

Asset Management Procedure

Version 3 – 13 July 2023

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Purpose

This procedure describes how the University's assets are recorded, managed and disposed, to:

- provide administrative control over assets
- support delivery of University strategic objectives for sustainability
- support efficient management of the lifecycle of assets
- support asset-related financial functions.

Applicable governance instruments

Instrument	Section	Principles
<i>Facilities, Infrastructure and Asset Management Policy</i>	1 Physical assets management	1.1, 1.2, 1.4, 1.6, 1.7
<i>Compliance Policy</i>	2 Conflict of Interest	2.1
<i>Safety and Wellbeing Policy</i>	1 People Safety and Wellbeing	1.1, 1.2, 1.7
<i>Sustainability Policy</i>	1 Sustainability	1.1, 1.2, 1.7, 1.8, 1.9
<i>Risk Management and Business Resilience Policy</i>	4 Insurance	1.6, 4.1, 4.3
<i>Procurement Policy</i>	1 Value for Money 2 Transparency & Integrity	1.1, 1.2, 1.3, 1.4, 1.5 2.3
<i>Data and Information Governance Policy</i>	1 Privacy 4 Data and information management	

Procedure

Introduction

The University is committed to strategically managing its assets to provide campuses, facilities and equipment that are functional, efficient, sustainable, and vibrant to enhance learning, teaching and research activities, including the student and staff experience. This is achieved in part by employing consistent asset management approaches across the University.

1. Recording of assets

The University records all assets with a procurement value equal to or exceeding \$5,000 (excl. GST), plus artworks of all value in the University Cultural Collections, on the University's [Asset Register](#).

For the purposes of recording on the Asset Register, an asset is the whole functioning unit unless the parts are distinctly separate and can be used independently.

Assets with a value less than \$5,000 may be included on the Asset Register at the discretion of the owning University Organisational Unit (OU).

Information Technology Services (ITS) maintains a separate record of all centrally procured information and communication technology (ICT) and audio visual (AV) assets, including those valued less than \$5,000.

Details of newly purchased assets across both Registers are sourced through procurement reports from the University's finance system.

Data for assets greater than \$5,000 acquired through means other than purchase (e.g., donated items), must be provided to Campus Services via [email](#) by the Head of the OU (or delegate) for recording in the Register.

Following the recording of a new asset for which Campus Services are responsible, the OU will be provided with a bar-code identification label to attach to the asset and an *Asset Additions Report* for review to check that the new asset information is correct.

Asset labels should be affixed on or near the front left side of the asset unless there is an obviously more visible or appropriate location, such as next to the controls. Registration and/or serial numbers of assets should be recorded in the Asset Registers to support identification if the asset label is damaged.

Campus Services will provide Finance a weekly Asset Register Report (including Donated Assets) showing new assets over \$10,000 (the University's capitalisation threshold). Finance will then enter these assets into the Asset register within the Finance system, which will then record these Assets as a Capital Asset in the University's Accounts and generate depreciation charges to the relevant OU from the date of purchase (or acquisition for donated items).

2. Changes to asset register

Heads of OUs are responsible for ensuring the Asset Register is maintained for assets under their control.

Reportable changes to assets include:

- relocation
- loan for a period exceeding three months
- transfer of ownership
- disposal; and
- purchase/addition of a component part of an asset that increases the value of the asset (contact Campus Services via [email](#) to assess and process value changes).

Campus Services will advise Finance of changes to assets over \$10,000 for updating of accounting and depreciation records.

3. Management of assets (including security, maintenance and safety)

Assets should be managed in a manner that:

- places the safety of people as a core consideration; and
- optimises the asset life cycle to provide efficient, effective, sustainable, and safe use of resources.

Asset maintenance principles are detailed in the Campus Services Strategic Asset Management Plan and sub plans, located on the intranet.

OUs are responsible for implementing measures to mitigate loss (damage or theft) of the assets registered to them. This applies to portable and attractive (e.g., laptops, computers, phones, printers) assets.

OUs must report any theft, loss or malicious damage of assets to University Security for investigation and refer the matter to the police if necessary.

OUs must report to the University Insurance team any damage to, or loss of an asset that may result in an insurance claim.

Campus Services manage the University's built environment and centrally managed assets. These comprise: buildings and base building assets, including those that have regulatory maintenance requirements; services infrastructure, including circular economy infrastructure; and ancillary exterior infrastructure such as roads, car parks, active and public transport infrastructure, lighting and paths, plus hazardous plant.

OUs manage assets owned and/or registered to them (e.g., research equipment and vehicles) in line with manufacturers' requirements, safety, and legal requirements.

A range of hazardous assets including, but not limited to, autoclaves, sterilisers, pressure vessels, lifting equipment and lifts are classified as hazardous plant. Campus Services controls the statutory registration, compliance, and maintenance requirements of hazardous plant to ensure compliance with statutory safe work requirements. OUs must advise Campus Services when hazardous plant items are procured, disposed, or relocated.

The Cultural Collections Registrar is responsible for the day-to-day management and curation of the Cultural Collections and ensuring all artworks are registered in the Asset Register.

ITS is responsible for the management of ICT and AV assets.

Student Services and Operations manages the purchase and sale of real property assets.

4. Asset loans

In accordance with the *Procurement Policy*, the University promotes and encourages the sharing of assets between OUs, member of staff or other persons or institutions. This should occur for the purposes of conducting University business or supporting a business alliance and must be agreed by the Head of the loaning OU.

Long-term loans (of greater than three months' duration) must be noted on the Asset Register by the OU asset owner, preferably by transferring ownership to the receiving OU for the duration of the loan.

The Cultural Collections asset loans are recorded in the art database, the database is managed by the Cultural Collections curator.

The borrower of a University asset bears full responsibility for the asset while it is in their care and must agree to return the asset in a satisfactory and working condition.

Assets loaned to the University for any length of time do not need to be recorded in the Asset Register.

5. Asset Audits

Campus Services coordinates regular asset audits (stocktakes) to verify the accuracy of the Asset Register.

OUs must carry out the stocktakes for assets registered to them and ensure that all applicable University assets under their control are registered on the Asset Register.

ITS is responsible for separately coordinating all audits of ICT and AV assets held on ITS record management systems.

Asset stocktakes are generally conducted on a rolling basis scheduled as follows, available within the Asset Register.

<u>Asset Type</u>	<u>Scheduled Stocktake</u>
• Capitalised/depreciable (value ≥ \$10,000)	2 yearly (Next Due 2026)
• Non-capitalised (value \$5,000 - \$10,000)	3 yearly (Next Due 2025)
• Cultural Collections (value >\$1,000)	3 yearly (Next Due 2023)
• Maintainable (central infrastructure)	5 yearly (Next Due 2025)

6. Asset disposal

6.1. General Principles

Disposal of University assets is to be undertaken by safe, sustainable, and secure means that deliver fair value and support the University's sustainability goals. Prior to disposal of still functional or repairable assets, efforts should be made to ascertain if the asset could be used by other areas of the University, especially if it avoids purchasing of new assets.

The OU that manages the asset is responsible for managing the asset disposal process, including ensuring efforts made for re-use within the University, selection of the disposal method, payment of disposal costs and safe removal. The exceptions to this are:

- disposal of ICT and AV equipment, which is managed by ITS
- disposal of Cultural Collections, which is governed by the Cultural Collections Team.
- disposal of all University vehicles, which is managed by Campus Services.

The disposal method selected should be the one that is most likely to achieve the maximum monetary return to the University after costs. Invoicing and receipt of payment for the disposed asset is managed by the Accounts Receivable team in Financial Services and the proceeds of sale are allocated by Financial Services.

It is the responsibility of the staff member approving the disposal to ascertain the market value of the asset through professional valuation or other appropriate means such as valuation by an auction house, subject specialist or industry representative, reference to documented recent sales of similar items, etc. Key considerations are for the valuation to be made on a knowledgeable basis and documented.

Prior to sale of the asset, the Procurement Team should be contacted for advice on the market approach and guidance regarding the process for the selected method (tender or auction). The Insurance team should also be engaged to ensure any University asset changes are reported to the policy underwriters.

Asset disposals must be approved by an authorised representative of the owning OU (or more senior officer) with a University financial expenditure delegation (under the [General Delegations Ordinance](#)) greater than the original cost of the asset.

Any conflicts of interest related to disposals must be declared and managed. The University's Conflicts of Interest and Gifts and Benefits Declaration Form is accessed through the University's service portal.

It is the responsibility of the OU to ensure that disposal of assets is in accordance with the Data and Information Governance Policy and considers the specific requirements related to the destruction and disposal of personally identifiable information.

Any costs associated with asset disposal (e.g., broker commission payments) need to be approved in line with the [Procurement Policy](#) and [General Delegations Ordinance](#).

The University's *UTAS Clean out and Disposal Process Guide* located on the intranet, provides more advice on safe disposal.

6.2. Options for disposal of assets

Re-use

The University's [Re-use Program](#) coordinates the collection, storing and advertising of furniture, fittings and equipment items that may be re-usable by the University community. Refer to the University's *UTAS Clean out and Disposal Process Guide* located on the intranet, for additional information.

Tender or auction

Sale by auction or tender is the preferred disposal method for assets that have broad appeal as these methods are transparent and deliver market value.

Factors to be considered when deciding whether to offer the goods for tender/auction and the method of tender/auction include:

- the value of the asset to be disposed and the tender/auction costs
- the general attractiveness of the asset to a wide group of buyers; and
- the prospect of increasing the net sale value compared to an alternate method of sale.

Direct Sale

This method may be used if:

- the asset values are such that the cost of disposing of the goods through tender/auction is significant compared to the anticipated proceeds
- it is reasonable to believe the item will not attract tender/auction bids
- the direct sale price is considered likely to be equivalent to that received through tender/auction; or
- the timing and effectiveness of disposing of assets via tender/auction is not economical.

For all direct sales, a fair and transparent process must be implemented, including the requirement to undertake an informed sale valuation assessment.

Salvage

Salvage may be appropriate for assets that no longer have a sale value. The asset may have reusable components that could be removed for separate use and/or spare parts prior to the asset being salvaged under the clean out and disposal process guide.

Donation

Subject to approval by the appropriate financial delegate, redundant assets may be donated, generally to non-profit organisations such as allied institutions, other educational bodies, charities, libraries or community organisations, that have an alignment with the University's mission and values.

Redundant Assets

In all circumstances, every endeavour should be made to avoid redundant assets going to landfill.

Approval may be given to gift redundant assets to students or staff where an asset could be destined for landfill. In this circumstance, a fair and transparent process should be followed. The student/staff member is responsible for the safe relocation of the asset.

If unable to gift, the redundant asset is to be disposed of as per the Cleanout and Disposal Process Guide.

Real Property

All real property disposals will be centrally negotiated and managed by Student Services and Operations.

7. Land, Building and Artwork Revaluations

Financial Services will arrange external, independent valuations of artworks, and all land and buildings, for financial reporting purposes only. Revaluations are made with sufficient regularity to ensure that the carrying value in the University's financial records does not differ materially from their fair value and is generally every three years.

Versions

<u>Version</u>	Action	Approved by	Business Owner/s	Approval Date
Version 1	Approved	Chief Operating Officer	Executive Director ISD	10 June 2021
Version 2	Approved	Chief Operating Officer	Executive Director ISD	14 June 2022
Version 3	Approved	Head of Student Services and Operations	Executive Director Campus Services	13 July 2023