

	<p style="text-align: center;">Procedures Manual ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS</p>	<p style="text-align: center;">Disposal of Assets</p>
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Subject: Disposal of Assets	Effective Date: 2011 October 31	
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1. Introduction

ACCU owned assets that are considered surplus to requirements or are beyond economical repair will be disposed of in accordance with the following procedures.

1.1 Principles

- Assets that are surplus to the requirements of ACCU must be disposed of in a manner that achieves the net maximum benefit to ACCU.
- Disposal of assets must be conducted with integrity.
- The disposal of assets must be recommended by the Administrative Officer and approved by the Chief Executive Officer.
- Assets disposed of as a Trade-In on new equipment is not subject to this procedure other than its accounting treatment. It is accepted that Trade-Ins meet the requirements of this Policy through adherence to integrity, valuation, payment and efficient removal.
- All staffs are responsible for ensuring compliance with this procedure.
- Sale proceeds are recorded based on the international accounting practice on the disposal of assets.

1.2 Definitions

- 1.2.1 Net maximum benefits are determined by the proceeds from disposal less all costs associated with the disposal. Costs include direct selling costs e.g. advertising as well as direct costs such as the cost of staff time involved in the disposal.
- 1.2.2 Integrity means the process must have truthfulness. The acid test is “would a reasonable person, in possession of all relevant facts, agree that the action taken was reasonable”.

2. Preparation for Disposal

2.1 Valuation

The Administrative Officer must determine a value for the item to be disposed and document this. Methods of valuation may include reference to classified advertisements for commonly traded items e.g. computers and formal valuations.



Formal valuations are more likely to be of benefit where items are of a current value greater than **Baht 150,000** and the existing value is difficult to determine e.g. specialised equipment, building.

2.2 Data

All data stored in the asset must be removed. This includes documents in filing cabinets as well as information stored electronically e.g. in computers. The clean up process must remove the data. In a computer the hard disk should be reformatted as simply deleting files does not actually remove them from the hard drive.

2.3 Due Care

ACCUC will not knowingly dispose of an item that is unsafe. The Administrative officer should take reasonable steps to ensure the item sold is safe. However ACCUC will not warrant that items are safe.

3. Disposal Process

Surplus assets may be disposed off by any method that will provide net maximum benefit to ACCUC whilst maintaining integrity. Assets with no net economic value may be scrapped.

Methods may include:

- Trade in
- Sale by private agreement
- Auction/Tender
- Donation

3.1 Guidelines for Disposal by Sale

1. Should the expected sale price be **Baht 10,000** or less the Administrative Officer will determine the appropriate method of sale.
2. Should the expected sale price be greater than **Baht 10,000** but not more than **Baht 100,000**, the Administrative Officer will arrange for:
 - a) An entry to be placed in a circulated ACCUC publication, advertising the asset for sale at a fixed price, not less than any trade-in price. Sale of the asset will be on a first come first served basis; or



- b) the asset to be offered for sale by tender/auction. In either case, the Administrative Officer may also arrange for the item to be advertised for sale in a newspaper, trade journal or on the Internet.
3. For all assets disposals over Baht 100,000, the Board will be notified and then the Administrative Officer will arrange for the asset to be offered for sale by tender. This will involve at least one notice being placed in a circulated ACCU publication and, it may also involve notice being placed in the Advertiser or a trade journal, depending on the nature of the asset in question. Alternatively assets may be provided to an auctioneer for sale by auction.

3.2 Warranties

Items are to be sold on an "as is"¹ basis with no warranty or guarantee. This should be included in the documentation for the sale.

3.3 Disposal to ACCU Staff

Disposal of surplus equipment to ACCU staff may cause a conflict of interest, but may provide the maximum net benefit to ACCU. In this case, the Administrative Officer must ensure that the price charged is fair and reasonable and document the basis for this. Staff may not approve the sale of items to themselves.

3.4 Sales Contract

A written record of the sale should be prepared and signed by ACCU and the purchaser unless this is impractical as approved by the CEO. The documentation must include:

- the names of the parties to the contract;
- the sale price;
- a description of the items including serial number and other identifying symbols;
- that there is no warranty;
- title to the items does not pass until the sale proceeds have been paid eg cheques have been cleared.

Unless otherwise agreed, removal of the asset shall be at the purchaser's expense. The time and place for the removal of the asset will be specified by ACCU.

¹ In its present condition

3.5 Payment Method

Payment should normally be made by cash or bank cheque. Payment must be received prior to the item being handed to the purchaser.

3.6 Accounting Requirements

Assets with an original acquisition value of Baht 50,000 or more:

- The staff using the asset or Administrative Officer is responsible for the following:
 - preparation of the "Asset Retirement Form"
 - forward the Asset Retirement Form and receipt CEO
- Administrative Officer is responsible for:
 - reviewing the disposal process
 - removing the asset from the Assets Register
 - ensuring the integrity between the General Ledger and Assets Register

For assets with an acquisition value of less than Baht 50,000, the staff responsible for the assets is responsible for notifying the Administrative Officer of the asset disposal.

3.7 Preparing the disposal form

The Assets Retirement Form must be completed by the staff using the asset or Administrative Officer, ensuring that all details pertaining to the disposal of the asset are entered on the retirement form. This includes:

- asset tag number
- description of asset
- method of disposal, eg. sold, transferred to another department.

3.8 Accounting for Trade Ins

Where items are traded in for new acquisitions, the respective disposals and acquisitions shall be treated as separate transactions. The accounts shall reflect the cost of assets acquired before trade-in as gross capital expenditure, and net profit/loss on disposals as abnormal income/expenditure.



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ASSET RETIREMENT FORM

Asset Number: _____ Date: _____

Location: _____

Asset Description:

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Method of Disposal:

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Asset Disposal by: _____

Administrative Officer

Authorized by: _____

Chief Executive Officer



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SALES CONTRACT

between

ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS
(Seller)

and

Purchaser

for the

Sale of
(description of items to be sold including serial number(s) and other identifying symbols)

Price: Baht _____

INTENT

The Association of Asian Confederation of Credit Unions and

are entering into this Agreement for the sale of the above item(s).

TERMS AND CONDITIONS

1. The items being sold are those as registered above.
2. The sale price is listed above.
3. Purchased on an as it stands basis.
4. There is no warranty or guarantee on the items(s) listed above.
5. Title to the item(s) does not pass until payment has been made and the seller has received the proceeds. In the case of payment by cheque this shall mean the date on which the cheque is cleared.

SIGNED:

On behalf of Name of Buyer

On behalf of ACCU

Date: _____

Chief Executive Officer
Date: _____