

# Council Policy

**TITLE: Disposal of Assets Policy**



<b>Policy Number</b>	DCS011
<b>Category</b>	Finance
<b>Strategic Plan Reference</b>	Developing Communities and A Supportive Organisation
<b>Approval date</b>	13 December 2013
<b>Minutes Reference</b>	OCM Item 13.4
<b>Last Reviewed</b>	6 December 2013
<b>Next Review Date</b>	30 September 2014

## 1. Purpose

This policy covers the sale of Council assets and proceeds from their sale as required under the Local Government Act 2013.

## 2. Scope

This policy covers all assets owned by the Council. It does not cover who is delegated to dispose of assets; this is covered in the delegations manual.

## 3. Policy Objectives

To ensure that the Council is disposing of assets in a way that is transparent, accountable and meets the requirements of the Act.

## 4. Policy Statement

### 4.1 Disposal of Assets

All assets with an estimated value of up to \$100,000 must be approved by the Director of the appropriate directorate prior to sale or trade in.

Other assets require CEO approval if within the budget or Council approved if not.

Funded assets are to be disposed of in accordance with the funding agreement.

All asset disposal must be a transparent and open process. Auction or tender is required for sale of assets with an estimated disposal value of over \$5,000. Lower value assets will be disposed of as agreed by the Director based on the principle of transparency and openness.

Disposal of fleet assets will be based on the MSC Fleet Plan, 'Total Cost of Ownership' analysis as well as national and local industry indicators and benchmarks. Fleet will normally be disposed of when depreciation begins to have adverse effects on the sale price of an item.

Fleet assets must be sold by auction at an established auction organisation in Alice Springs.

#### 4.2 Proceeds from Sale of Assets

Income from funded assets will be treated in accordance with the funding agreement.

In regards to fleet, revenues from disposed fleet items will be returned to the fleet replacement reserve.

In regards to other assets, the proceeds on disposal will go back to corporate revenue and be spent in a manner that Council determines.

#### 4.3 Records

When assets are disposed of, an asset disposal form will be completed by the relevant person and returned to Finance.

### 5. Legislation and References

<b>Related Legislation</b>	Local Government Act 2013
<b>Related Policies</b>	Delegations Manual
<b>Related Procedures</b>	
<b>Associated Documents</b>	Accounting and Policy Manual, Fleet Management Plan, Asset Disposal Form

### 5. Delegation and Implementation

<b>Delegate</b>	Director Corporate Services
<b>Implementation Officer</b>	Manager – Finance and Accounting

### 6. Administration

<b>InfoXpert file number</b>	109171
<b>On Internet (Council Policy)</b>	6 January 2014