



# SHEIKH SIRAJ FOUNDATION

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## ASSET DISPOSAL POLICY

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Asset Disposal Policy deals with the procedures for disposal of office essentials, equipment and vehicles. The purpose of this policy is to ensure that financial honesty is assured by prescribing a range of appropriate methods for disposal of assets, including, where appropriate, a competitive tendering and contracting process. Two main principles that apply are; the requirement for impartiality and fairness across all stages of the tendering and purchasing process, and; the necessity for obtaining the best possible value for money.

### DEFINITIONS

For the purposes of this policy, **tangible fixed assets** are assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in SSF's activities. This means that a fixed asset is an asset intended for continuing use, rather than a short term, temporary asset.

Fixed assets are classified under the following major categories with accompanying estimation of depreciation

- |   |         |
|---|---------|
| o Computer Equipment                              | 3 years |
| o Equipment – other (incl. fixtures and fittings) | 5 years |
| o Motor Vehicle                                   | 5 years |

### PROCEDURE FOR DISPOSAL OF ASSETS

At the conclusion of a stock take, or as the need arises, an agreed list of all Surplus & Obsolete assets for disposal will be certified by the Finance Manager and submitted to the Chief Executive for approval (see [Appendix A](#) for example). On receipt of approval from the Chief Executive, the Finance Manager will proceed with disposal ensuring:

- All personal information is removed from equipment / furniture & there is compliance with Data Protection Legislation
- There is compliance with Health & Safety requirements
- Unique references are removed.
- Any conflict of interest should be declared and the relevant person should remove themselves from the process
- **Disposal will be by sale, donate or scrap in that order**

### SALE

The reserve value of all items to be sold should, where practicable and if the assumed price of the assets is more than 500,000 PKR, be determined on foot of a valuation by a professional valuer and submitted with details of Equipment/Furniture for Disposal (sale) to the CEO. The sale of obsolete items can be completed by one of the following methods:

- a) Display details of items for sale on the website and include in newsletters.
- b) An advertisement in the local paper (this option should always apply to individual items whose disposal value is expected to exceed 200,000 PKR or where the combined total of disposals is expected to be greater than 500,000).
- c) By means of a Public Auction, should be considered if more expedient & cost effective.

The following rules apply to (a) and (b): -

- Offers to purchase should be requested in writing and state a closing time & date.
- Offers to be date stamped on receipt.
- If the highest offer is not accepted, a written explanation should be submitted to the CEO for approval.

The method of sale to be agreed between the CEO and the Finance Manager will depend on the quantities and the value of the items for sale. A form of Identity/ Contract for Sale (see Appendix B) should be completed and signed by the purchaser and the Finance Manager on behalf of the SSF in advance of handover of items.

Payment shall be made in favour of Sheikh Siraj Foundation, official receipt issued for amount received will be provided without any delay. Asset register will be updated to reflect all sales with the Name of purchaser, date of collection & receipt number to be recorded.

## **DONATE**

Items of equipment can be donated free of charge to institutions/ organisations etc. that will use them for training/ education purposes. If this method of disposal is used, the receiving body must be asked to confirm in writing that it has received the item(s) in question free of charge from SSF and that the SSF has transferred ownership of the asset including all associated costs and liabilities. See (Appendix C) for sample template.

## **SCRAP**

If surplus equipment / furniture cannot be disposed of by way of Transfer, Sale or Donation and it is deemed obsolete, arrangements should be made to have it scrapped.

- In the case of electrical & electronic equipment, the supplier should be requested to collect.
- Asset register will be updated to reflect all items scrapped. Date & method should be recorded.

## **RECORDS**

A list of disposals, indicating method & proceeds will be submitted to the Chief Executive as per Register of Disposals (Appendix D). The Register of Disposals shall be certified by the Finance manager to confirm compliance with these procedures. The register will be available for inspection if requested by the Board. Records / documentation in support of the disposal shall be held for 5 years.

**APPENDIX A: DETAILS OF EQUIPMENT/ FURNITURE FOR DISPOSAL (SAMPLE)**



<b>Details</b>	<b>Asset Reg. Ref</b>	<b>Serial No / Other Ref</b>	<b>Year &amp; Cost of Purchase</b>	<b>Estimated Value</b>	<b>Comments</b>

Finance Manager

\_\_\_\_\_

Dated:

CEO

\_\_\_\_\_

Dated:

**APPENDIX B: CONTRACT FOR SALE (SAMPLE)**



SSF offers for sale the under-described machine/machinery/equipment/furniture on the following terms:

1. Same is offered for sale 'as is' and on the basis that same has been inspected in advance by the purchaser.
2. Same is sold with or without any defects (or safety devises as required by statute) and without any warranties or guarantees (express or implied) on the part of the vendor as to its functionality, effectiveness, safety for use, merchantable quality or fitness for purpose.
3. The vendor accepts no liability whatsoever for any loss or damage howsoever caused or incurred by the purchaser or any other person, as a result of the use by such person of the goods.

(Described The Machine/Machinery/Equipment/Furniture)

I, (name of purchaser) hereby agree to purchase the above described items on the terms as outlined above and I hereby further acknowledge as follows:

1. I have inspected the goods prior to signing this Contract and I am satisfied as to the present condition and the state of repair of the items.
2. I acknowledge that I would not complain regarding the effectiveness of the purchased equipment after the sale agreement in any case what so ever.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(for SSF)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

(for purchaser)

**APPENDIX C: CONFIRMATION OF DONATION (SAMPLE)**



I can confirm that \_\_\_\_\_ (name of receiving organisation/ institution) has received the following item(s) of equipment free of charge from SSF Board for use in training/education:

List/ Description of equipment:
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I acknowledge the transfer of ownership of the asset(s) including all associated costs and liabilities from the SSF to the receiving Body

Receiving Body:

CEO:

Receiving Body Signature:

Signature:

Date:

Date:

**APPENDIX D: REGISTER of DISPOSALS OF EQUIPMENT / FURNITURE (SAMPLE)**



Details	Serial No / Other Ref	Year & Cost of Purchase	Method of Disposal			
			Transfer To	Sale (Name of buyer, Value, R/N)	Donate To	Scrap (Method)

I certify that disposals have been carried out in accordance with the approved procedures as mentioned in Asset disposal policy.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Manager Finance

**ADOPTION OF POLICY**

I do hereby certify that the above stated Policy for Sheikh Siraj Foundation were approved and adopted by the board of directors on 27<sup>th</sup>Mar 2020 constitutes a complete copy of the Assets Disposal Policy of SSF.

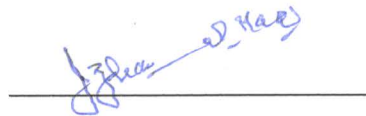
Reviewed By CFO

Signature



Approved By The Board

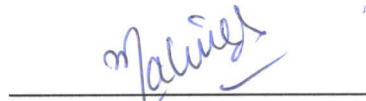
1. Sheikh Izhar ul Haq (Director/ Chairman)



2. Talha Izhar (Director/ CEO)



3. Mahwish Binte Qayyum (Director/ Secretary)



4. Osama Izhar (Director)

