

PROPERTY, PLANT AND EQUIPMENT DISPOSAL PROCEDURE



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1 PURPOSE

- 1.1 This procedure outlines the process for disposing CQUniversity property, plant and equipment.
- 1.2 This procedure forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of an effective asset management system that provides for disposing of and writing-off assets.

2 SCOPE

- 2.1 This policy applies to items of property, plant and equipment recognised by CQUniversity.

3 PROCEDURE

Disposing of property, plant and equipment

- 3.1 Prior to the disposal of University property, plant and equipment, a disposal assessment addressing the following criteria must take place:
 - increased cost of continued repairs and maintenance
 - productivity and quality of older assets compared to new technology
 - availability of substitute university assets, and
 - cost of new assets.Other specific criteria that are relevant to the decision-making process, will also be considered as necessary.

- 3.2 Once the decision to dispose of an item of property, plant and equipment has been made, the relevant business area asset contact must complete an [Asset Disposal Form](#) and obtain approval as per the [Authorities and Delegations Register](#). The University asset tags must also be removed and attached to the form prior to forwarding to Financial Accounting for processing. Asset Disposal Forms must be prepared and provided to Financial Accounting in a timely manner to ensure the necessary accounting entries can be captured in the University's financial statements.

Disposing of information communication technology (ICT) equipment

- 3.3 Field Services, within the Digital Services Directorate, is responsible for disposing ICT equipment. When an item of ICT equipment is no longer needed or is to be retired, the custodian must log a [Service Desk](#) (SDesk) request for collection by the Digital Services Directorate. ICT equipment consists of desktop computers, laptops, printers, mobile phones, iPads and tablets. A SDesk request is not required for replacement computer equipment as part of a roll-out of new computers.
- 3.4 Field Services will complete the Asset Disposal Form and obtain approval as per the Authorities and Delegations Register. The asset tag will be removed from the equipment and attached to the Asset Disposal Form, then forwarded to Financial Accounting for processing.

Methods of disposal

Internal transfer

- 3.5 The transfer of ICT equipment is co-ordinated and managed by the Digital Services Directorate. Requests for a transfer of these items must be logged through SDesk.
- 3.6 Other assets and attractive items may be transferred to another business area within the University. To initiate a transfer of equipment between business areas, an email must first be sent to the campus mailing list specifying the equipment is surplus to requirements and is available for transfer, the current condition, specifications, and number of items available.
- 3.7 Upon agreement of transfer, the employee receiving the asset must notify Financial Accounting (via corpaccountants@cqu.edu.au) of the changes to asset details (specifically the location, custodian and business area).
- 3.8 If no interest is received from the email to the campus mailing list, it will be assumed that the asset has become excess to requirements and another method of disposal must be selected.

External sale

- 3.9 University assets cannot be sold externally without publicly advertising their availability.
- 3.10 The external sale of low cost items, e.g. computers, disposal must take place through the [Queensland Government Enterprise Architecture](#) (QGEA), who will arrange collection and transportation to a government auctioneer.
- 3.11 Business areas may begin negotiations with interested parties (e.g. the University has a boiler that is excess to requirements, and the company maintaining the equipment is interested in acquiring it) for the external sale of specialised equipment.
- 3.12 The following details must be provided to interested parties:
- brand
 - model
 - year
 - number of items, and
 - contact name and number.

- 3.13 Interested parties must provide written notification of the proposed purchase price (inclusive of the goods and services tax (GST)). If the price is acceptable to the business area, documentation must be forwarded to the Vice-President (Student and Corporate Services) for consideration and approval. Upon receiving approval for the sale, the asset custodian must complete an invoice requisition in the finance management system (FMS) to have an invoice raised. The invoice must be paid prior to the release of the equipment.
- 3.14 Requests for external sale outside of this procedure must be forwarded to the Vice-President (Student and Corporate Services) for approval prior to the commencement of the sale negotiation process.

Assets and attractive items disposed with termination of employment

- 3.15 The awarding of any assets or attractive items to an employee as part of their termination of employment can only be approved by the Vice-Chancellor and President. Details will be forwarded to Financial Accounting for processing and to assess any fringe benefits tax liabilities.
- 3.16 Employees with a salary package vehicle who are interested in purchasing the vehicle on termination of employment, must contact the Procurement Advice Team to obtain the current market value of the vehicle, and Financial Accounting to finalise their salary package commitments. The purchase of salary packaged vehicles must be approved by the Vice-President (Student and Corporate Services), and finalised prior to the employee ceasing employment with the University.

Trade-in

- 3.17 Trade-in of assets will generally apply to the disposal of motor vehicles. The sale and/or trade-in of motor vehicles will be approved by the Team Leader Procurement Advice team.
- 3.18 Once an appropriate trade-in has been approved, the Procurement Advice Team will complete an invoice requisition through the FMS for the total trade amount, noting the GST status of the transaction. Supporting documentation should be attached to the requisition.
- 3.19 Upon receipt of payment for the invoice, the asset will be released. The Procurement Advice Team will prepare the Vehicle Checklist, noting the date of disposal/trade, the details of the new vehicle, and the exclusive of GST trade value, and forward to Financial Accounting. Financial Accounting will arrange disposal approval and process the disposal of the asset in the Asset Register.

Donation

- 3.20 University assets cannot be sold externally without publicly advertising their availability. However, exceptions may be made in circumstances where research indicates there is no market demand for low cost items that have been assigned for disposal. In such circumstances, where it is unlikely that the cost of advertising will produce an appropriate return, assets or attractive items may be donated to the following groups:
- Government schools, colleges or educational units, or
 - non-profit community organisations (e.g. scouts, rotary clubs).
- 3.21 Items to be donated will be approved by both the Vice-President (Student and Corporate Services) as well as the business area prior to donation, as per the Authorities and Delegations Register.

Scrapping or recycling

- 3.22 For disposal of assets that are no longer in working condition or have been replaced. An Asset Disposal Form must be completed and approved in accordance with the Authorities and Delegations Register. Once approved, the asset tag must be removed, attached to the Asset Disposal Form and forwarded to Financial Accounting for processing.
- 3.23 For items considered to be obsolete, approval must be obtained from the business area and the Vice-President (Student and Corporate Services) as per the [Delegation of Authority Policy](#). Obsolete equipment is considered to be equipment that is still within its useful life but due to changes in technology (for example) the equipment is no longer fit for purpose. Once approved, the asset tag should be removed, attached to the Asset Disposal Form and forwarded to Financial Accounting for processing.

- 3.24 For the disposal of assets that are to be scrapped, including the disposal of items to be used for parts, an Asset Disposal Form will be completed and approved by the responsibility area as per the [Delegation of Authority Policy](#). Once approved, the asset tag should be removed, attached to the Asset Disposal Form and forwarded to Financial Accounting for processing.
- 3.25 For equipment that is to be scrapped, but not used for parts, the items must be rendered unusable. An Asset Disposal Form must be completed and approved in accordance with [Delegation of Authority Policy](#). Once approved, the asset tag should be removed, attached to the Asset Disposal Form and forwarded to Financial Accounting for processing. Physical disposal should be in accordance with Council By-Laws and the University's principles for green disposal.

Loss or theft

- 3.26 In the case of theft of University property, plant and equipment from a University campus, the relevant Campus Security must be advised immediately, and an email forwarded to the Deputy Director Strategic Planning, Risk and Insurance for advice regarding insurance claims.
- 3.27 In the case of theft from a private home or motor vehicle, the Police must be called immediately and the Police Report Number forwarded to the Deputy Director Strategic Planning, Risk and Insurance for insurance purposes. Once it is established that the item is not recoverable, an Asset Disposal Form will be completed, noting the Police Report Number and forwarded to the Director Strategic Planning, Risk and Insurance for processing.
- 3.28 When an item is noted as lost or missing, a thorough search for the item will be initiated. If, after one week the item cannot be located, the business area must prepare the Asset Disposal Form and identify the reason for disposal as either 'Lost' or 'Missing'. The form must then be accompanied by an explanation of the circumstances and the steps taken to locate the lost or missing item.
- 3.29 All lost items must be reported to the Deputy Director Financial Accounting and Operations for recording in the Losses Register in accordance with the [Losses Policy](#).

Portable and attractive items

- 3.30 This procedure also applies to the disposal of portable and attractive items as maintained in the University's Asset Register.
- 3.31 Portable and attractive items are tangible items that have a value of \$500 or more (exclusive of GST) but less than \$5000 (exclusive of GST). Examples may include desktop computers, laptops, cameras, mobile phones, iPads and tablets etc.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Vice-President (Student and Corporate Services) and Deputy Director Financial Accounting and Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this procedure.
- 4.2 Financial Accounting is responsible for processing disposals in the FMS and for confirming and monitoring the appropriate approval of disposals in accordance with the Authorities and Delegations Register.

Reporting

- 4.3 There are no additional reporting requirements.

Records management

- 4.4 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.

- 4.5 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

Terms and definitions

Property, plant and equipment: tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. For the purposes of this procedure, this definition incorporates items referred to as 'fixed assets' and 'assets'.

6 RELATED LEGISLATION AND DOCUMENTS

[Australian Accounting Standards:](#)

- AASB116 Property, Plant and Equipment
- AASB140 Investment Property

[Authorities and Delegations Register](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Framework for the Preparation and Presentation of Financial Statements](#)

[Losses Policy](#)

[Non-Current Asset Policies for the Queensland Public Sector:](#)

- NCAP 6 – Disposal of Non-Current Assets

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Delegated Approval Authority	Audit, Risk and Finance Committee
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Administrator	Vice-President (Student and Corporate Services)
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