

# Disposal of Assets

## Council Policy 121



Policy Number	CP121
Area Responsible	Finance
Strategic Plan Reference	4.3 Strong Financial Management and Compliance
Approval date	15 <sup>th</sup> September 2017
Minutes Reference	Resolution 14
Last Reviewed	15 <sup>th</sup> September 2017
Next Review Date	Every four years (15 <sup>th</sup> September 2021)

### 1. Purpose

This policy covers the sale of MacDonnell Regional Council (MRC) assets and proceeds from their sale as required under the *Local Government Act*.

### 2. Scope

This policy covers all assets owned by the MRC. It does not cover who is delegated to dispose of assets; this is covered in the delegations manual.

### 3. Policy Objectives

To ensure that the MRC is disposing of assets in a way that is transparent, accountable and meets the requirements of the Act.

### 4. Policy Statement

#### 4.1 Disposal of Assets

- All assets with an estimated value of up to \$100,000 must be approved by the Director of Technical Services prior to sale or trade in.
- Other assets require CEO approval if within the budget or Council approved if not.
- Funded assets are to be disposed of in accordance with the funding agreement.
- All asset disposals must be according to a transparent and open process. Auction or tender is required for sale of assets with an estimated disposal value of over \$5,000. Lower value assets will be disposed of as agreed by the Director based on the principle of transparency and openness.
- Disposal of fleet assets will be based on the MSC Fleet Plan, 'Total Cost of Ownership' analysis as well as national and local industry indicators and benchmarks. Fleet will normally be disposed of when depreciation begins to have adverse effects on the sale price of an item.
- Fleet assets must be sold by auction at an established auction organisation in Alice Springs.

#### 4.2 Proceeds from Sale of Assets

- Income from funded assets will be treated in accordance with the funding agreement.
- Income from disposed fleet items will be returned to the fleet replacement reserve.
- Income from disposal of other assets will go back to corporate revenue and be spent in a manner that Council determines.

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### 4.3 Records

When assets are disposed of, an asset disposal form will be completed by the relevant person and returned to Finance.

### 1. Legislation and References

Related Legislation	<b>Local Government Act 2008 (NT)</b>
Related Policies	<b>Delegations Manual, Accounting and Policy Manual</b>
Related Procedures	<b>Fleet Management Plan</b>
Associated Documents	<b>Asset Disposal Form</b>

### 2. Delegation and Implementation

Delegate	<b>Director Corporate Services</b>
Implementation Officer	<b>Manager Finance</b>

### 3. Administration

InfoXpert file number	
On Internet (Council Policy)	<b>17<sup>th</sup> October 2017</b>
On Intranet (Operational Policy)	