

TRUST WIDE DOCUMENT

	Standard Operating Procedure
DOCUMENT TITLE:	Procedure for Transfer, Disposal & Sale of Surplus Assets
DOCUMENT NUMBER:	ELHT/F03 v3.2
DOCUMENT REPLACES	Version 3.1
LEAD EXECUTIVE DIRECTOR DGM	Director of Finance
AUTHOR(S):	Finance Department

TARGET AUDIENCE:	All Trust personnel
DOCUMENT PURPOSE:	To ensure that controls are in place for the disposal and condemnation of assets.
To be read in conjunction with	Trust Standing Financial Instructions

SUPPORTING REFERENCES	-
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CONSULTATION		
	Committee/Group	Date
Consultation	Finance Department	16/10/2015
Approval Committee	Audit Committee	
Ratification date at Policy Council:	27/10/2015	
NEXT REVIEW DATE:	October 2017	
AMENDMENTS:	Procedure updated to reflect operational practice relating to the authorisation of asset disposal requests, with a nominated officer performing related duties, in the absence of the Deputy Director of Finance, rather than the Financial Controller.	

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[Appendix 1 - REQUEST TO DISPOSE OF EQUIPMENT](#)

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1. Introduction

- 1.1 This procedure relates to the transfer of operational assets, the disposal, sale or part exchanges and condemned Items.
- 1.2 Responsibility for the notification of proposed disposals is with each Departmental Manager who will liaise with the Director of Operations or the Head Estates regarding any temporary storage or security requirements.
- 1.3 Specific guidance applies to the Disposal of IT assets and is detailed in Section 3.

2. Disposals - General

- 2.1 The Departmental Manager must in all instances of disposal complete the form at Appendix 1. He/She must be an authorised officer on the Trusts Delegation List which is maintained by the Technical Accounts Section in Trust Finance.
- 2.2 The form requests the following information to be completed:
 - a description of the item, including its size, weight, age etc.
 - date of purchase
 - the serial number
 - the name of the manufacturer
 - the asset tag number/bar code (EBME Code)
 - the condition of the item, whether it has been checked for safety, details of its maintenance history, hazard notices, or whether it is being condemned *
 - the net book value of the item (obtained from the Capital Accountant) & estimated proceeds at disposal
 - financial coding of the Capital /Revenue or Charitable Fund Item
 - the location of the item
 - details of potential buyers
 - the name of the contact name & requesting the disposal
 - authorisation by a delegated officer
 - action by the Procurement Manager (PM)(for PM use only on the reverse of the form)

*Liaison with the EBME Electronics Manager is essential and must be followed at all times. (Electronic Items only). The EBME Manager will report relevant condemned items to the Capital Accountant in Finance.

- 2.3 On completion of the Form (accompanied by a complete inventory of items if applicable) the form will be forwarded to the Deputy Director of Finance. (Not the PM)
- 2.4 The Deputy Director of Finance, or nominated officer (in the DDF absence) will ensure that the form is date stamped on receipt; checked for authorised signatory and request confirmation of the item from the Capital Accountant regarding its Asset Status.
- 2.5 Upon satisfactory completion of the checks the Deputy Director of Finance or nominated officer, will authorise the recording of the Disposal. A copy will be sent to ELFS the original will be passed to the Procurement Manager (PM) for formal disposal proceeding to commence.

- 2.6 The PM must ensure that the process of disposal is in accordance with the Trusts Standing Financial Instructions Section 24 and the Scheme of Delegation.
- 2.7 Where it is practical to do so the PM should inspect the goods where possible and determine the most appropriate means of disposal in consultation with specialised officers e.g. Health & Safety Officer, EBME Officer. The PM will ensure that any Part Exchange deals with suppliers provide the best value for money.
- 2.8 When an item is declared surplus to requirements the PM will circulate details across the NHS Trust Network. Any equipment or goods must have a full service/maintenance records and the recipient or purchaser must arrange the collection process and bear the transportation risk. An indemnity for equipment or goods will be required on collection.
- 2.9 If no offers are received the PM will either:
- in the case of manufacturing or trading sell the item(s) back to the original supplier on mutually acceptable terms
 - arrange for the item(s) to be offered at public auction(possibly on site)via the Contracted Auctioneer
 - use a broker or contractor for scrap etc
- 2.10 Under no circumstances should items of even negligible value be given away to a third party, and no item should be sold without ascertaining if there is an alternative use for it.
- 2.11 In the event of any sale of equipment or any other items, the PM will notify the Deputy Director of Finance, the Capital Accountant and the EBME Manager by copying the form at App I to all officers.
- 2.12 A Capital Asset is an asset that had an original purchase cost of £5,000 or more, or a number of items that in total are over £5,000 and individually cost over £250 but are interdependent of each other (an IT system is good example of this). Capital Assets can also be items less than £5,000 but were purchased as part of equipping and furnishing a Capital Scheme e.g. a new build.
- 2.13 The Capital Accountant will ensure that any Profit and Loss or Exchange is promptly and correctly accounted for through the Trusts General Ledger System and the Trusts Fixed Asset System.
- 2.14 In any event a part exchange of equipment to a manufacturer or supplier requires the completion of the form at App I and must make reference to the purchase of the new goods, the requisition number, date of exchange etc. The form should be sent to the Deputy Director of Finance as normal, with a copy being attached to the Purchase Requisition for processing in the Procurement Department.
- 2.15 The Director of Operations will ensure that goods for disposal are kept secure at all times pending physical sale.

3. Disposal of IT Assets

- 3.1 The Head of IT Services will ensure that all IT assets are disposed of in accordance with:
- Trust's policy for the Disposal/Sale of Surplus Assets,

- Directive 2002/96/EC on Waste Electrical and Electronic Equipment (WEEE), and
- Best practices on ensuring logical assets are irretrievably destroyed during the disposal process.

3.2 The term 'IT asset' is used as defined in BSI Code of Practice for Information Security Management BS ISO/IEC 27002:2005 (BS7799). The main types of assets include:

- Physical: e.g. computer equipment, comms equipment, removable media;
- Logical: e.g. databases and data files, application software, systems software.

Note that an IT asset can be both physical and logical (e.g. data CD containing a database).

3.3 When a local IT asset (e.g. printer, PC, monitor, etc) is identified as surplus to requirements, it should be returned without delay to IT Services for reuse or disposal. The 'owner' should initially notify the IT Helpdesk x83135 and agree method of collection/delivery. The local asset register should be updated accordingly.

3.4 All unused, redundant and outdated equipment should be returned to IT Services where it will be disposed of in the appropriate manner. Some will be used for spares, with the remainder being deemed as regulated 'WEEE scrap' and handled appropriately.

3.5 All physical components containing or suspected to contain logical assets (including storage devices such as hard disks and media such as tapes, CDs) will be removed from the WEEE scrap and handled separately (see below).

3.6 WEEE scrap will be disposed of through a third party company which is certified by the environmental Agency under the Control of Pollution Act as registered carriers/disposers of controlled waste. Prior to collection all physical assets will be stored securely. At collection time the processes will be overseen by a senior member of IT Services ensuring a full and complete asset register is compiled. Following collection, the company will supply a Certificate of Disposal identifying each item of equipment by its asset/serial number confirming that the waste has been treated appropriately and disposal/destruction has been carried out in an environmentally sound and correct manner.

3.7 Where it is in the Trust's interest to do so kit to be disposed of that was purchased after 13 August 2005, will be returned back to the 'producers' rather than through a third-party – similar procedures as those outlined above will be used.

3.8 IT assets will not, under any circumstances, be sold or donated to third parties (e.g. schools, employees, local businesses, etc.) nor will the physical assets be placed in the general rubbish stream (e.g. skips) for disposal in landfill.

3.9 In special circumstances the Trust will dispose of redundant specialist IT equipment through computer brokers, in which case the processes as defined in section 2 must be carried out to determine whether the asset is recorded on the Trust's capital asset register or not, and the form at Appendix 1 must in all cases be completed. No logical assets must be included in the sale. Additionally assurances must be obtained from the buyer that they will take full responsibility for future correct disposal of the equipment under the WEEE regulations.

- 3.10 To ensure prevention of unauthorised access to data, all physical components containing or suspected to contain logical assets will be processed according to the intended future use. If a storage device is to be reused outside the IT Services Department, it will be reformatted and overwritten at least 10 times using appropriate software before being prepared for reuse. If a storage device is to be scrapped it will be processed as per WEEE scrap as detailed above but with the additional guarantee that it will be shredded and never reused.
- 3.11 If in doubt of the status of any IT related equipment regarding disposal please contact the IT Services Helpdesk x83135 who will be pleased to advise further.

4. Transfers

- 4.1 This section refers to the transfer of equipment that is Capital by definition (para 2.12 refers)
- 4.2 It is vitally important to the process of verifying assets that we are aware of any equipment that is moved from its original place at purchase or any subsequent move.
- 4.3 The Transfer form for this purpose is at Appendix 2.
- 4.4 For a valid transfer there will need to be a Requester and a Receiver to be identified on the transfer form. It may be the case that the reason for the transfer is a ward re-location in which case this may be the same person.
- 4.5 On completion, the form must be sent to the Capital Accountant, Finance Dept, Level 1 Park View Offices RBH.
- 4.6 The Capital Accountant will copy EBME with any transfers of medical equipment assets.

5. Billing Procedures

- 5.1 In accordance with the Trusts Standing Financial Instructions the Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due, and for taking appropriate recovery action on all outstanding debts.
- 5.2 Where the sale of an asset has been agreed, the PM or the IT Manager will be responsible for raising a standard 'Request for Invoice Form', the form must be promptly sent to the East Lancashire Financial Services (ELFS) Credit Control Section. The detail on the form must include the Fixed Asset Number when appropriate.
- 5.3 The price will be the agreed Market Price plus VAT between both parties and acknowledged by signature of the buyer and seller on the inventory/contract of sale drawn up by the PM, a copy of which will be given to the buyer.
- 5.4 Under no circumstances must the goods leave the premises until the buyers account has been credited and the funds have cleared the Trusts Bank Account. The PM or the IT Manager will verify this with the Credit Controller, Technical Accounts Section. Notification will then be given to the purchaser where an organization handover of goods will take place.

- 5.5 In respect of small multiple IT kit, the Head of IT Services will arrange a contract for disposal which will be a pay on condition basis.
- 5.6 Debt Recovery procedures will be applied in accordance with the Finance Directorates Policy.

Appendix 1 (page 1 of 2)

REQUEST TO DISPOSE OF EQUIPMENT

This form must be forwarded to the Deputy Director of Finance, Finance Level 1, Park View Offices, RBH on completion

TRUST:					
Directorate		Speciality/Ward/Dept.			
Description of Equipment (multiple items can be listed on a separate sheet, please cross reference)					
Date of Purchase		Serial Number			
Manufacturer		Current Location			
Condition (Please 4)	Very Good	Good	Fair	Poor	
Part Exchanged for the purchase of		Requisition No.		Value of P.Ex.£	
Nature of Disposal if not Part Ex ?		RESALE	SCRAP	CONDEMNED	
If resale, any potential buyers suggested?					
Date when Disposal required:		<i>Please allow at least 4 weeks for arrangements to be made.</i>			
Arrangements to view Name		<i>Please print</i>			
Tel. No. / E mail Address					
Are Service Records/Instruction Manuals available?		YES		NO	
Capital Asset (see notes)	YES	NO	Donated Asset	YES	NO
Capital Asset Number:		Net Book Value £			
Estimated Proceeds on Disposal £					
Income Codes for Proceeds: * To be completed by the Budget/Fund Holder				COST CENTRE / FUND	ACCOUNT
		CAPITAL ASSET			
		* REVENUE ITEMS			
		* DONATED ASSET			
Disposal requested by:		SIGN		PRINT NAME & DATE	
Authorised by Departmental Manager		SIGN		PRINT NAME & DATE	
Authorised by Deputy Director of Finance or nominated officer		SIGN		PRINT NAME & DATE	

Appendix 2

TRANSFER OF CAPITAL EQUIPMENT FORM

<p>Asset Code</p> <p>FMIS Number (EBME) EL.....</p> <p>Model Number :-</p> <p>Serial Number :-</p>	<p>Asset Description :-</p> <p>Supplier :-</p> <p>Purchase date :-</p> <p>Order / Requisition Number :-</p>
<p>Reason for the transfer</p>	
<p><u>TRANSFER FROM</u></p> <p>DIRECTORATE-</p> <p>Department/Ward -</p> <p>Cost Centre</p> <p><u>REQUESTER</u></p> <p>Name</p> <p>Designation</p> <p>Phone Number</p> <p>Email Address</p>	<p><u>TRANSFER TO</u></p> <p>DIRECTORATE -</p> <p>Department/Ward -</p> <p>Cost Centre</p> <p><u>RECEIVER</u></p> <p>Name</p> <p>Designation</p> <p>Phone Number</p> <p>Email Address</p>