

**POLICY ON ASSESTS - DISPOSAL**



---

## TITLE AND COPYRIGHT

<b>Title</b>	<b>POLICY ON ASSETS - DISPOSAL</b>
Approval Date	27 November 2009
Author	Mrs. F. Gandiya
Copyright	© University of Venda. All rights reserved. Information in this document is subject to change. No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without the express written permission of the University of Venda

## DOCUMENT CONTROL DETAILS

Master document	Documentation Control Centre
Electronic Version	<a href="http://www.univen.ac.za/intranet/hr/documentation/docs">www.univen.ac.za/intranet/hr/documentation/docs</a>
Version	3.00
Reference	<b>POL/FIN46/2009 Rev 1</b>



## TABLE OF CONTENTS

Title and Copyright	2
Document Control Details	3
Table of Contents	4
1. Purpose	4
2. Definition	4
3. Rules	5
4. Procedure	5
5. Forms	5
6. Related Policies and Documentations	5
7. Regulatory Framework	5
8. Review Date	5
9. Record of Changes	5
10. Approval	5



## 1. PURPOSE

It is the policy of the University of Venda that redundant, obsolete and damaged assets are disposed of in the most effective and efficient manner possible.

## 2. DEFINITIONS

- 2.1 **Purchase price** - The price that was paid on acquisition of the asset.
- 2.2 **Selling Price** - The highest possible price paid during selling of asset.

## 3. RULES

- 3.1 The final responsibility concerning the disposal of capital items rests with the authorised person. (Refer to Delegation of Authority)
- 3.2 Goods and capital items may only be disposed of under the following conditions:
  - 3.2.1 Theft;
  - 3.2.2 Technically old and unusable;
  - 3.2.3 Outdated and not applicable;
  - 3.2.4 Beyond repair and beyond economic repair; and
  - 3.2.5 Offered as a trade-in for new equipment
- 3.3 No assets or stock may be offered for sale before being disposed of in the prescribed way.
- 3.4 All requests for disposal must be sent to the Head of Procurement Services on the prescribed form, together with the necessary motivation and proof for the redistribution or disposal thereof.
- 3.5 Redistribution of furniture and equipment takes place strictly in accordance with the principle of first in, first out.
- 3.6 Non-re-usable capital items will be disposed of in the prescribed way and will be offered for sale by tender/ auction as soon as possible.
- 3.7 The funds obtained shall be allocated to the income account.
- 3.8 Assets to be disposed of shall be sold at an auction if the possibility exists that people are interested in the purchase thereof and that good prices can be earned at the auction.
- 3.9 When assets, like computers, cellular phones, etc. become available for disposal, preference shall be given to the user of such an item to put in an acceptable price for the purchase thereof.
- 3.10 Offers shall be evaluated by the authorised person who shall advise the Director Finance on the acceptance of the offer or not.
- 3.11 The acceptable price for the sale of an asset shall be determined by the calculation of 20 % of the purchase price. If such an asset's purchase price is not yet fully depreciated the remainder of the depreciation shall be added to the final selling price.
- 3.12 The asset register must be updated when assets are sold or disposed of by any other means.

## 4. PROCEDURE

- 4.1 If capital items must be disposed of, a form must be completed in duplicate and forwarded to the Head of Procurement Services.



- 4.2 A complete motivation for the disposal must be given on the "Application for disposal of university assets/ stock".
- 4.3 The recommendation must be completed and signed by the head of department or director.
- 4.4 The authorised person will, on receipt of the application, visit the storage location of the goods in order to confirm the condition of the goods.
- 4.5 The authorised person will make the necessary recommendations with regards to the disposal thereof to the Director Finance.
- 4.6 After the approval of the Director Finance, redistribution, trade-in or sale will take place.

**5 FORMS**

Application for Assets disposal form

**6 RELATED POLICIES AND DOCUMENTATIONS**

Policy on assets

**7 REGULATORY FRAMEWORK**

GAAP

King III report on Corporate Governance

Higher Education Act (Act 107 of 1997)

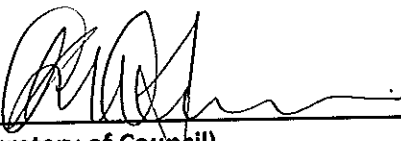
**8 REVIEW DATE**

This policy will be reviewed after three years or as and when the need arises.

**9 RECORD OF CHANGES**

REVISION	DATE	AUTHOR(S)	DESCRIPTION

**10 APPROVAL**

  
\_\_\_\_\_  
Registrar (Secretary of Council)