



executive optical

INSTRUCTION MEMO

ACC-IFA-IM-008

To	: All Departments and Operations
Cc	: Office of the President (RUS & RLU) Quality Assurance & Compliance
From	: Accounting Department
Subject	: Fixed Asset Disposal

Effectivity Date: June 10, 2025
--

Disposal of fixed assets involves removing assets from a company's accounting records when they are no longer used. This typically occurs when an asset is sold, scrapped, or donated. The process includes recording the disposal in accounting, including any gains or losses from the sale.

All assets designated for disposal must receive approval from the assigned approver for each respective category:

- 1. Engineering Department** - Approval is needed for fixed assets such as laboratory or ophthalmic equipment (e.g., edging machines, lensometers), as well as office and store equipment (e.g., air conditioning units).
- 2. MIS Department** - Approval is required for electronic data processing equipment, including computers, printers, scanners, etc.
- 3. Store Design Department** - Approval is necessary for furniture and fixtures (e.g., modules).
- 4. Operations and Regional Directors** - All items requiring the approval of Regional Operations Directors (RODs) and Operations Directors (ODs) pertain to branch-level disposals.

Approval is required for specific items, including Money Verifiers, Cash Vaults, Cash Drawers, Cash Boxes, Electric Fans, and Monoblock Chairs.

For Luzon, Visayas and Mindanao branches with no vandell delivery, AR Chairs and Silver Chairs are classified as branch-level disposals. In contrast, for Luzon branches with vandell delivery available, these items must be returned to the Engineering Department.

5. Accounting Department - Any other fixed assets that do not fall under the evaluation of the Engineering, MIS, and Store Design Departments, or Operations Directors, require approval from the Accounting Department.

Disposal Procedure

To properly assess and monitor the disposal request, the following procedures must be followed:

- 1. Requestor (Department or Branch)** - The requestor must complete a Fixed Asset Manual Disposal Form. This form should include the initial status of the asset, a photo of the item, and the quantity. Once completed, the form should be sent to the asset approver for review. The approver will then send personnel to assess the asset and provide a final recommendation.
- 2. Approvers** - Approvers will receive a copy of the Fixed Asset Manual Disposal Form to review and assess the asset at its location. After the assessment, they will provide the final status and recommendation regarding whether the asset is approved for disposal. This recommendation will then be submitted for Management approval.
- 3. Management Approval** - The designated approvers must present the Fixed Asset Manual Disposal Form, along with their final assessment and recommendation, to management for final approval. If management approves the disposal recommendation, the approvers should notify the requestor to proceed with the transfer in the Fixed Asset System.
- 4. Disposal in the Fixed Asset System** - The requestor must transfer the approved asset designated for disposal to the appropriate approvers for processing in the Fixed Asset System. Once the asset is transferred, the approvers will review, accept, and proceed with the disposal, leading to the final deletion of the asset record.
- 5. Validation of Disposal** - The fixed asset team will receive a notification in the fixed asset system regarding the approved disposal. They will then coordinate with the approvers to confirm the disposal and proceed with validating the actual item against the approved disposal by management.

Method of Disposal

- Sale: Selling the asset for cash or credit.
- Trade-in: Trading the asset for another asset.
- Donation: Donating the asset to a charity or other entity.
- Scrapping/Discarding: Removing the asset from use and discarding it.
- Computer Recycle Scheme: To collect and process discarded computers and electronic waste (e-waste) to recover valuable materials and prevent environmental harm.

Location of Disposal

- The disposal location can be determined by the Approvers and/or the Waste Disposal Officer.

Representatives from the following departments must participate in asset validation for disposal.

For Head Office Disposal

- **Approvers (MIS Dept, Store Design Dept, Engineering Dept)** - Representatives from all relevant approving parties must be present at both the original disposal site and the actual disposal location.
- **Accounting Department** - Fixed Asset personnel must be present at the original location of disposal.
- **Audit Department** - This department is responsible for verifying the actual disposal of the asset.
- **Security Department** - This department is accountable for overseeing both the origin of the asset and the actual location where disposal occurs.
- **Logistic Department** - Their involvement is necessary in cases where the disposal requires the use of a vehicle or additional support services.
- **Waste Management Department** - This department is accountable for overseeing both the origin of the asset and the actual location where disposal occurs.
- **Sustainability Department** - This department is responsible for verifying the actual disposal of the asset.

For Branch Level Disposal

- **Area Manager to Operations Directors** - whoever is available in the area.
- **Security Personnel** - applicable to selected branches that have assigned security personnel.
- **Mall Administration** - applicable for cases where disposal requires an inspection by the Mall Administration.

This policy will take effect immediately. The purpose of this is to prevent the unnecessary movement of assets without proper coordination with the relevant approvers and without management's approval. By implementing this procedure, we aim to eliminate unexpected transfers of assets that occur without the consent of the intended recipient or the relevant approvers.

Daniel Bautista

Accounting Manager