

PROCEDURES AND GUIDELINES FOR THE PURCHASE, CONTROL AND DISPOSAL OF FIXED ASSETS

1.0 INTRODUCTION

The assets (property and equipment) of Dundalk Institute of Technology are primarily for the purposes of fulfilling the Institute's missions of teaching, research, public service and general Institute programmes and related administrative uses.

Therefore the Institute has a responsibility to manage, control and safeguard such Institute assets, to ensure maximum benefit is obtained from these assets in the course of providing educational instruction to students, and must ensure the maximum return is obtained by the Institute in the event of asset disposal

No use of Institute assets shall be permitted which interferes with the conduct of these functions, or which is inconsistent or conflicts with the Institutes academic mission. Institute assets are not available for unrestricted use for other purposes.

2.0 PURPOSE

To ensure that a documented, controlled and audited procedure exists within Dundalk Institute of Technology so that Assets are safeguarded through the proper recording of the purchase, transfer and disposal of all Fixed Assets. An integrated Fixed Assets Register must also be in place identifying each item of Fixed Asset by Historic Cost, Code, sub account, location and Net Book Value, and this procedure documents the control and maintenance of this Register.

3.0 SCOPE

This procedure documents the procedure for the purchase, disposal, identification, bar-coding, physical location and audits of Fixed Assets within the Institute. It also documents the way in which Fixed Assets are categorised within the Institute.

4.0 DEFINITION

A Fixed Asset is defined as an item of equipment or fixtures & fittings etc. whose useful life exceeds one year. (See FRS 15-Tangible Fixed Assets). This is to include all items funded through the Capital programme of the Department of Education and Science Third Level Building Unit.

From 1 September 2009, equipment costing less than €3,000 per individual item is written off to the income and expenditure account in the year of acquisition. Where individual items of equipment purchased are below the capitalisation limit (€3,000) and the total purchase invoice is in excess of the limit, these items are individually capitalised in the normal way. All desktops, iPads, Notebooks and laptops are capitalised.

5.0 **PROCEDURE**

5.1 **PURCHASE OF FIXED ASSETS**

All Fixed Assets are purchased using normal purchasing or tendering Procedures. (*See Procurement Procedures and Policies*)

All Fixed Assets should be coded to Agresso Nominal Account Code B340 and the correct Asset category selected

5.2 **CONTROL OF FIXED ASSETS**

5.2.1 **The Fixed Asset Register**

During the financial year a list of Fixed Asset additions is compiled on an on-going basis. At the financial year end, this list of additions is reconciled to DKIT's General Ledger. The list of additions is then included on the Fixed Asset Register, with particular attention being paid to the number of items purchased and a description of each item. Where applicable a DKIT Fixed Asset tag number is then assigned to each line item. All assets are then tagged accordingly by the Finance Office and the Fixed Asset Register is updated with the Barcode Number and location of the asset.

Frequently, Fixed Assets Audits (Stock Takes) are carried out by the Finance Department to monitor and control movements/transfers of these assets. Assets not found during this process will require

5.2.2 **Assets-On-Loan**

1. Dundalk Institute of Technology permits members of staff to borrow, and remove from the premises, assets for use for **Institute related activities only.**
2. No use of Institute assets is permitted which interferes, is inconsistent or conflicts with the Institutes academic mission.
3. **Borrowing Institute assets for personal use is not permitted by the Institute.**
4. To initiate a request to borrow an asset from the Institute, the staff member completes an **Assets-on-Loan Form** (refer to Appendix I), before the commencement of the Loan Period.
5. On this form the staff member clearly identifies the asset they wish to borrow, the dates and duration of the loan period, and the reason for borrowing the asset i.e. the use to be made of the asset. The staff member then signs this form and passes it to their Head of Department / Function.

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5.2.2 Assets-On-Loan – (Continued)

6. The Head of Department / Function reviews the request, ensures that the reason for the loan does not conflict with the Institute's mission, and then signs the form, and passes it to the Technician responsible for the asset.
7. When the staff member returns the asset after use to its rightful place within the Institute, they must contact the relevant Technician to arrange for the completion of the "Confirmation of Asset Return" section of the Asset-On-Loan form.
8. The Asset-On-Loan Form is retained in each Department on file for future reference, and audit purposes.

5.2.3 Transfer of Fixed Assets

If an item of fixed assets is removed from a particular location, a Transfer of Asset Form must be completed and signed by the person conducting the transfer (refer to Appendix II). The Finance Department amends the Fixed Assets Register accordingly.

5.2.4 Disposal of Fixed Assets

1. Each Head of Function (including the Estates Manager) is responsible for identifying & highlighting surplus / damaged assets - property & equipment for disposal. Obsolete assets should be written off and physically disposed of on an annual basis.
2. The Head of Function where the asset resides is responsible for filling out a Disposal of Capital Assets Form (refer to Appendix III). The principle underlying this process is that it is the Heads of Functions who initiated or approved the purchases for their departmental use and consequently they have the primary fiduciary responsibility to manage, control and safeguard such Institute assets, to ensure maximum benefit is obtained from these assets in the course of providing educational instruction to students and must ensure the maximum return is obtained by the Institute in the event of asset disposal.
3. The disposal form must clearly identify
 - the relevant asset,
 - the reason for disposal,
 - the suggested method of disposal (see notes below),

- the original cost,
- DKIT Asset Tag Number.

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5.2.4 Disposal of Fixed Assets- (Continued)

4. The Booklet *Public Procurement* on Tendering for Public Sector contracts outlines that disposal of Government property should be done either by:
 - Public tendering or (Major Property & Equipment)
 - Auction
 - Alternative options to the above which the Institute may consider might include:
 - Donation
 - Immediate disposal because of zero value

Note: The Financial Controller & Head of Development are jointly responsible for organising Auction & Sale by Public Tender.

4. The next step is for the Heads of Department/Function to get approval for the asset disposal.
5. If the **net book** value of the asset is under **€2,500 then the Director** must sign the form to approve the disposal.
6. If the **net book** value of the asset is above **€2,500 then the Finance & Audit Committee** must approve disposal and the reference of the meeting approving the disposal should be entered on the form and passed to Governing Body for approval at the next meeting.

**ONLY WHEN STEPS 1 to 6 HAVE BEEN COMPLETED SHOULD
THE FORM BE SENT TO THE FINANCE OFFICE**

7. The Finance Department then completes the following steps:
 - (a) Updates the Fixed Asset Register
 - (b) Inserts the date on which this is done on the disposal form
 - (c) Fills out the invoice and disposal proceeds information
 - (d) Processes the necessary accounting entries to record the disposal (a separate file is maintained each year for disposals.)

6.0 AUDIT / REPORTING

1. The operation and management of all of these procedures is subject to audit on an annual basis, in accordance with the existing procedures of the Finance Department, and the Comptroller and Auditor General. Discrepancies or non-conformance of this procedure are reported to the Governing Body, as appropriate.

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ASSETS-ON-LOAN FORM

Asset Barcode Number _____

Description Of Asset _____

Reason For Loan _____

Date Of Commencement Of Loan _____

Latest Date Of Return Of Asset _____

Employee Signature _____

APPROVAL OF LOAN

**Head Of Department
/ Function Signature** _____

CONFIRMATION OF ASSET RETURN

Date Asset Returned To DKIT _____

Employee Signature / Date

Technician Signature / Date

Appendix II

**DUNDALK INSTITUTE OF TECHNOLOGY
TRANSFER OF FIXED ASSETS BETWEEN DEPARTMENTS**

Date	_____
DKIT Asset Tag Number	_____
Serial Number	_____
Description Of Asset	_____ _____
Original Location	_____
New Location	_____
Reason For Transfer	_____ _____
<u>APPROVAL OF TRANSFER</u>	
_____ Head of Function - Current Location Signature / Date	_____ Head of Function - New Location Signature / Date

Pass Completed Form To The Finance Office

<u>CONFIRMATION OF TRANSFER & RECORD UPDATE</u>	
Date Fixed Assets Register Updated	_____
Finance Department Signature / Date	_____

Appendix III

**DUNDALK INSTITUTE OF TECHNOLOGY
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DISPOSAL OF CAPITAL ASSETS FORM**

DKIT Asset Tag Number	_____
Description Of Asset	_____
Reason For Disposal	_____ _____ _____
Cost of the Asset	
Method of Disposal	Scrap <input type="checkbox"/> Trade In <input type="checkbox"/> Sale <input type="checkbox"/>
Head Of Department / Function Signature	

APPROVAL OF DISPOSAL REQUEST

_____	_____
Finance & Audit Committee /	Director Signature / Date
Date of Meeting: _____	

Approved by Governing Body	
Date of Meeting : _____	

Pass Completed Form To The Finance Office

CONFIRMATION OF ASSET DISPOSAL & RECORD UPDATE

Date Asset : Scrapped Traded In Sold _____

Date Fixed Assets Register Updated _____

Finance Office Signature / Date _____