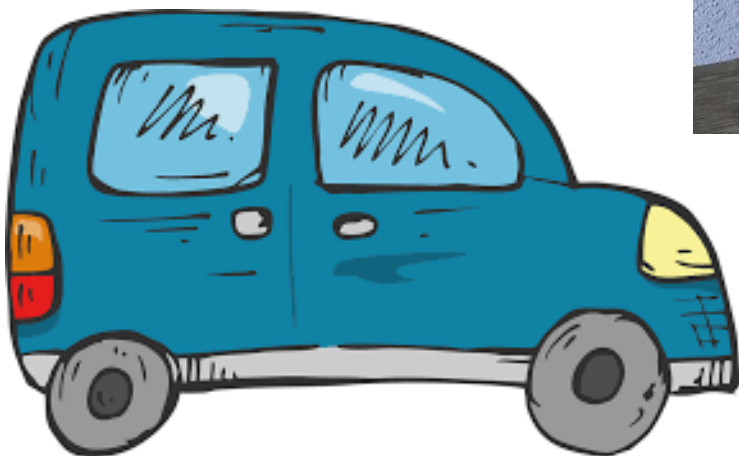


# DISPOSAL



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# DISPOSAL/DISPOSITION

## End of the life cycle of government property



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# Reasons for disposal

- Avoid continuing carrying inventory costs
- Prevent further deterioration
- Obtain fair return in case of sale
- Relieve accountable officers of unnecessary accountability
- Make available space for the agency



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# Determining Factors in the Disposal of Unserviceable Property

- can no longer be repaired or reconditioned;
- maintenance costs/costs of repair is more than or outweighs the benefits and services that will be derived from its continued use;
- obsolete or outmoded because of changes in technology;



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# Determining Factors in the Disposal of Unserviceable Property

- unnecessary due to change in the agency's function or mandate;
- unused supplies, materials and spare parts that were procured in excess of requirements; and
- unused supplies and materials that has become dangerous to use because of long storage or use of which is determined to be hazardous.



# **Property/Assets Subject to Disposal**

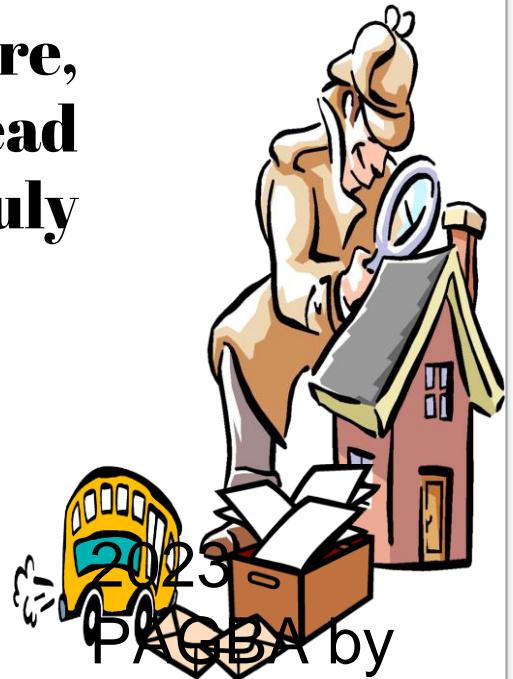
- 1. Unserviceable property**
- 2. Confiscated/seized property**
- 3. Property under distraint/levy/garnishment**
- 4. Unclaimed motor vehicles**
- 5. Real property**
- 6. Valueless records/documents**



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## **Unserviceable Property**

**Pursuant to Sec. 79 of PD 1445 “ When government property has become unserviceable for any cause or no longer needed, it shall, upon application of the officer accountable therefore, be inspected by the head of the agency of his duly authorized representative x x x.”**



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## **Unserviceable Property**

**In the event that public auction fails, the property may be sold at a private sale at such prices as may be fixed by the same committee or body concerned. x x x.”**



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## **Confiscated/Seized Property**

**- Are those which come into the possession of the government as a result of the implementation, enforcement of laws and regulations.**



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# **Confiscated/Seized Property**

## **Examples:**

**-timber and other  
forest products**

**-Property in  
customs custody**

**-narcotics and  
dangerous  
drugs**



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# **Property under Distraint/Levy/Garnishment**

**Refers to the  
personal or real  
property of a  
taxpayer forfeited to  
the government for  
failure to pay taxes**



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## **Unclaimed Motor Vehicles**

**-recovered stolen motor vehicles by the different law enforcement agencies of the government.**

**-the absence of claimants and that the real owners can no longer be determined those recovered vehicles remained unclaimed.**



**Real Property**

**-DPWH**

**-DENR**

**Administrative  
Code of 1987**

**-BP223 dated**

**September 12,  
1982**



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**Real Property**

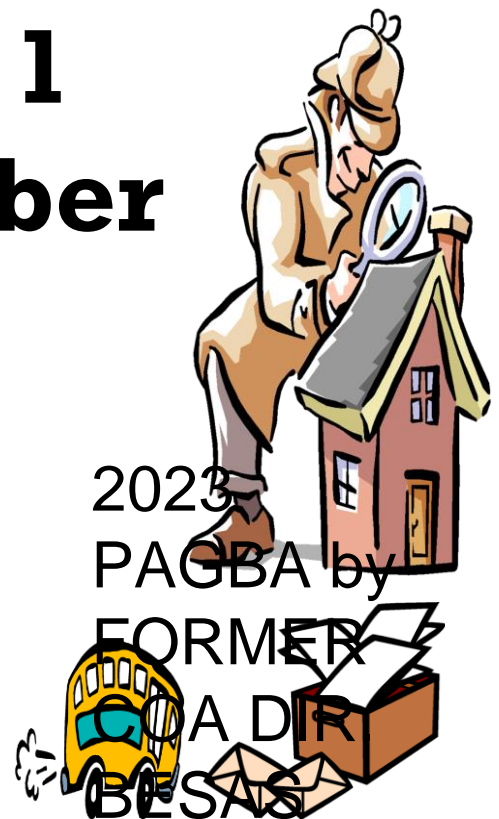
**-RA No. 477**

**dated September  
12, 1982**

**-DBM-DENR-**

**DPWH JC No. 1**

**dated September  
30, 1989**



# **Valueless Records/Documents**

**- All record materials that have reached their prescribed retention periods and loss their usefulness to the agency or the government as a whole.**



# **Valueless Records/Documents**

## **Examples:**

- **Paper**
- **Books, photographs,  
motion picture film**
- **Microfilm**
- **Sound recording**
- **Drawing**
- **maps**



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# Guidelines in Observing Conditions of Property

- **Very Good (VG), 80-100%** - being used to its fully specified purpose w/o being modified
- **Good (G), 55-75%** - being used near its fully specified utilization, with minor repair
- **Fair (F), 35-50%** - below its fully specified utilization, requires general repair / replacement of minor parts

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# Guidelines in Observing Conditions of Property

- **Poor (P), 15-30% - below its fully specified utilization, needs extensive repair/replacement of major components**

- **Scrap (S), 0-10% - unserviceable / cannot be utilized to any practical degree regardless of modification or repair**

**(CF of Missing Property - 100%)**

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# **Guidelines on Disposal of Assets**

- 1. Create a Disposal Committee**
- 2. Furnish documents to COA Auditor at least 5 days before the scheduled bidding**
- 3. Advertise by printed notice for not less than 3 consecutive days in any newspaper or posting in like period in 3 prominent public places in the locality**
- 4. Prequalify the bidders**
- 5. Constitute the BAC on disposal to conduct the public bidding**



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**Creation of  
Disposal  
Committees and  
Secretariat (EO 888  
and 309)  
For National  
and Corporate  
Agencies**

Chairman -- not lower than Assistant Secretary for a department and Assistant Director for a bureau/agency

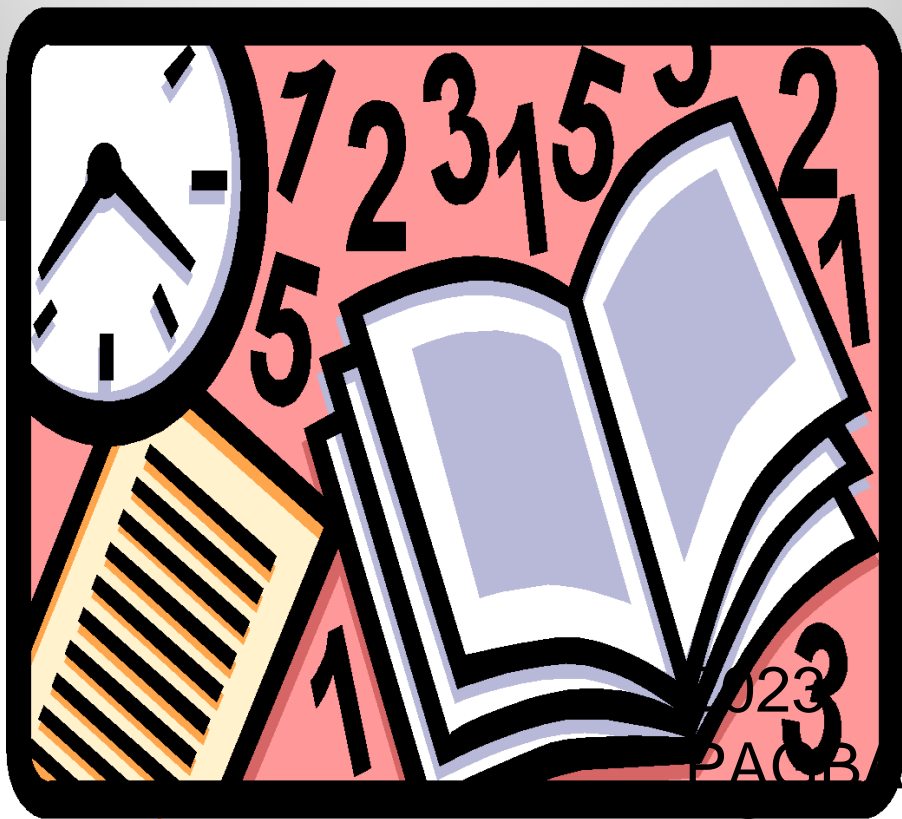
Members

- Head of Administrative Unit;
- Head of Property Unit

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# Documentation



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# **Submission of Documents Pertinent to the Disposal of Unserviceable Property**

**Accountable officials in  
possessions of unserviceable  
property shall submit to the  
Disposal Committee through  
their respective heads of  
offices, the following  
accomplished forms, as  
appropriate:**



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- **Inventory and Inspection Report of Unserviceable Property (IIRUP) for semi-expendable materials and equipment and non-expandable supplies, accompanied by any of the following, whichever is appropriate:**

- **Individual survey report, duly certified by the Supply Officer and Head of Agency**



- **List of missing spare parts duly certified by the Supply Officer and Head of Agency**
- **Stencils of chassis and engine numbers of motor vehicles, and**
- **Current photographs in two position.**



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**Waste Materials  
Report [WMR] for  
expendable  
materials, supplies  
and consumable  
including spare  
part, empty  
containers, and  
remnants from  
destroyed or  
damaged fixed  
assets.**



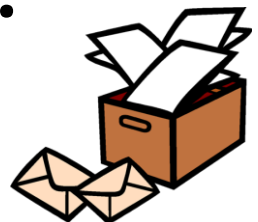
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**Invoice – Receipt  
of Property [IRP  
or GF No. 30-A]  
for government  
property  
transferred from  
another agency  
which has become  
unserviceable, and  
duly recommended  
for disposal by the  
Head of the Agency.**



## Other Forms/Documents

- **Checklist for Unserviceable Equipment.**
  - **This shall indicate the individual component/part of the equipment with their condition, whether serviceable, unserviceable, missing, etc. The agency could device their own form most appropriate to the equipment for appraisal.**





Directional Light Assy. (front & rear)	<u>S</u>	Track Adjuster Assy.	<u>NA</u>
Battery	<u>S</u>	Track Roller Assy.	<u>NA</u>
CLUTCH ASSEMBLY	<u>S</u>	Carrier Roller Assy.	<u>NA</u>
CUSHIONS:		TORQUE CONVERTER	<u>NA</u>
Front Seat	<u>S</u>	BODY/CAB/FENDERS	<u>S</u>
Rear Seat	<u>S</u>	WINDSHIELD (Front)	<u>S</u>
Operator's Seat	<u>S</u>	FUEL TANK ASSEMBLY	<u>NA</u>
GAUGES:		HYDRAULIC SYSTEM:	
Hour/ Service Meter	<u>NA</u>	Hydraulic Pump Assembly	<u>NA</u>
Speedometer	<u>S</u>	Hydraulic Motor Assembly	<u>NA</u>
Tachometer	<u>NA</u>	Hydraulic Hoses	<u>NA</u>
Temperature Gauges (water)	<u>S</u>	Control Valve Assembly	<u>NA</u>
Oil Pressure Gauges	<u>S</u>	Hydraulic Cylinders	<u>NA</u>
Converter oil Temperature Gauges	<u>NA</u>	TRANSMISSION ASSEMBLY	<u>NA</u>
BRAKE SYSTEM:		TRANSFER CASE ASSEMBLY	<u>NA</u>
Master Cylinder Assembly	<u>S</u>	WINDSHIELD (rear)	<u>S</u>
STEERING SYSTEM:		FUEL TANK ASSEMBLY	<u>S</u>
Power Steering System	<u>S</u>		
Steering Clutch Assembly with Disc Plate & Brake Lining			<u>S</u>
ACCESSORIES:			
Dozer/ Blade Assembly	<u>NA</u>	Ripper Assembly	<u>NA</u>
Cutting Edges	<u>NA</u>	End Bits	<u>NA</u>
Dragline Bucket	<u>NA</u>	Clamshell Bucket	<u>NA</u>
Backhoe Bucket	<u>NA</u>	Ditching Bucket	<u>NA</u>
Fairlead assembly (for crane)	<u>NA</u>	Tagline Assembly (for crane)	<u>NA</u>
Compressor	<u>NA</u>	Cables	<u>NA</u>
Boom Assembly	<u>NA</u>	Boom Pulley	<u>NA</u>
Lifting Block	<u>NA</u>	Others	<u>NA</u>

<b>REMARKS:</b>							
Fuel Injection Assy - for minor overhaul							
Left Rear Side & Rear Bumper - with dents and scratches							
Body of unit needs paint wash-over							
Odometer Reading = 69,000 kms							
				<b>Inspected by:</b>			
				JUAN DELA CRUZ			
				(NAME)			
				Sr. TAS			
				2023 PAGBA (DESIGNATION)			

by FORMER

# MODES OF DISPOSAL

- 1. Condemnation/destruction of Property**
- 2. Transfer of Property**
- 3. Barter**
- 4. Donation of Property**
- 5. Sale of Unserviceable Property**
  - Sale thru Public Bidding**
  - Sale thru Negotiated Sale**



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# 1. Condemnation/Destruction of Property

**Through pounding, burning, breaking, shredding, throwing or any other method by which the property is disposed beyond economic recovery. Destruction shall be made in the presence of the Disposal Committee.**



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# 1. Condemnation/Destruction of Property

- **resorted to only under any of the following instances:**

## a. when the unserviceable property:

- **has no commercial value,**
- **is unsalable,**
- **is hazardous, or**
- **Is beyond economic repair;**



# **1. Condemnation/Destruction of Property**

**b. when there is no  
willing receiver; or**

**c. when the appraised  
value is less than the  
administrative cost  
of sale.**



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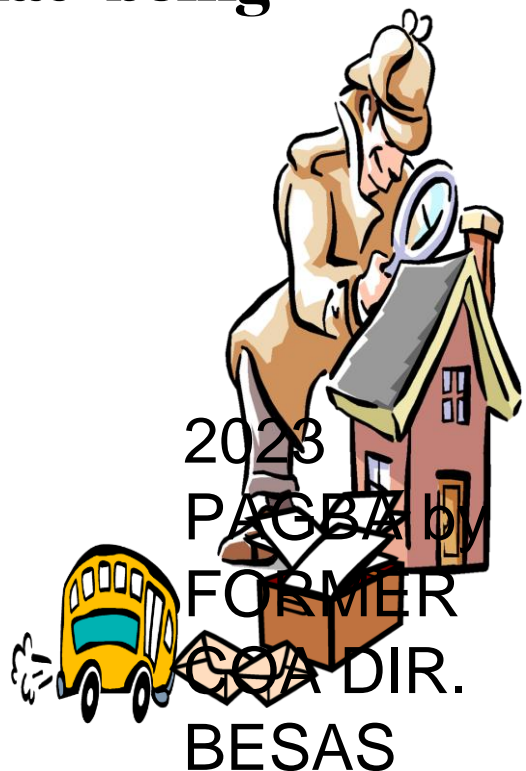
## 2. Transfer of Property

**Upon initiative of owning agency or submission of request to owning agency, this may be done either with or without cost. Cost herein refers to payment based on the appraised value of the property.**



### 3. Barter

**An agency transfers property to another government agency in exchange for another piece of property. The value of the property transferred may or may not be equivalent to that being received.**



## 4. Donation of Property

**May be to charitable, scientific, educational, or cultural institutions.**



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## 5. Sale of Unserviceable Property

- **Sale thru Public Bidding as a general rule, is the mode of disposal. This is done thru sealed public bidding or when circumstances warrant, by viva voce.**



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## Situations/Cases for viva voce:

- a. those involving disposable property of insignificant value or such nature that requires immediate disposal
- b. those involving waste materials and/or spare parts of insignificant value



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- **Sale thru negotiated sale is resorted to as a consequence of failed bidding.**



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# **General Procedures in Disposal**

**1. Once supplies/property becomes unserviceable from any cause or are no longer needed, the officer immediately accountable therefore shall return the same to the Property Officer/ equivalent position concerned.**



# **General Procedures in Disposal**

**The Property Officer/ equivalent position shall file an application for disposal with the appropriate documents to the COA Auditor.**



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# **General Procedures in Disposal**

**The COA Auditor shall inspect the items and determine whether the items are with or without value and forwards his/her recommendation to the Head of the Agency.**



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# **General Procedures in Disposal**

**The Head of the Agency shall forward the documents to the Disposal Committee.**



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# **General Procedures in Disposal**

**The Disposal Committee shall recommend to the Head of the Agency the mode of disposal as appropriate and deemed most advantageous to the government.**



# **General Procedures in Disposal**

**If found to be valuable the unserviceable property may be sold at the public auction to the highest bidder under the supervision of the proper Committee on Award or similar body.**



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# **General Procedures in Disposal**

**The awardee shall pay, claim and withdraw the property.**



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**Upon disposal of property: a. accomplish, whichever is applicable, pertinent portions of the-**

**1. Inventory and Inspection Report of Unserviceable Property,**

**2. Waste Materials Report**

**3. Invoice-Receipt for Property**



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**INVENTORY AND INSPECTION  
REPORT OF UNSERVICEABLE  
PROPERTY (IIRUP)- shall be  
used as basis to record dropping  
from the books the unserviceable  
properties carried in the  
Property, Plant and Equipment  
accounts.**



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**INVENTORY AND INSPECTION  
REPORT OF UNSERVICEABLE  
SEMI-EXPENDABLE PROPERTY  
(IIRUSEP)- shall be used to  
account for all unserviceable  
semi-expendable property of an  
entity which is subject to disposal.**



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**WASTE MATERIAL REPORT  
(WMR)- shall be used to report all  
waste materials such as destroyed  
spare parts and other materials  
considered scrap due to  
replacement.**



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## WASTE MATERIALS REPORT

Entity Name : \_\_\_\_\_ Fund Cluster : \_\_\_\_\_

Place of Storage : \_\_\_\_\_ Date : \_\_\_\_\_

**ITEMS FOR DISPOSAL**

Item	Quantity	Unit	Description	Record of Sales		
				Official Receipt		
				No.	Date	Amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
			<b>TOTAL</b>			

Certified Correct : \_\_\_\_\_ Disposal Approved : \_\_\_\_\_

\_\_\_\_\_  
 Signature over Printed Name of Supply and/or Property Custodian

\_\_\_\_\_  
 Signature over Printed Name of Head of Agency/Entity or his/her Authorized Representative

**CERTIFICATE OF INSPECTION**

I hereby certify that the property enumerated above was disposed of as follows:

- Item \_\_\_\_\_ Destroyed
- Item \_\_\_\_\_ Sold at private sale
- Item \_\_\_\_\_ Sold at public auction
- Item \_\_\_\_\_ Transferred without cost to \_\_\_\_\_ (Name of the Agency/Entity)

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Certified Correct: \_\_\_\_\_

\_\_\_\_\_  
 Signature over Printed Name of Inspection Officer

Witness to Disposal: \_\_\_\_\_

\_\_\_\_\_  
 Signature over Printed Name of Witness

**Invoice – Receipt of Property [IRP  
or GF No. 30-A] for government  
property transferred from  
another agency which has  
become unserviceable, and duly  
recommended for disposal by the  
Head of the Agency.**







## **Upon disposal of property:**

**b. these reports shall be the basis for dropping the property from the books of accounts and for taking up the proceeds from the sale of property.**



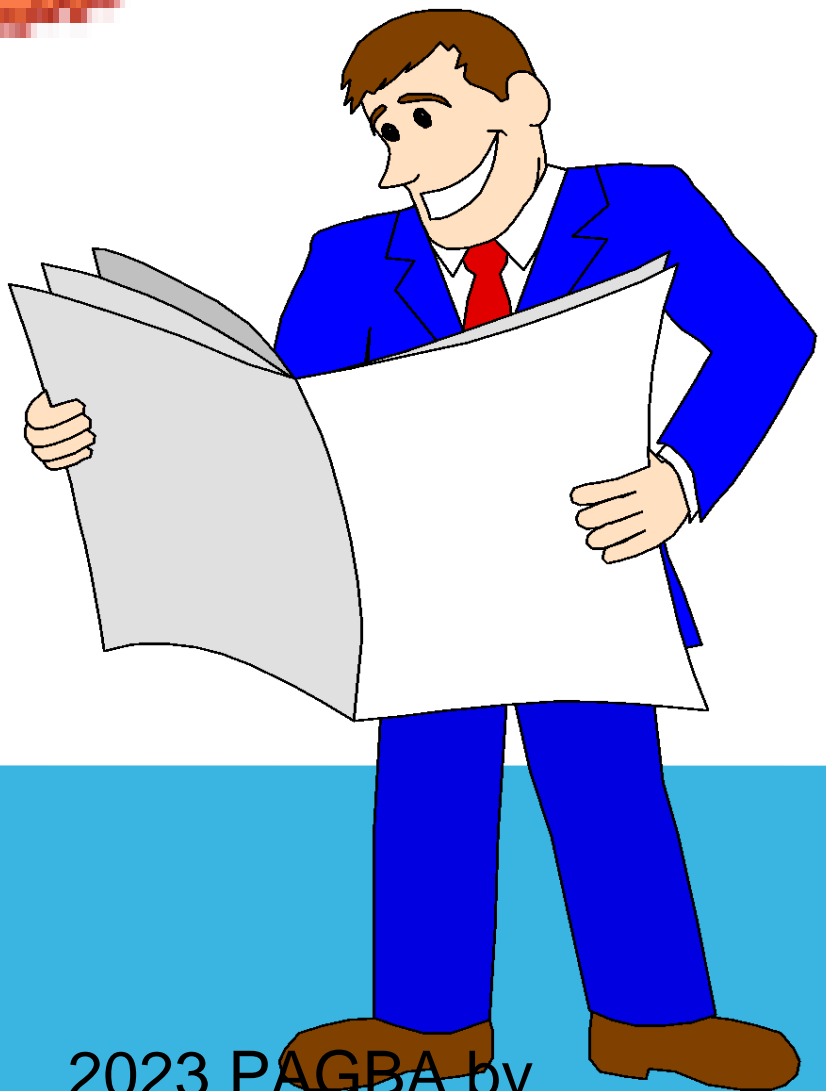
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# Any Question?



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THANK YOU



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