

Killamarsh Parish Council

DETAILS OF POLICY	
Policy No	KPC4
Policy Title	Asset Disposal
Committee/Working Party Responsible	Finance Committee
Version	1
Adoption Date	24.02.20
Details of Revisions	

The Policy

The disposal of any asset, regardless of its written down value, must be authorised by the Parish Clerk. All proceeds from such disposal are the property of the Parish Council and must be accounted for and reported to the Finance Committee.

Where any asset still has value in the asset register in excess of £1,000 then the decision in regards to its disposal must be referred to that Committee.

'Assets' applies to the terms 'asset(s)', 'stores', 'item(s)', 'equipment, furnishings' and 'goods' as used throughout this policy. It does not include buildings or other forms of fixed assets but may include building fittings.

Asset disposal decisions, and the reasons for taking them, should be documented. Not only does this assist in audit process and other examinations, it also highlights successes and problems for future reference.

1. Value

The best value outcome to the Council must be a major consideration when disposing of assets. Goods should only be disposed of after checks have been made to ensure that the item could not be utilised by other areas of the Council.

Disposal should be based on a fair market value for each item. The price established should be based on:

- current market value
- condition of the item
- age of the item
- an assessment of the usefulness of the item.

Using external evaluation services should be required in case of IT equipment. All data storage devices must be reformatted prior to disposal to delete any data they may contain.

2. Reasons for disposal

Items can be available for disposal because they are:

- required to be disposed of under a particular policy eg. motor vehicles
- no longer required due to changed procedures, functions or usage patterns;
- occupying storage space and not being needed in the foreseeable future;
- no longer complying with health and safety standards;
- beyond repair but able to be sold for scrap.

A list of suggested assets for disposal should be presented to the finance committee

- by the parish clerk for items in parish office, parish vehicles or village assets such as street furniture
- by the Operations Manager for items within the sport centre and corresponding areas
- by the Bar/Catering Manager for items within bar area, kitchen and parish suite

There should be a written reason of disposal. Items suggested for disposal by Managers should be approved by the respective committees prior to being presented to the Finance committee.

Special consideration should be given to items of potentially hazardous or pollutant items which are likely to have an impact on the environment.

3. Options for the Disposal of Assets

Assets identified for disposal may be dispensed with using the procedures listed below:

- Sale by public tender
- Donated to a community service or organisation
- Scrap

Choice of the most appropriate disposal option will normally be influenced by the nature of the goods for disposal and market value. In all cases, assets disposed of should be reported on an 'Asset Disposal' form to ensure they are removed from the Council's asset register.

4. Sale by tender

External tenders should be advertised using the appropriate channels and sealed bids sought. Assets should be sold as seen and no warranty should be given or implied. In both cases, at least two officers should be appointed to witness the opening, scrutiny and acceptance of the offers made. In all cases, the payment should be received in full prior to the equipment being released.

5. Sale to staff

Items cannot be purchased by staff for the purpose of managing conflict of interests and fair offering.

6. Donations

Where the Council has determined that goods have no residual value, and where their disposal is therefore unlikely to produce sufficient revenue, it may authorise the donation of the goods to another organisation within the parish area such as schools, charities and volunteer organisations. Donations must be recommended by the financial committee and approved by a FPC meeting.

7. Scrap

Where items have negligible value or where the cost and time involved in managing the sale process would exceed the financial benefit, the equipment may be scrapped.

8. Asset Disposal Forms & the Asset Register

It is important that any asset disposals are correctly handled to ensure transparency and accountability. Asset disposal forms should be used to record the authorisation of the disposal by the appropriate staff/committee within the Council and the value or values achieved by it.

The Parish Clerk is responsible for updating of the Council's asset register following the appropriately authorised Asset Disposal Request.

ASSET DISPOSAL FORM

Form to be completed by Senior Manager/Parish Clerk and presented to the relevant committee for recommendation to the Finance committee in line with the Asset Disposal Policy.

List of assets to be disposed of					
Asset reference and serial number	Location	Description	Purchase date	Original cost	Disposal value

Reason for disposal

Method of disposal (give details)	
Scrapped	
Sold	
Gifted/Donated	

Date of disposal