



Zest Academy Trust

Disposal of Assets Policy

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Person Responsible: CFO

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Disposal of Assets Policy

Purpose

Regulations set out by the Academies Trust Handbook requires the Academy Trust to adopt a disposal of assets policy. Disposal of assets may be for several reasons;

- The item has been condemned due to health & safety reasons
- The item is broken and beyond repair
- The item has become obsolete or redundant due to changed procedures or functions.

All requests for disposal of assets must come through the CFO for authorisation.

Disposal Procedures

The procedures for disposing of assets are detailed below;

- Completion of asset disposal form including specific information such as, serial number, make, model and estimated market value
- Select the best disposal method
- Record the disposal method in the asset register

The disposal of asset form is displayed in Appendix A.

The acceptable methods for disposing of assets are;

- Sale – The sale of an item will be publicised appropriately and recorded correctly through the academy's management accounts.
- Donation – The Academy Trust may agree to give assets bought for a proper purpose, but which are no longer needed for the conduct of its business, to a charity, up to a maximum value of £1,000 per single donation. Residual value of assets is determined by the greater of the written down value or market value.
- Recycle or Destroyed – Disposal of assets are undertaken when there is no market value and always disposed of in the correct manner.

Disposal Limits

The disposal limits make reference to the Academies Trust Handbook Statutory and Regulatory Guidance.

There is no disposal of public funded assets (subject to the thresholds set out in Part 5.23

and 5.61 of Academy Trust Handbook) without the Secretary of State’s consent (through the ESFA). The extract is available of 5.19 is displayed in Appendix B.

Appendix A - Disposal of Asset

The reason for the disposal of asset is

Action to be taken (i.e. disposal / sale)

The academy confirms

- The item has been destroyed to ensure it is not illegitimately procured and then resold
- All equipment that stores sensitive data is wiped clean before disposal

The academy complies with the WEEE Directive and makes use of the third part Lancashire Council Waste Service (LCWS). Receipts are itemised and certificates of disposal provided.

Original Cost (if applicable)	
Value of item (if applicable)	
Accumulated depreciation (if applicable)	
Removed from asset register (if applicable)	
Repayment to Secretary of State (if applicable)	
Any other information	

Appendix B – Extract 5.19 Academy Trust Handbook

Write-offs and entering into liabilities 5.19

The academy trust must obtain ESFA's prior approval for the following transactions beyond the delegated limits described below:

- writing-off debts and losses
- entering into guarantees or letters of comfort
- entering into indemnities which are not in the normal course of business.

5.20 The delegated limits, are:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous 2 financial years - this category includes new trusts that have not had the opportunity to produce 2 years of audited accounts
- cumulatively, 5% of total annual income (subject to a maximum of £250,000) in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous 2 financial years.

5.21 In relation to these limits:

- the trust should always pursue recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled Find out more about:
- handling contractual indemnities (in the normal course of business.)
- additional guidance in annex 5.4 of Managing Public Money 41
- the trust should only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor, the trust's insurers, or the risk protection arrangement, and should be satisfied there is no feasible alternative
- the amounts for write-offs are before successful claims from an insurer or the risk protection arrangement
- total annual income is defined as grant income as disclosed in the trust's last audited accounts - ESFA should be contacted, if the trust has not yet published their first audited accounts.

5.22 Before accepting liabilities by issuing guarantees, a letter of comfort or indemnity, the trust should secure value for money by appraising the proposal through assessment of the costs and benefits of relevant options.