

Fixed Asset Disposal Policy and Procedure

Document Type	Policy and Procedure
Document owner	James Sole, Deputy Finance Director
Approved by	Management Board
Approval date	8 June 2022
Review date	June 2025
Version	1.2 – 25 July 2023
Amendments	Removal of 3.5.2 and addition of 3.5.5
Related Policies & Procedures	Financial Regulations Data Protection Policy

1. PURPOSE AND OVERVIEW

- 1.1 This Fixed Asset Disposal Policy and Procedure (“Policy”) applies to all London School of Hygiene and Tropical Medicine (“LSHTM”) transactions relating to the disposal of assets, whether through sale, recycling or donation.
- 1.2 Adherence to the Policy is both an individual and an organisational responsibility under LSHTM’s Financial Regulations.
- 1.3 This policy applies to all of LSHTM’s assets including laboratory equipment, vehicles, furniture, computers and software.

2. BACKGROUND AND CONTEXT

- 2.1 When planning to dispose of an asset, staff should consider the various impacts of this, including obtaining the best value for money for LSHTM, adherence to relevant local legislation on waste disposal, Health and Safety, Environmental regulations and UK General Data Protection Regulation (“GDPR”) (irrespective of where the asset is based).
- 2.2 LSHTM has a responsibility to safeguard its assets and resources, to adhere to funder and donor regulations and to comply with internal policies.
- 2.3 Per LSHTM’s Financial Regulations: All members of staff should be aware of and have a general responsibility for the security of LSHTM’s assets, whether physical or financial, for avoiding loss and for due economy in the use of resources.
- 2.4 This policy and procedure do not apply to the MRC Units, however it applies to the rest of the School including fixed assets not based in London.

3. POLICY AND PROCEDURE

- 3.1 When an asset purchased for more than £10,000 is being disposed of, the Fixed Asset Disposal Form in Appendix 1 should be completed by the relevant department and returned to the Deputy Finance Director (james.sole@lshtm.ac.uk).

- 3.2 Disposals of assets bought for less than £10,000 do not require the Fixed Asset Disposal form to be completed. The disposal is the responsibility of the FOOs or Heads of Professional Services.
- 3.3 Any electronic items (including laptops, tablet computers, servers, hard drives, laboratory equipment and mobile phones) must be passed to IT Services prior to disposal to ensure compliance with LSHTM's [Data Protection Policy](#) and GDPR. This is regardless of the value of the item being disposed of.
- 3.4 LSHTM's depreciation policy states that assets purchased for more than £10,000 should be depreciated over the lifetime of the project that purchased them (four years in the case of most equipment). However, if an asset is disposed of prior to the end of the project which funded it, then it may not be possible to charge the funder the remaining unclaimed portion of the original cost and this should be taken into account in the calculation of any sale price for the asset. The Research Finance team should be contacted to discuss specific funder requirements.
- 3.5 Sale of an asset:
 - 3.5.1 If an item is to be sold then a fair market price should be achieved. If the item is likely to be worth more than £1,000 then an independent valuation should be obtained. It is not appropriate to simply use the depreciation as a method of valuation as this is purely an accounting technique and does not consider the true market value or condition of the asset. Items expected to be worth less than £1,000 can be valued using the depreciated cost – the value of equipment being expected to reduce by 25% of the original cost each year, after which it is assumed to have nominal value for the purposes of sale/disposal. For example, an item purchased for £500 has a depreciated value of £125 after three years so this would be the sales price.
 - 3.5.2 It may be necessary to charge UK VAT on sales of assets. The Deputy Finance Director should be contacted in advance for advice.
 - 3.5.3 If a member of staff acquires an asset, there must be no financial loss to LSHTM nor any financial benefit to the staff member. An Asset Disposal Form must be completed to maintain an audit trail.
 - 3.5.4 If assets are being offered for sale to staff/third parties, sealed bids should be received and compared by an independent panel within the faculty/department. There must be no conflicts of interest for those on the panel.
 - 3.5.5 It is not permitted for staff to purchase/retain their laptop/computer when they leave LSHTM, except if the device was purchased as part of a project and that project moves to a different organisation or institution.
- 3.6 All sales and donations to other organisations should include the disclaimer statement in Appendix 2.
- 3.7 In accordance with the Waste Electrical and Electronic Equipment (WEEE) Regulations 2013, any electrical and electronic waste must be appropriately disposed of and recycled where possible.

- 3.8 Any conditions of the funding used to originally purchase the asset must be satisfied on disposal.
- 3.9 Some Fellowships state that equipment bought by the fellowship can be transferred if the PI changes institution – these items fall outside of the scope of this policy and must be dealt with according to the funder's requirements. Further guidance on this can be sought from the Strategic Research Office (SRO).



Appendix 1 – Fixed Asset Disposal Form

Item to be disposed of (please list multiple items on separate forms):

1. Asset name/description	2. Year of purchase	3. Original cost	4. Original project code	5. Proposed sale price
6. Was VAT zero-rated on original purchase(s)?			Yes	No
7. What was the project code that funded the asset originally?				
8. Will the item be:				
Scrapped		Donated to partner organisation or other charitable purpose	Sold	Part exchanged
9. Why is the item being disposed of?				
10. Sale price (sales within UK may be subject to VAT)			£	
11. How was the sales price determined and how was the buyer selected? <i>Please attach supporting documentation for the sales price</i>				
12. How is payment to be made? <i>Goods must not be handed over to a purchaser until payment has been received</i>				
<i>Once this form has been approved, an invoice (including disclaimer) should be raised on Agresso Self Service.</i>				
13. What project code is to be credited with the income:				
14. Is the buyer a School employee or former employee?			Yes	No
15. Has IT Services removed any data or software (if relevant)?			Yes	No
16. IT Services confirmation:			Date:	
17. FOO/Head of Professional Services authorisation of disposal:			Date:	
18. Name and address of purchaser: <i>Not required for multiple sales to School staff</i>				
If the asset is to be sold or transferred to another organisation <i>and</i> was originally purchased with research or HEFCE/UKRI grant funding, then the ROO Finance Manager or Deputy Finance Director respectively must confirm that there are no conditions preventing disposal or transfer:				
19. Grant approval: <i>(Research grants by ROO Finance Manager. HEFCE/UKRI grants by Deputy Finance Director)</i>			Date:	
20. Finance Director approval: <i>(items originally bought for over £100,000 only)</i>			Date:	
Completed form to be returned to Deputy Finance Director				

Appendix 2

DISCLAIMER

In accepting the Asset detailed in the Asset Disposal Form to which this form is appended, and in consideration for the transfer of ownership and possession of the Asset, the Buyer accepts and assumes all financial and other obligations linked to the Asset, its ownership and possession in any way. To the fullest extent permitted by Law, from the moment of the effective sale, the Seller shall not incur any liability or responsibility to the Buyer towards the Buyer or any third party arising out of or in any way connected to the Asset.

In no event shall Seller be liable for lost profits, special damages, consequential damages or contingent liabilities arising out of or connected in any manner with this Agreement or the Asset, which is provided “as-is” and with no specific warranties as of its status, nature or fitness for any purpose.

The Buyer shall defend, indemnify and hold harmless the Seller and its affiliates, and their respective officers, directors, employees, students and agents, from and against all claims, liabilities, demands, damages, expenses and losses (including reasonable attorneys' fees and expenses) arising out of or connected with (i) any manufacture, use, sale or other disposition of the Asset, or any other related products of the Buyer, by the Buyer or any other party and (ii) any breach by the Buyer of any of its obligations arising as a result of its ownership of the Asset.