relation to the asset:
  - a. Department name
  - b. Building name & number
  - c. Building number
  - d. Room name & number
  - e. Asset number
  - f. Manufacturer & model
  - g. Description of asset
  - h. Serial number
  - i. Date of receipt of asset
5. If Financial & Legal Services receives a copy invoice for an asset it has not received information about, it must contact the relevant department in order to ascertain the above information.

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- 6 Assets donated or transferred to the University from suppliers must also be treated as if they had been bought by the University in accordance with this procedure. Asset values should be calculated by the Department receiving the donation.

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### DISPOSAL OF ASSETS

#### 5 Reasons for Disposal

Items are disposed of when they are :

- i. no longer required
- ii. surplus to current or immediately foreseeable needs
- iii. part of an asset replacement programme
- iv. unserviceable or beyond economical repair
- v. no longer complying with occupational health and safety standards
- vi. beyond repair but able to be sold for scrap

#### 6 Ownership of an asset

Before disposing of an asset, departments/units should ascertain whether MMU owns the asset or whether there is any restriction on its disposal. Assets purchased from research accounts are the property of Manchester Metropolitan University unless otherwise specified by the sponsor's terms for the grant and contract funding. When selling or transferring assets purchased from funds provided by an external sponsor, consideration should be given to the terms under which those funds were given.

#### 7 Method of Disposal

The Director of Finance is responsible for ensuring that an up-to-date record of University assets is maintained.

- i. Disposal of Asset form (Fin 80) must be completed by a member of staff in the department wanting to dispose of the asset. Where assets have an asset value of £5,000 or greater the asset details should be recorded on the Fin 80. If staff are unsure of the asset value please contact Financial and Legal Services by e-mailing [assets@mmu.ac.uk](mailto:assets@mmu.ac.uk) or telephoning 0161 247 1831.

The Head of Department must sign off this form so the disposal request is

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appropriately authorised.

- ii. To ensure the most appropriate disposal method is used the Disposal of Asset form should then be sent to the Procurement Department in Financial & Legal Services. If so, the form will then be approved and a copy returned to the department.
- iii. If approved by the Procurement Department, all Fin 80s detailing assets valued at £5,000 or more will be sent to the Asset Manager so the Asset/Inventory Registers can be updated and maintained. The Fin 80s will also be kept there.

The FIN 80 is available from your departmental office or can be accessed from the Financial & Legal Services website at:

<http://www.finance.mmu.ac.uk/uploads/13/fin80frm.pdf>

## 8 Disposal Options

The available disposal options are listed below. Under **no** circumstances can items be sold or donated to staff or students.

### 8.1 Transfer to another Department/Unit

Wherever possible equipment should, in the first instance, be offered to Departments/Units within the University as in some cases an asset may be of no further use to one department but may be of value to another. This can be advertised in the Digest of Staff Messages. Further information on how to co-ordinate this transfer between departments can be obtained from the Procurement Department in Financial & Legal Services. Furthermore, the Departments involved should ensure that Financial & Legal Services are notified of any transfers where assets are valued £5,000 or greater so that assets/inventory registers can be maintained. This can be done by e-mailing [assets@mmu.ac.uk](mailto:assets@mmu.ac.uk) or telephoning 0161 247 1831.



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### **8.2 Sale outside the University**

8.2.1 The University should maximise its return from the sale of any asset. This can be done by seeking bids from interested parties, selling the asset to a relevant supplier or dealer at a realistic value or, depending on the value of the asset, advertised for sale on a sealed bid basis. Further information on how to achieve best value on disposal can be sought from the Procurement Department in Financial & Legal Services.

#### **8.2.2 Invoicing to Third Parties**

For any sale of equipment, once the Fin 80 has been approved, an invoice request should be raised by the Department/Unit and passed to Financial & Legal Services in accordance with normal University procedures. VAT should be added, where appropriate, to the price of any equipment sold to a third party, including individuals. Advice on the VAT treatment can be obtained from Financial & Legal Services. The goods will only be released on full payment of the sum due and the purchaser will be wholly responsible for the removal of the goods. (Please also see Disclaimer Note below)

### **8.3 Trade-In**

Items may be traded in where this maximises the net return to the University. Where trade-in of an existing item is included in the acquisition of a new item the purchase order must separately show details of the item being acquired and its cost, details of the item being traded-in and its value. The gross cost of the item being purchased should be coded to the relevant expenditure code and the proceeds from the trade-in should be credited to the relevant income code.

### **8.4 Sale as scrap only**

Where Options 8.1, 8.2 or 8.3 are inappropriate the equipment may have a scrap value, particularly if it contains valuable metals such as copper, lead or aluminium. Liaise with the Procurement Department to obtain sealed bids from scrap dealers. The invoicing process is detailed in the section on “Invoicing to Third Parties” above.

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### **8.5 Donations**

- 8.5.1 Where the University has determined that goods have no residual value, and where their disposal is therefore unlikely to produce offsetting revenue, it may authorise the donation of the goods to another organisation. Such donations must only be to organisations and not to individuals. Organisations with a community service role should be the first consideration and these will include schools, voluntary organisations, registered charities and other Exchequer funded bodies.
- 8.5.2 Donations must be approved in the normal way and it must be confirmed by the Procurement Department in Financial & Legal Services that the goods have no residual value and no significant market value. (Please also see Disclaimer Note below)

### **8.6 Dismantling and Used for Parts**

Before scrapping any item of equipment, consideration should be given to whether there is any potential for recovering valuable materials or components from the item.

### **8.7 Scrapping**

- 8.7.1 Goods for scrapping should either be destroyed in-house, making safe any hazardous features prior to disposal or a third party should be employed to carry out the disposal.
- 8.7.2 It is important that any disposal of scrap and/or waste material is undertaken in accordance with Health & Safety disposal legislation.

### **8.8 Disclaimers for Goods Sold or Donated**

The sale or donation of goods can create liabilities on the University and

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departments must ensure that recipients of items sold or donated complete the appropriate disclaimer. The disclaimer documents are available from the Financial & Legal Services website at:

<http://www.finance.mmu.ac.uk/documents/forms.cfm>

Click [Disclaimer Donations from MMU](#) or [Disposal of Equipment by Third Party](#).

These disclaimers state the conditions on which the goods are supplied to third parties and, when signed, indemnify the University against future operational conditions or potential misuse. Copies of the disclaimer should be retained by the department and a copy must also be sent to the Procurement Department in Financial & Legal Services.

### **9 Disposal Register**

Disposal transactions are liable to both internal and external audit and, therefore, documentary evidence of a disposal, whether the asset is donated, sold or scrapped must be held within the University. Financial & Legal Services, with the help of the Departments around the University, should therefore maintain a disposal register, which will contain the following information:

- Date of disposal
- Brief description of the item
- Serial Number (if applicable)
- MMU asset number (assets over £5,000)
- Reason for disposal
- Approximate original value
- Method of disposal and acquirer (if relevant)
- Disposal value if any

### **10 Assets for Current Research Projects**

When a current research project is transferred to another University, it is possible for

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the asset to be transferred subject to the following considerations:

- i. The particular grant or contract must contain a condition that the asset is not the property of the University but stays with the funder
- ii. The asset must have been purchased for the project using external funds
- iii. Authority for the transfer must be made by the relevant Dean/Director

Financial & Legal Services must be notified at [assets@mmu.ac.uk](mailto:assets@mmu.ac.uk) when a transfer has been made.

## **11 Computer Equipment Disposal**

### **11.1 Data Protection**

11.1.1 An essential consideration in any computer equipment disposal is to ensure that any University data on the computer, and any software licensed to the University, is removed. Apart from the requirements of the Data Protection Act, sensitive data discovered by a later owner could give rise to embarrassment for the University or damage to its business. Merely deleting the visible files is not sufficient, since a new owner could use data recovery software to undelete the data.

11.1.2 It is the responsibility of each department/unit to ensure that the removal and destruction of data prior to disposal is carried out and they should, therefore, contact their ICTS requesting that this function is carried out.

### **11.2 Disposal of Waste (WEEE) legislation**

11.2.1 Waste Electrical and Electronic Equipment (WEEE) is one of the fastest growing waste streams in the UK and the EU and what benefits us all in our working lives affects the environment when it is thrown away. The Government's WEEE Directive aims to minimise the impact of electrical and electronic goods on the environment by increasing re-use and recycling and reducing the amount of WEEE going to landfill.

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11.2.2 There are many hazardous substances used in IT equipment and the WEEE Directive sets targets that a large percentage of IT equipment must be recycled and materials such as LCD displays, printed circuit boards, batteries etc must be pre-treated before disposal. The University is obliged under the WEEE directive and the Landfill directive to dispose of its assets in the appropriate manner.

11.2.3 Further advice on this disposal issue can be sought from the University's Environment Team.

## **12 Queries**

If you have any queries in relation to the recording of assets on the Asset/Inventory Registers, please contact the Asset Manager on 0161 247 1831 or e-mail [assets@mmu.ac.uk](mailto:assets@mmu.ac.uk).

If you have any queries in relation to the disposal of assets, please contact the Procurement Department on 0161 247 4635.

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