Disposal of Equipment

This document should be read in conjunction with Definitions.

Schools dispose equipment through:
- Transfer
- Disposal
- Write-off

Disposal or write-off occurs due to:
- obsolescence of equipment
- equipment has fully depreciated
- equipment beyond economic repair (damaged, worn out); or
- equipment is unaccounted for (e.g. missing at stocktake).

Key principles for the disposal of any equipment are:
- return is maximised
- cost of disposal is minimised
- disposal process is fair, equitable and open; and
- Departmental employees are not advantaged.

Remove all data from hard drives on computer equipment being disposed or transferred. For equipment transferred to another school or department location the operating system is retained as all computers are purchased by the department with a licence under the current Microsoft Agreement. Disposal is processed in OneSchool.

Write-off of assets require an approval for each individual asset, except where an item has been the subject of a claim submitted to the Resource Replacement Scheme. Refer to Asset Replacement User Guide for information on asset replacement.

Transfers

School to School Transfer

The transfer of an item of equipment from one school to another is recorded in OneSchool. The transfer is achieved by disposing the asset in OneSchool with the disposal comment containing "the location the asset is being transferred to (school name)".

A copy of the Asset ID form is forwarded to new location with the item of equipment. In the case of capital assets (acquisition value of asset is $5000 or greater).

School to Business Unit Transfer

Record transfer of school based item to a business unit by disposing asset in OneSchool with disposal comment containing business unit location to which asset is being transferred.

A copy of the Asset ID form and OneSchool Asset Disposal form or EQ13 run from My Ordered Reports is sent to the business unit receiving the equipment for portable and attractive items (acquisition value less than $5000).
Other Transfers

For permanent transfers to any external agency including other government departments dispose of the asset in OneSchool.

Disposals

Principals refer to the Financial Delegation Manual for the Write-Off of Public Property for items to be disposed with a written down value greater than $1,000.

Ethics of Disposing Equipment

Employees of the department have no prior right to the acquisition of surplus equipment, materials or furniture over the public. Any employee wishing to acquire such material may bid at a public auction if applicable, or submit an offer after notification of sale.

Any notice of sale/tender is advertised in the wider community. The disposal process for any asset is not to give an unfair advantage to employees of any Queensland Government department or agency.

Examples of unacceptable behaviour include:

- purchasing assets for private use prior to public notice being given
- receiving commissions or other amounts as a result of arranging the sale of Department of Education and Training assets
- purchase of assets for an associate, a relative or friend of any departmental employee prior to public notice
- arranging a sale of particular assets where results for the department may be less than what would normally be expected
- any other action which is deemed unfair and inappropriate for a departmental employee to be involved in or associated with, as stated in the Code of Conduct; or
- inappropriately declaring surplus items, which may be of future workplace use or benefit to the school

Schools may sell items to other state schools or business units at below market values.

Sale by Auction

Dispose of the asset in OneSchool once it has been approved by the Principal begin the auction process.

Queensland Government Chief Procurement Office – Disposals organises auctions in Brisbane, Sunshine Coast, Bundaberg, Gold Coast, Toowoomba, Townsville, Rockhampton and Cairns. The seller is responsible for the cost of transporting goods to the auction site.

Sale by ‘Garage Sale’

Dispose of the asset in OneSchool once it has been approved by the principal begin the sale process. Note the following:

- items being offered for sale are low/no value items
- sale date and time is advertised to wider community through school newsletter or community newspaper
- prices are marked on items
- offer items on an 'as is' basis with no warranties implied or given, no after sale service or assistance implied or given. This notice is included in the advertisement and on the receipt.
**Sale by Inviting Offers**

Dispose of the asset in OneSchool once it has been approved by the Principal begin the sale process. Advertise the item and invite offers in local press and/or school newsletter or other channel such as online sites e.g Gumtree, including details such as:

- brief description of item and its condition
- offers to be in writing
- closing date and time for offers
- location address for offers and inspection of items
- delivery charges to be borne by buyer
- items offered on an 'as is' basis
- the department reserves the right not to accept the tender
- set a reserve price
- require tenderer submissions to disclose any interests or links with departmental employees
- no warranties implied or given; and
- envelope with tender to be marked 'CONFIDENTIAL - OFFER FOR ADVERTISED ITEM'.

After the closing date and time:

- two officers (where possible) open all offers
- decide which offer to accept with explanatory notes kept for audit purposes if the highest offer is not accepted
- write to the successful offeror advising method and address for payment and requesting that the item be collected
- write to unsuccessful offerors thanking them for their time and effort and advising that their offer was not accepted.

After choosing one of the above methods of Sale the Final step:

- file all offers and information for future reference which may be required by auditors or other personnel
- complete the Equipment Disposal / Write-off form (EQ13) by filling in disposal date and proceeds amount.

**Proceeds of Sale**

Proceeds from sale of equipment funded through P&C, school general account or other school funds, are deposited into school general account or P&C account or another appropriate school account.

Proceeds from sale of equipment provided directly by the department, are returned to the department and deposited into relevant SAP cost centre and account for sale of equipment.

**Trade-In of Equipment**

Obtain (where possible) at least two written quotes prior to obtaining approval to ensure that best net price is obtained. Note: record gross net of GST price as acquisition cost of new item and record trade-in valuation in proceeds of sale field in OneSchool.

**Disposal by Dumping**

Before disposing, determine whether equipment has any potential services value or if it has fully depreciated. If there is no residual value, then equipment may be destroyed and dumped. Ensure that the equipment number is obliterated prior to dumping. Dispose of asset in OneSchool if multiple assets are being disposed a Bulk Asset Disposal can be used.

**Disposal through Scrapping**

Before material is disposed, schools must assess whether or not scrap materials may have a commercial value to companies dealing in the purchase/sale of scrap materials. Evaluate the potential
market value and disposal costs and determine the appropriate disposal method based on the best net return for the department.

**Disposal through Private Treaty**

Portable information technology devices purchased by schools and distributed to students through student resource schemes/1-to-1 learning programs may be disposed of through a private treaty arrangement with the parent.

Schools must ensure that all proprietary software and data is deleted as provided above on page one of this procedure.

**Fully Depreciated Assets**

Fully depreciated assets are reviewed and assessed as to whether the assets are still in use or are considered for disposal.

**Write-off**

Principals refer to the Financial Delegation Manual for the Write-Off of Public Property for items to be written-off with a written down value greater than $1,000 and are not replaced through Resource Replacement Scheme.

**Replacement of Equipment Under Warranty**

When an item of equipment is replaced by the supplier, the original item should be written-off and the replacement item recorded under a new number within the equipment register. This is necessary to keep a true record of the equipment (for example serial numbers) and allows the appropriate calculation of depreciation.

**Equipment Beyond Economic Repair**

Equipment beyond economic repair is written-off and sold for scrap or dumped. Equipment may be Beyond economic repair if:

- too much money has been expended on repairs
- a replacement item can be purchased at a significantly lower cost
- item is obsolete
- item's estimated life has expired
- current value of item is less than repair quote
- new technology is available which improves efficiency; or
- repairer advises that the item is not worth repairing for the above reasons.

**Stolen Equipment**

Follow procedures under Resource Replacement Scheme for stolen or damaged equipment as a result of a break and enter, fire or natural disaster. It is not necessary to complete an Equipment disposal/write-off form (EQ13) if the Claim/Illegal Entry Advice Form (EQ38) has been submitted to the Resource Replacement Scheme.

The Resource Replacement Scheme will perform the write-off from the department's central register on behalf of the school for capital assets. Schools must still dispose of the item from Oneschool with a disposal comment of stolen/damaged beyond repair along with the date of loss.
Missing Equipment

Missing equipment:

- will not be replaced through the Resource Replacement Scheme
- is investigated prior to disposing in OneSchool report to police in writing providing full details of the missing equipment.

Permanent or Temporary Closure of Schools

Following actions are taken before a school is officially closed and or permanently vacated or vacated for any extended period of time:

- dispose items that are no longer serviceable
- transfer remaining items to another school or operational unit or tender them for sale
- complete appropriate documentation to support the write-off, sale, disposal or transfer of equipment
- report the results of this closure to the District Senior Internal Auditor and the Asset Accounting Team.