

Disposal of Fixed Assets Policy

1 PURPOSE

Donegal Education & Training Board (DET) is, and wishes to be seen by all, as being transparent and likely to achieve a fair market-related price in its disposal of assets. The purpose of this document is to set out the ETB's policy and procedure in relation to the appropriate management and monitoring of the disposal of the ETBs assets.

2 SCOPE

This policy does not comprehend the disposal of land or buildings. An ETB must seek the approval of the Minister for Education before disposing of land.

For all other disposals of assets, the first step should be to estimate a value of the item(s) to be disposed of and the form at Appendix C should be completed.

The Form at Appendix C should be completed by the Principal/Centre Manager and approved in accordance with the thresholds per the table below:

- 0 - 1,000 - Head of Finance
- 1,001 - 5,000 - Director of OSD
- > 5,001 - Chief Executive

3 POLICY

It is the policy of DETB to adhere to the **Code of Practice for the Governance of Education and Training Boards** when disposing of assets where such assets are surplus to general educational requirements. This should be by auction or competitive tendering process, other than in exceptional circumstances (such as a sale/disposal to a charitable body). The method used should be both transparent and likely to achieve a fair market-related price. The reserve value of the asset being disposed of should be determined, where required and practicable, on foot of a professional valuation. See [Appendix A](#) for Code of Governance section on disposal of assets.

4 DEFINITIONS

For the purposes of this policy, **tangible fixed assets** are assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in DETB's activities. This means that a fixed asset is an asset intended for continuing

use, rather than a short term, temporary asset.¹ Fixed assets are classified under the following major categories with accompanying estimation of depreciation ²

- | | |
|---|----------|
| ○ Computer Equipment | 3 years |
| ○ Equipment – other (incl. fixtures and fittings) | 5 years |
| ○ Motor Vehicle | 5 years |
| ○ Plant & machinery | 10 years |

5 PROCEDURE FOR DISPOSAL OF ASSETS

At the conclusion of a stock take, on the completion of a capital project, or as the need arises, an agreed list of all Surplus & Obsolete assets for disposal will be certified by the Principal/Centre Manager & Independent Stocktaker (Person responsible for Stock) and submitted to the Chief Executive for approval (see [Appendix C](#) for example). In certain circumstances approval of the Board may also be required in advance (See section 25.3 of Appendix A below). On receipt of approval from the Chief Executive, the Principal/Centre Manager will proceed with disposal ensuring:

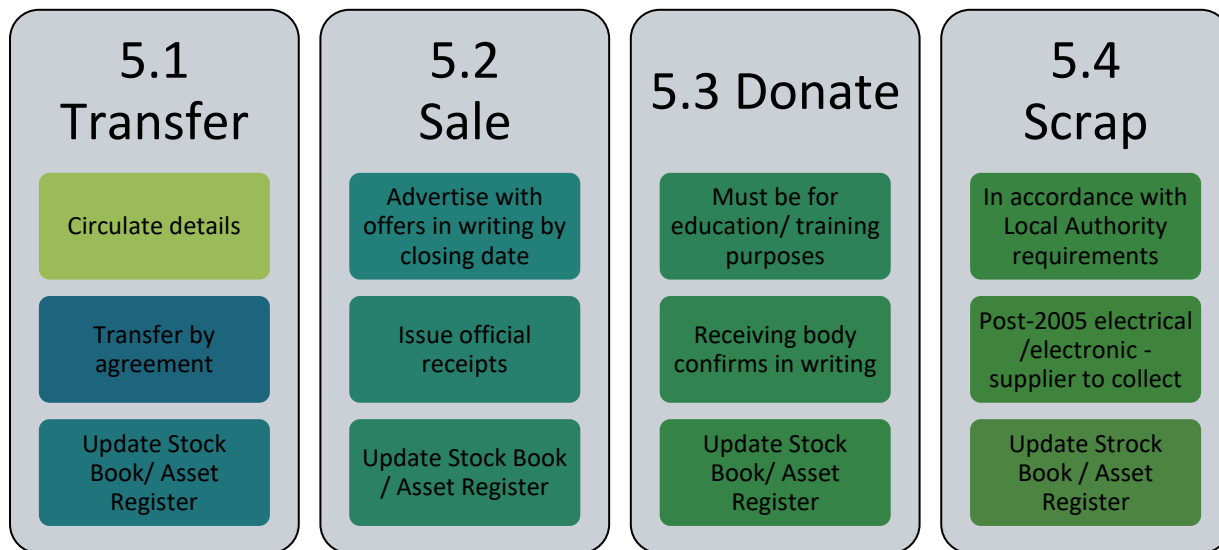
- All personal information is removed from equipment / furniture & there is compliance with Data Protection Legislation
- There is compliance with License, Patent, Legal agreements etc. (e.g. Software Licenses)
- There is compliance with Health & Safety requirements
- Unique school references are removed.
- Disposals above €10,000 should be notified to ETB Insurer. For disposals between €1,000-€10,000 The ETB will consider whether the disposal should be notified to the ETB Insurer.
- Any conflict of interest should be declared and the relevant person should remove themselves from the process
- Any disposal of electrical equipment must comply with the relevant WEEE Directives ³
- **Disposal will be by transfer, sale, donate or scrap in that order⁴**

¹ A short term temporary asset would typically be one that is intended for use for less than one year

² See [Appendix B](#) for Asset write down example

³ Guidance for public bodies is available at <http://www.epa.ie/pubs/advice/waste/weee/>

⁴ Computer Devices: Guidance on the disposal of IT equipment is available at:
https://www.dataprotection.ie/sites/default/files/uploads/2020-04/Data_Security_Guidance_Feb20.pdf



5.1 TRANSFER

- The approved lists of items suitable for transfer will be forwarded to other schools / centres or if relevant to other departments within the ETB and state a closing time & date for receipt of request(s). Any such proposals should be forwarded to the Head of Finance in the first instance.
- Transfer to be affected in accordance with agreements reached between schools / centres and approved in accordance with the thresholds set out in Section 2.
- In the absence of agreement between the School(s)/Centre(s), Corporate Services - Building Section should be consulted to determine how the transfer should be effected.
- Where agreement in respect of transfer of equipment/furniture to one or more centres is not achieved, the decision rests with the C.E (or their delegate).
- Stock Books/ Asset Register will be updated to reflect transfers in and out.

5.2 SALE

The reserve value of all items to be sold should, where practicable and at the discretion of the Head of Finance and Director of OSD, and having regard to Scope section 2 above, be determined on foot of a valuation by a professional valuer and submitted with details of Equipment/Furniture for Disposal (sale) to the CE (or their delegate). The sale of obsolete items can be completed by one of the following methods:

- a) Display details of items for sale in the school/centre and include in newsletters to families attending the school & centre
- b) An advertisement in the local paper arranged by the school/centre in consultation with the Head of Finance (this option should always apply to individual items whose disposal value is expected to exceed €1,000 or where the combined total of disposals is expected to be greater than €2,000).

- c) By means of a Public Auction or online platform (e.g. eBay, Done Deal etc.), should be considered if more expedient & cost effective.

The following rules apply to (b) and (c): -

- Offers to purchase should be requested in writing and state a closing time & date.
- Offers to be date stamped on receipt.
- If the highest offer is not accepted, a written explanation should be submitted to the CE (or their delegate) for approval.

The method of sale to be agreed between the CE (or Delegate) and the Principal/ Centre Manager will depend on the quantities and the value of the items for sale. A form of Identity/ Contract for Sale (see [Appendix D](#)) should be completed and signed by the purchaser and the Principal/ Centre Manager on behalf of the school/centre in advance of handover of items.

Payment shall be in favour of Donegal ETB, official receipt issued for amount received & lodgments made to the Board's account without delay. A summary of lodgments, reference number(s) & receipts issued will be submitted to the Finance Section, immediately after lodgment. Stock Books/ Asset register will be updated to reflect all sales with the Name of purchaser, date of collection & receipt number to be recorded.

5.3 DONATE

Items of equipment can be donated free of charge to institutions/ organisations etc. that will use them for training/ education purposes. If this method of disposal is used, the receiving body must be asked to confirm in writing that it has received the item(s) in question free of charge from DETB and that the ETB has transferred ownership of the asset including all associated costs and liabilities. See [Appendix E](#) for sample template.

5.4 SCRAP

If surplus equipment / furniture cannot be disposed of by way of Transfer, Sale or Donation and it is deemed obsolete, arrangements should be made to have it scrapped by the school/centre in consultation with the Head of Corporate Services - Buildings Section.

- Regard shall be had to the requirements of the local authority.
- In the case of electrical & electronic equipment purchased after August 2005, the supplier should be requested to collect.
- Stock Books/ Asset register will be updated to reflect all items scrapped. Date & method should be recorded.

6 RECORDS

A list of disposals, indicating method & proceeds will be submitted to the Finance Department as per Centre Register of Disposals ([Appendix F](#)). The Centre Register of Disposals shall be certified by the Principal/Centre manager to confirm compliance with these procedures and forwarded to the Finance Department who will store all forms in a central folder. The register will be available for inspection if requested by the Board, auditors etc. Records / documentation in support of the disposal shall be held for 7 years.

7 IMPLEMENTATION & REVIEW

This policy will be reviewed tri-annually by the Senior Management Team in line with best practice, or in light of changes in legislation and guidance from sources such as Internal Audit, C&AG, the Departments of Education, Further and Higher Education, and the Department of Public Expenditure & Reform.

The date of implementation is 29/01/2024, which is the date of approval by the CE / Directors Forum of Donegal Education and Training Board.

APPENDIX A: CODE OF PRACTICE FOR THE GOVERNANCE OF ETBS (EXCERPT)

Section 25: Disposal of State Assets and Access to Assets by Third Parties

25.1 An ETB must seek the approval of the Minister for Education and Skills before disposing of land.

25.2 Each ETB is required to comply with the statutory provisions and procedures, as set out in relevant Department Circulars, concerning the disposal of assets or the granting of access to property or infrastructure for commercial arrangements. The disposal of assets, where such assets are surplus to general educational requirements, should be by auction or competitive tendering process, other than in exceptional circumstances (such as a sale to a charitable body). The method used should be both transparent and likely to achieve a fair market-related price. The reserve value of the asset being disposed of should be determined on foot of a professional valuation, normally by the Valuation Office, and recorded in advance in the ETB's records.

Compliance with use of Auction or Tendering Requirements

25.3 If an auction or competitive tendering process takes place and the highest bid is not the bid accepted, it is essential that specific Board approval is given before the disposal of the asset or granting of access to property or infrastructure for commercial arrangements with third parties can be completed. For reasons of transparency, such approval together with the reason why a lower bid was permitted to be accepted should be noted in the minutes of the ETB.

25.4 Where in the exceptional circumstances that an auction or competitive tendering process is not used, specific Board approval is required before negotiations start and also before the disposal of the asset or granting of access to property or infrastructure for commercial joint venture arrangements with third parties can be completed.

25.5 No disposal of an asset or grant of access to property or infrastructure for commercial arrangements with third parties should be completed until the officer authorising the disposal or grant of access has certified formally that specific Board approval, where necessary, has been obtained.

Members and their Families

25.6 In accordance with best practice, disposal of assets to members of ETBs, staff or their families or connected persons (see section 9.2) should, as with all disposals, be by a transparent method and at a fair market-related price. The value of the asset being disposed of should be determined on foot of a professional valuation, normally by the Valuation Office, and recorded in advance in the ETB's records. Where the Board is considering a proposal for any such disposal, the ETB member connected to the potential purchase should absent him or herself from the Board deliberations on the issue. A record of all such disposals to such persons (to include details of the asset disposed of, price paid and name of the buyer) should be noted in a register kept for this purpose. This register should be available for inspection, if requested, by the Board or by any member. The Board may specify that any disposal above an approved threshold should be formally endorsed by the Board, which may impose specific restrictions with regard to any such disposal.

25.7 The Chairperson, in the annual report to the Minister for Education and Skills (see section 19.1) should affirm that disposal procedures, as outlined above, have been complied with.

APPENDIX B: ASSET WRITE DOWN EXAMPLE

Sale of:	Obsolete PC		
Write Down:	Depreciation On a Straight Line Basis Over 4 Years (25%)		
Asset Number:	1234567890		
Description:	Dell Laptop		
Model No:	0987654321		
Serial Number:	XXXXXX		
Date Of Purchase:	1 January 2013 (€600)		
Date Of Sale:	30 June 2016		
Year	Cost/Written Down Value	Depreciation	Net Book Value
2013	600	150	450
2014	450	150	300
2015	300	150	150
2016	150	75	75
Purchased By:			
Date:			
Receipt number:			

APPENDIX C: DETAILS OF EQUIPMENT/ FURNITURE FOR DISPOSAL (SAMPLE)

Year Ending _____

School / Centre _____

Details	Stock Book Ref	Serial No / Other Ref	Year & Cost of Purchase	Estimated Value	Comments

Signed _____ Date _____

Principal/Centre Manager

Signed _____ Date _____

Certified approver in accordance with

thresholds set out in Section 2
of the policy

APPENDIX D: CONTRACT FOR SALE (SAMPLE)

The (name of school) offers for sale the under-described machine/machinery/equipment/furniture on the following terms:

- Same is offered for sale 'as is' and on the basis that same has been inspected in advance by the purchaser.
- Same is sold with or without any defects (or safety devices as required by statute) and without any warranties or guarantees (express or implied) on the part of the vendor as to its functionality, effectiveness, safety for use, merchantable quality or fitness for purpose within the meaning of the Sale of Goods Act 1893, and Sale of Goods and Supply of Services Act 1980.
- The vendor does not act in the course of his business within the meaning of the Sale of Goods Act 1893 and the Sale of Goods and Supply of Services Act 1980.
- The vendor accepts no liability whatsoever for any loss or damage howsoever caused or incurred by the purchaser or any other person, as a result of the use by such person of the goods.

(Described The Machine/Machinery/Equipment/Furniture)

I, (name of purchaser) hereby agree to purchase the above described items on the terms as outlined above and I hereby further acknowledge as follows:

1. I have inspected the goods prior to signing this Contract and I am satisfied as to the present condition and the state of repair of the items.
2. I acknowledge that I am not dealing as a consumer within the meaning of the Sale of Goods Act 1893, the Sale of Goods and Supply of Services Act 1980 and the Consumer Protection Act 2007.

Signed: _____

Date: _____

(for School/Centre)

Signed: _____

Date: _____

(for purchaser)

APPENDIX E: CONFIRMATION OF DONATION (SAMPLE)⁵

I can confirm that _____ (name of receiving organisation/ institution) has received the following item(s) of equipment free of charge from Donegal Education & Training Board for use in training/education:

List/ Description of equipment:

I acknowledge the transfer of ownership of the asset(s) including all associated costs and liabilities from the ETB to the receiving Body

Receiving Body:

ETB Principal/ Manager:

Receiving Body Signature:

Signature:

Date:

Date:

⁵ To be completed by Receiving body

APPENDIX F: CENTRE REGISTER DISPOSALS OF EQUIPMENT / FURNITURE (SAMPLE)

Year Ending _____

School / Centre _____

Details	Stock Book Ref	Serial No / Other Ref	Year & Cost of Purchase	Method of Disposal			
				Transfer To	Sale (Name of buyer, Value, R/N)	Donate To	Scrap (Method)

I certify that disposals have been carried out in accordance with the approved procedures of the ETB & that stock books have been updated.

Signed _____

Date _____

Principal/Centre Manager