

Finance Standard Operating Procedure



Asset Disposal Procedure – Version1

Purpose

This procedure describes how to complete the disposal of University owned assets and applies to all staff.

Responsibilities

All Staff – Complete the tasks as outlined below.

Financial Accounting Team – Complete transactional tasks in relation to the Fixed Asset Register.

Financial Operations Team – Receipt any proceeds from sale to the appropriate GL account.

Business Rules

All steps must meet the requirements of:

[Financial Authority Policy](#)

[Capital Asset Policy](#)

Before you begin

Definition of Capital Assets

Capital assets are those assets purchased by the University and funded specifically from capital budgets or research budgets authorised for capital purchases. These assets will appear on the fixed asset register.

Reasons for disposal

An asset should not be disposed of merely because it is fully depreciated (from an accounting perspective). An asset should be disposed of when it is no longer fit for any University purpose. This occurs when an asset:

- Is no longer useable or becomes obsolete, i.e. no longer provides the service it was purchased for.
- Comes to its end of life (or required replacement cycle) as defined in specific asset policies (e.g. computers/laptops in accordance with IT replacement procedure)
- Becomes unserviceable, i.e. can no longer be maintained to the required standard or is uneconomical to continue to maintain/service
- Is lost or stolen.

Before disposing of or ordering new furniture, please use the Kuhukuhu form "[Furniture request or move](#)".

Authorisation for disposal

Assets belong to the University not a particular school, division or support area.

Any sales proceeds are University funds and are not those of a particular school, division or support area.

There are specific University policies or legislation required to be followed when disposing of assets.

In accordance with section 32 of the Financial Authority Policy, University assets must not be disposed of without the prior approval of the CFO.

Approved methods for the disposal

Assets may be disposed of through various methods provided fair market value is obtained:

- Appropriate auction
- Tender process
- Through a reputable trade dealer
- Used as a trade in
- By a method authorised by another University policy e.g. ICT equipment is disposed in accordance with [Desktop-Computer-Standards](#)
- Through authorised donation schemes (e.g. furniture with Property Services and IT equipment through ITS). Fair market value does not apply to donated assets however we need to ensure that we remain publicly accountable

Consideration should be given to any potential conflicts of interest during any disposal method.

Please talk to your Financial Business Partner if you are unsure as to the appropriate disposal process or fair market value of the asset. Only when the above has been considered and rejected may the item be recommended for scrap.

Procedure Steps

Step	Who (Role)	Description	Supporting Info
1	Head of School, Dean or equivalent	Recommend to the CFO that an asset or a group of assets should be disposed of.	a. Asset name and unique identification on the asset register b. Cost and book value on the asset register c. Rationale for disposal d. Estimated fair market value e. Proposed method of disposal f. Time period for disposal
2	CFO	Review request. Determine if written consent from the Secretary of Education is required. Respond with either a. Approval or, b. A request for more information, or c. Rejection of recommendation with an explanation	CFO to include assets@waikato.ac.nz in response.

3	Head of School, Dean or equivalent	Proceed with disposal. If more than one asset, use a batch identifier of your choice. If sold, arrange for proceeds to be deposited into University Bank Account, obtain details from receivables@waikato.ac.nz. Disposal must be completed in Maximo and the asset put in status 'Disposed' (Updating this status, enables Finance to finalise the disposal process)	Attach copy of CFO approval to at least one asset in the batch
4	Financial Accounting Team	Complete transactions to remove item from the Fixed Asset Register. In Maximo, change status from 'Disposed' to 'Decommissioned'.	
5	Financial Operations Team	Receipt any proceeds from sale	Account Code: - 01-999999-99-8580- 0000

Outcome

End of life fixed assets are appropriately removed from the Fixed Assets Register.

Document management and Control

Owner: Chief Financial Officer

Content Manager: Financial Controller

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Document Change

Date	Author	Description
25/02/2025	Deputy Director	DRAFT - Update of old document into standard template and content
27/03/2025	Financial Controller	DRAFT – Reviewed by financial accounting team and updated with changes
1/04/2025	Deputy Director	Approved by CFO, updated to Version 1.