Finance and Commercial Advice note for Departments

Guidance on the Sale or Disposal of University Assets including portable media devices

Background

This advice note draws together existing guidance and Financial Regulations in relation to University all assets. Sale or disposal queries most frequently relate to portable media devices such as Mobile Telephones/Smart Phones, iPads, Laptop Computers, Notebooks and Satellite Navigation equipment. As mobile and portable technology develops, other items will fall under this guidance. This note applies irrespective of the method by which the item has been purchased, i.e. once funded by the University, the item is a University asset and the member of staff holding or using the equipment must adhere to the applicable guidance and Financial Regulations.

CiCS web pages contain the IT Code of Practice which includes important information about security of portable media devices and there is also a specific section on Personal Information on Portable Computers and Media.

Financial Regulations relating to the disposal of Assets, Items of equipment or portable media devices.

The University’s Financial Regulations (paragraph 22.9) contains explicit information in relation to the position for staff using University equipment in the event of their resignation, retirement or other departure from the University’s employment. This is shown below:-

Heads of Departments are responsible for ensuring that members of staff return all items of University property, including equipment, computers, lap-top computers, mobile telephones, other electronic storage devices, uniforms, identity cards and keys, prior to termination of their employment with the University.

Paragraph 22.8 also specifies that: -

Heads of Departments have responsibility for the security of all University property within their departments and for advising the Director of Estates Facilities Management or their delegated representative of any concerns about security, of both University property within their department and the buildings they occupy.

More detailed information in relation to the disposal or end of use of items of equipment can be found in SIA 19 on Property, Leases, Rates and Equipment. The relevant content is as follows:-
All arrangements for the sale of Goods/Equipment shall have the prior approval of the Authorised Financial Officer and shall be undertaken in compliance with the following Regulations. Items that are not fit for purpose and have no economic value should be disposed of, scrapped or recycled and advice in relation to disposal should be sought from the University’s Energy and Environment Team.

Any proposal to sell Goods or Equipment, other than IT equipment and portable media devices, shall be reported to the Head of Procurement in the first instance. The following procedures for sales assume that the item of equipment is fit for purpose and has a residual economic value:-

- **Details of any equipment for sale shall be circulated to other appropriate University departments.** If no such department indicates a wish to acquire the equipment, the items shall be advertised publicly and competitive tenders obtained. The department arranging the sale shall keep records of any tenders submitted and how the decision of to whom the item is to be sold was made.

- **In the event of a sale, the Head of Department should approve the transaction and counter-sign the Agreement for Sale of Second Hand Goods document.** No sale of equipment to a member of staff or student may be completed without the approval of the Authorised Financial Officer. Departmental Asset registers must also be updated to reflect the disposal.

- **The sale of any equipment that was originally purchased with the aid of a grant from an outside body shall be subject to any relevant terms of that grant, which relate to its means of sale or disposal.**

### Further guidance and considerations in relation to Sale of Assets to Staff Members or Students

The first consideration in relation to a proposed “sale” should be to evaluate this against the potential for use of the item by someone else in the Department/Group for business purposes. ie because it could become too tempting for colleagues to think that the first option is always for someone to be able to buy what they think of as “their PC, Laptop or Phone” either for their own or a family member’s personal use. Has the possibility for any business use of the PC/Laptop/iPAD/Phone by any other member of staff or a student in the Department or Group been explored? If the item is still within its manufacturer’s warranty, or an excellent condition or technologically contemporary, then it would be likely that this item could be redeployed within a department or faculty or group.

The second consideration, after the question of “sale versus retention” has been addressed is then in relation to obtaining a reasonable value, if a sale is indeed the only possible outcome. A reasonable value should be ascertained by looking at the marketplaces such as EBay for the asking price for equivalent age/specification items. Depreciation is not relevant here because the University does not capitalise items of equipment under £20k. CICS may also be able to help with a view on the financial value for the PC, bases on its original purchase price and age/spec etc. When determining the cost of the item, a department should also take into account the administration costs of replacing the item should a replacement be required for a new member of staff.

The third consideration is made in relation to PCs and portable media devices such as iPhones, iPads and Laptops. This is to ensure that arrangements are made for the hard drive or phone/iPad memory to be wiped clean of all University licensed Software, and all data, which remains the property of the University. This must be done by a competent person (usually CICS or a departmental IT technician). The fourth consideration is then the updating of the Departmental/Group Asset Register to show that a disposal or sale of the asset has been actioned.

---

Guidance prepared by: 09/05/2019
Robert Hebblethwaite
Assistant Director of Finance (Financial Services)
Finally, it is necessary to complete the Agreement for Sale of Second Hand Goods document to confirm that the sale has taken place. See the link below for the process and the above document that must be completed and then retained within the Department alongside the Asset Register.

https://www.shef.ac.uk/finance/staff-information/help/procurement/how/forsale/instructions

Further guidance in relation to Sale of Assets to other organisations

In this case it is far more likely that the sale will relate to an item of Equipment rather than portable media devices. As such, Health and Safety considerations will be vitally important and the departmental Health and Safety representative must be consulted to ensure that all aspects have been considered, managed and communicated with the prospective purchaser before any transaction takes place.

It will be required to complete the Agreement for Sale of Second Hand Goods document to confirm that the sale has taken place. See the link below for the process and the document that must be completed and then retained within the Department alongside the Asset Register.

https://www.shef.ac.uk/finance/staff-information/help/procurement/how/forsale/instructions

Proceeds from the agreed sale are to be recorded as Income to the University. It is expected that the University will raise a Sales Invoice to the buyer for the Sale of Equipment and guidance on this can be found here: -

https://www.sheffield.ac.uk/finance/staff-information/howfinanceworks/dealing_with_income

Please also refer to the Sales Materials guidance here: -

https://www.sheffield.ac.uk/finance/staff-information/howfinanceworks/fan_az_index#tab014