



PRIFYSGOL
BANGOR
UNIVERSITY

FINANCIAL PROCEDURES FOR COST CENTRES

| | |
|-----------------|--|
| Title: | Policy and Procedure for Asset Recycling and Disposal |
| Ref: | FINP-007 |
| Applies to: | All BU Resource / Cost Centres |
| Operative date: | 18 January 2016 |
| Status: | Approved by the Executive 15 December 2015 |
| Replaces: | None |
| Summary: | This document sets out the University's policy (Section 1), objectives (Section 3) and procedural options (Section 6) that should be followed by University staff who identify assets that are surplus to current requirements. Any questions over its applicability or implementation should be referred to staff in Finance/Procurement. |

1.0 Policy

- 1.1 Bangor University is committed to ensuring that all its physical assets are used in the most cost effective and efficient manner. The recycling and disposal of surplus or scrap items should be considered as part of this process. When such resources become surplus to requirements, the University must ensure that the disposal process achieves best value for money and is conducted in an environmentally responsible and effective manner. The process also needs to be transparent and adequately documented and approved.
- 1.2 The best value outcome to the University must be a major consideration when disposing of an asset, whilst ensuring that the management of disposal is carried out in such a way as to minimise any potential risks from areas such as breaches of obligations under Waste Disposal, Health and Safety or Environmental Legislation.
- 1.3 This policy applies to all assets including but not limited to items included in asset registers, inventories and other portable and sought after items.

2.0 Background.

- 2.1 Each year the University spends a significant sum of money on assets such as physical plant, furniture, office equipment and vehicles. Often, new equipment is purchased at the same time as perfectly reusable items, which are surplus to requirements, are being disposed of. This is neither sustainable nor a cost effective use of the University's resources.
- 2.2 In addition, the University promotes itself as having a reputation for sustainability. This policy supports that standing by encouraging the re-use of furniture and equipment wherever

possible in order to reduce costs and reduce the negative impacts of disposal on the environment.

3.0 Key Objectives.

1. To obtain maximum benefit from University assets which are considered to be of no further use to the present department or school.
2. To document the transfer or sale of University assets;
3. To reduce spending on new assets;
4. To ensure that assets are reused, recycled and disposed of in an appropriate and auditable manner, and in accordance with the statutory requirement to apply the waste hierarchy as set out in the Waste (England and Wales) Regulations 2011;
5. To ensure that the University community is made aware of the availability of useable and marketable equipment and furnishings.
6. To comply with and support the University's Environmental Policy and its strategic aims.

4.0 Reasons for Disposal

4.1 Items can be available for re-use, recycling or disposal because they are:

- No longer required;
- Surplus to current or immediate foreseeable needs;
- Part of an asset replacement programme;
- Unserviceable or beyond economical repair;
- No longer complying with occupational health and safety standards;
- Beyond repair but able to be sold for scrap.

5.0 Ownership of Asset

5.1 Before disposing of an asset, Departments or Schools should ascertain whether the University owns the asset or whether there is any restriction on its disposal. Assets purchased from research accounts are the property of Bangor 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.

5.2 The original cost, accumulated depreciation and hence Net Book Value should be identified for assets which are capitalised in the accounts.

6.0 Reuse, Recycling and Disposal Options.

6.1 Below are listed the various disposal options available. It should be noted that under **NO** circumstances can items be sold or donated to staff or students.

6.2 Transfer to another Department/School

6.1.1 Equipment deemed as surplus/obsolete will be redeployed where appropriate. All requests to offer equipment for reuse must be authorised by the Head of School/Head of Department.

6.1.2 All surplus furniture and equipment which is deemed appropriate for reuse will be advertised on the University's Asset Recycling Intranet pages.

6.1.3 Furniture and equipment advertised on the Recycling site will be available free of charge to Schools and Departments as an incentive to save money.

6.2 Sale outside the University

6.2.1 If the item is not claimed from the website after a minimum period of 6 weeks (or prior to this if storage is a problem), then the Head of School/Head of Department will decide whether the item has any resale value. Departments and Colleges should maximise their 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 (e.g. value greater than £1000), advertised for sale on a sealed bid basis.

6.2.2 An invoice should be raised against every asset sold. The Finance Office will advise on the need to charge VAT on any transaction. The goods will only be released on full payment of the sum due and the purchaser will be wholly responsible for the removal of goods.

6.2.3 For all sales and charitable donations, a disclaimer must be signed by the recipient with the words:

"The equipment will be sold as seen, Bangor University offers no guarantee or otherwise and is not liable for any warranty or injuries."

Where an invoice is raised, the disclaimer can be recorded on the face of the invoice.

6.3 Trade In

6.3.1 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.

6.4 Sale as scrap only.

6.4.1 Where options 6.1, 6.2 and 6.3 are inappropriate, the equipment may have a scrap value, particularly if it contains valuable metals such as copper, lead or aluminium. Sealed bids should be obtained from scrap dealers. The same invoicing procedure as mentioned in 6.2.2 should be used.

6.5 Donations.

6.5.1 Where the University has determined that goods have no residual value, and where their disposal is therefore unlikely to produce offsetting revenue, the Head of School/Head of Department may authorise the donation of 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 and registered charities.

6.5.2 Donations must be approved in the normal way and it must be confirmed by the Head of School / Head of Department that the goods have no residual value and no significant market value.

- 6.6 Dismantling and Used for Parts.
- 6.6.1 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.
- 6.7 Recycling / Scrapping
- 6.7.1 In some instances, it may be more desirable to recycle or scrap defective goods, thus preventing them from reaching the market place. Goods for scrapping should either be destroyed in-house, making safe any hazardous features prior to disposal, or recycled or disposed of via a third party.
- 6.7.2 Requests for the collection of goods for disposal should be made through the Maintenance Helpdesk using the "Waste Collection Request Form" .
- 6.7.3 It is important that any disposal of scrap and/or waste material is undertaken in accordance with Health and Safety disposal legislation.
- 6.8 **Record of Disposal.**
- 6.8.1 All sales or disposals must be recorded on the Asset Disposal Form. The form must include a description of the disposal method and whether a monetary transaction took place. For assets with a value \geq £10k, the Asset Disposal Form along with the Fixed Asset Verification Return must be forwarded to the Director of Finance at year end. Asset Disposal Forms relating to assets with a value $<$ £10k should be retained within the School/Department for audit purposes.
- 6.8.2 The form should be signed by the Head of School/Department to both authorise the disposal and certify that disposal / sale has been made in accordance with this policy.
- 6.9 **Furniture / Equipment Purchases.**
- 6.9.1 Colleges and departments should advise the Estates & Facilities Department of any future furniture and equipment needs which potentially can be met by using redeployed items. No purchases for furniture or equipment should be made without first consulting the Asset Recycling Intranet pages and the Estates & Facilities Department.
- 6.10 **Disposal of IT Equipment.**
- 6.10.1 Redeployment / disposal of IT equipment including smart phones and tablets, will remain the responsibility of Information Technology Services and staff should follow the guidance provided.
- 6.11 **Disposal of Waste Electrical and Electronic Equipment (WEEE).**
- 6.11.1 Under the Waste Electrical and Electronic Equipment (WEEE) Regulations 2013, electrical and electronic waste must be disposed of responsibly and recycled where possible.
- 6.11.2 Electrical equipment, whether in a safe or defective condition, which is owned by the University must not be sold or given away free of charge, as it is not possible to exclude liability under the Consumer Protection Act 1987 by means of any contract terms or other provision.
- 6.11.3 Requests for the collection of electronic equipment for recycling (excluding IT Equipment) should be made through the Maintenance Helpdesk using the "Waste Collection Request Form", as per Section 6.7.2.

6.12 **Removal of Equipment by Staff.**

6.12.1 It should be noted that if a member of staff is leaving the employment of the University they are not permitted to remove/retain any University equipment for their own personal use.

6.12.2 On no account is furniture or equipment to be removed from Schools/Departments without prior approval of the relevant Head of School/Head of Department.

7.0 **Sustainability**

7.1 The Policy for Asset Recycling and Disposal contributes to Bangor University's comprehensive Sustainability Policy¹. It supports all the University's strategic goals and contributes to the goal of 'A resilient University in a resilient world'.

7.2 Bangor University has a central organising principle of Sustainable Development and is committed to becoming '*The Sustainable University*'. In recognition of this, all Bangor University's policies are framed in the context of The Well-being of Future Generations (Wales) Act 2015. Specifically, this policy supports the goal of '*A prosperous University in a prosperous world*'.

Mike Davies
Director of Finance
December 2015

¹ <https://www.bangor.ac.uk/sustainablebangor>

BANGOR UNIVERSITY - ASSET DISPOSAL AUTHORISATION FORM



Please supply the following details for each asset sold /disposed of and attach any documentary evidence to support the method of sale/disposal:

| |
|--|
| 1. Description of the asset and inventory number: |
| |
| 2. Cost Centre and Project: |
| |
| 3. Asset Location: |
| |
| 4. Original Cost of the asset and Agresso transaction number of original purchase: |
| |
| 5. Written-down value (or open market value) of the asset: |
| |
| 6. Details of who the asset was sold to (attach copy of sales invoice): |
| |
| 7. Sales price of the asset (if applicable): |
| |
| 8. Reason for sale / disposal: |
| |
| 9. Name of person requesting disposal: |
| |
| 10. Authorising signature: |
| I certify that the disposal has been made in accordance with the University's policy for Asset Recycling and Disposal. |
| Name: _____ Signed: _____ Date: _____ (Head of School/Department) |

Departmental Fixed Asset Register Adjustment

| |
|---|
| YES / NO / NOT APPLICABLE |
| If No/Not Applicable – please provide your reasons below: |
| |

| |
|--|
| |
|--|

| | |
|---------|-------|
| Signed: | Date: |
|---------|-------|

Please retain a copy of the Asset Disposal Form for audit purposes.

For all assets with a purchase price \geq £10,000, a copy of the Asset Disposal Authorisation Form should also be forwarded to the Director of Finance at year end.