

# Hartismere School

POLICY DOCUMENT No FP2

## REDUNDANT EQUIPMENT POLICY



<b>Date Approved</b>	13 June 2011
<b>Signed</b>	<b><i>Simon Hooton</i></b> (Chair of Finance & Premises Committee)
<b>Date of Next Review</b>	Autumn Term 2016

## Introduction

In accordance with section 2.85 of the Academies Financial Handbook, the Governing Body is required to establish a policy for the disposal of assets which ensures the best possible value is obtained from the disposal.

## Surplus Equipment

The Governing Body has the authority to declare equipment, furniture or other assets or stores, surplus to requirements and to make arrangements for their sale or write off, provided that the items concerned were purchased in whole or in part with a grant from the Secretary of State for Education.

A Disposal of Equipment form will be completed for all items which are to be disposed of and internal control will be exercised to ensure that the asset is no longer of use (i.e. it is obsolete) and that obsolete stocks are destroyed to ensure they are not illegitimately procured and then resold.

Where the estimated disposal value of surplus or redundant assets (equipment) is less than £100 or sale is to be by public auction or competitive tendering, disposal can be authorised by the Head Teacher.

The prior approval of the Governing Body will be required if;

1. The estimated disposal value is between £100 and £500 and the sale is not to be by public auction or competitive tendering;
2. The estimated disposal value is above £500 or;
3. The sale is to be to a Governor or employee of the Academy.

The prior written consent of the Secretary of State for Education is required in accordance with section 89 of the School Funding Agreement as follows;

1. Before the disposal of any asset for which a grant of over £20,000 was made, or land and buildings which had been transferred from the Local Authority at no cost to the academy.
2. Before the sale or disposal by other means, or reinvestment of proceeds from the disposal of an asset or group of assets, for which a capital grant in excess of £20,000 was paid.

As set out in section 93 of the School Funding Agreement the Academy will provide 30 days written notice to the Secretary of State for Education of its intention to dispose of assets for a consideration less than the best price that can reasonably be obtained, whether or not such disposal requires the Secretary of State for Education's consent as detailed above.

If within any one year (September – August) the Academy disposes of items which collectively originally attracted a grant of more than £20,000 then the Secretary of State for Education will be informed in accordance with section 2.87 of the Academies Financial Handbook.

In accordance with section 2.88 of the Academies Financial Handbook the Academy will reinvest the proceeds from all asset sales for which a capital grant was received and hence any income from the sale of assets will be maximised. Where the asset disposal requires the consent of the Secretary of State for Education then the plan for the reinvestment of the proceeds will be agreed at the same time. If the sale proceeds cannot be reinvested the Academy will repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

The proceeds from the sale of assets acquired with a grant from the Secretary of State for Education will not be used as the Academy's contribution to future grant aided projects or purchases.

The net income (i.e. excluding VAT) from sales of surplus or redundant assets purchased from the Academy budget will be credited back to the Academy budget.

A list of any equipment disposed of will be presented to the Governing Body at its next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value.

The Academy's inventory will be amended to show disposals and such entries will be endorsed by the Head Teacher.