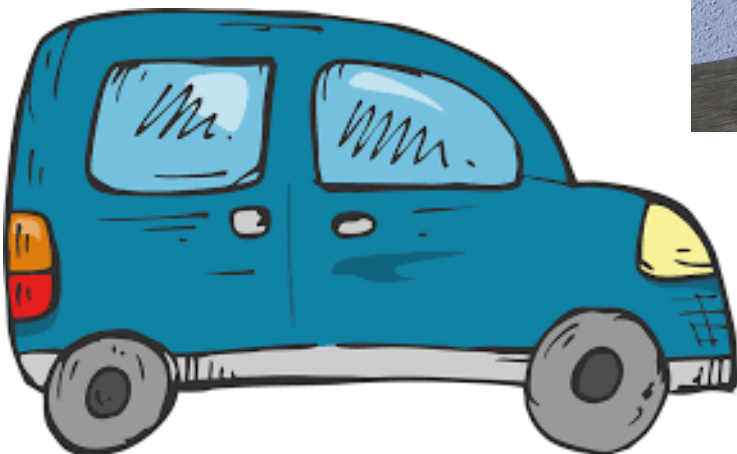


DISPOSAL



DISPOSAL/DISPOSITION

End of the life cycle of government property



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



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;



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.**



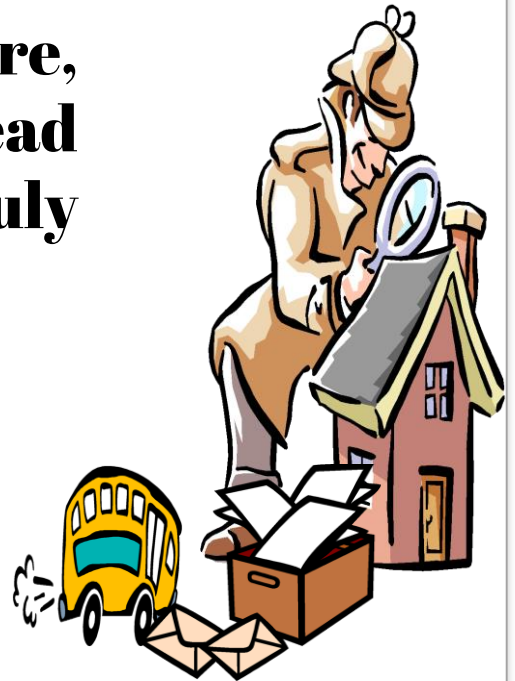
Property/Assets Subject to Disposal

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



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.”



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.”



Confiscated/Seized Property

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



Confiscated/Seized Property

Examples:

-timber and other forest products

-Property in customs custody

-narcotics and dangerous drugs



Property under Distraint/Levy/Garnishment

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



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; thus, those recovered vehicles remained unclaimed.



Real Property

-DPWH

-DENR

**Administrative
Code of 1987**

**-BP223 dated
September 12,
1982**



Real Property

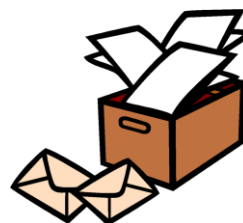
**-RA No. 477 dated
September 12, 1982**

**-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**



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

Guidelines in Observing Conditions of Property

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

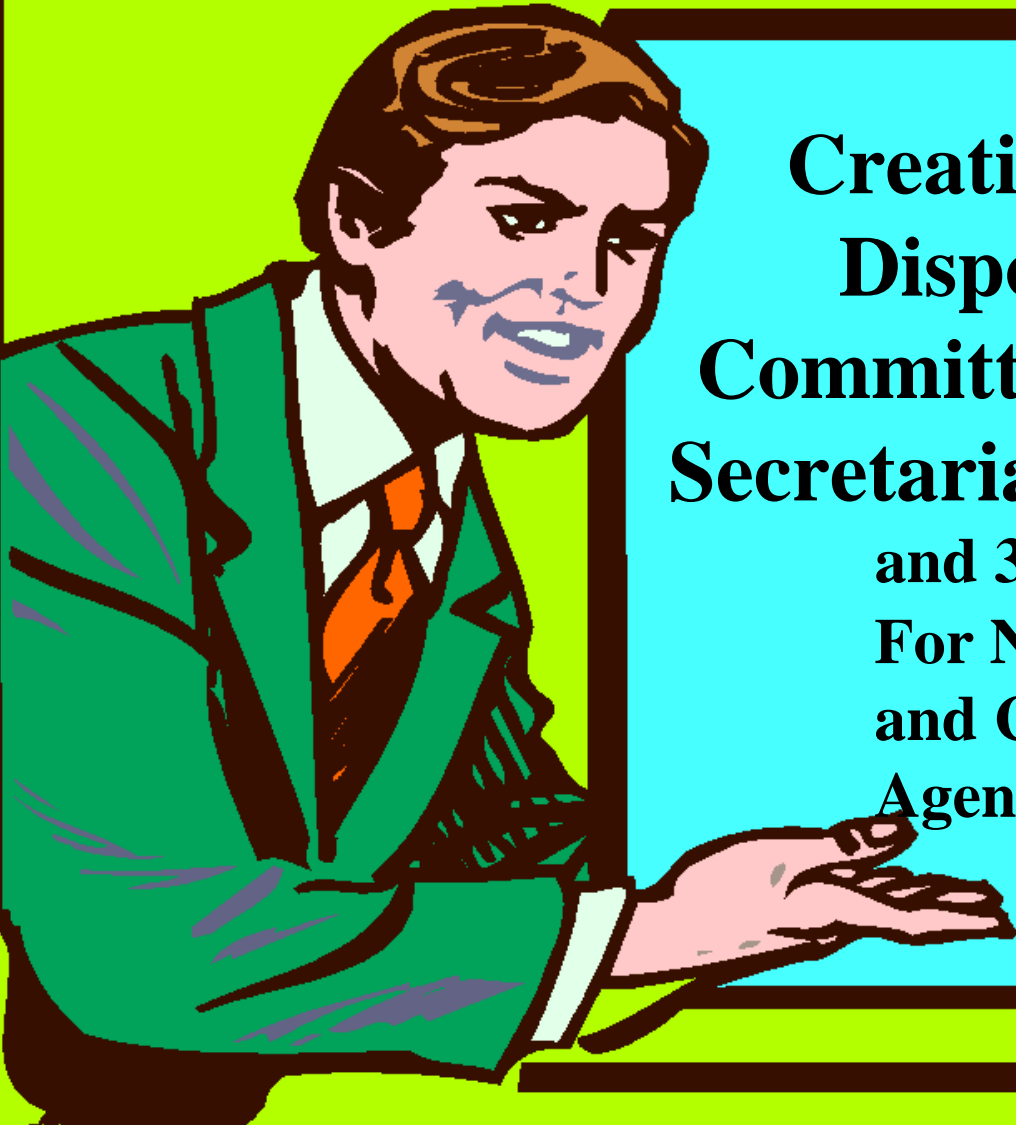
- **Scrap (S), 0-10% - unserviceable / cannot be utilized to any practical degree regardless of modification or repair**

(CF of Missing Property - 100%)

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**



A stylized illustration of a man with brown hair, wearing a blue suit jacket, a white shirt, and a red tie. He is smiling and gesturing with his right hand towards the text on the right. The background is a solid light blue color.

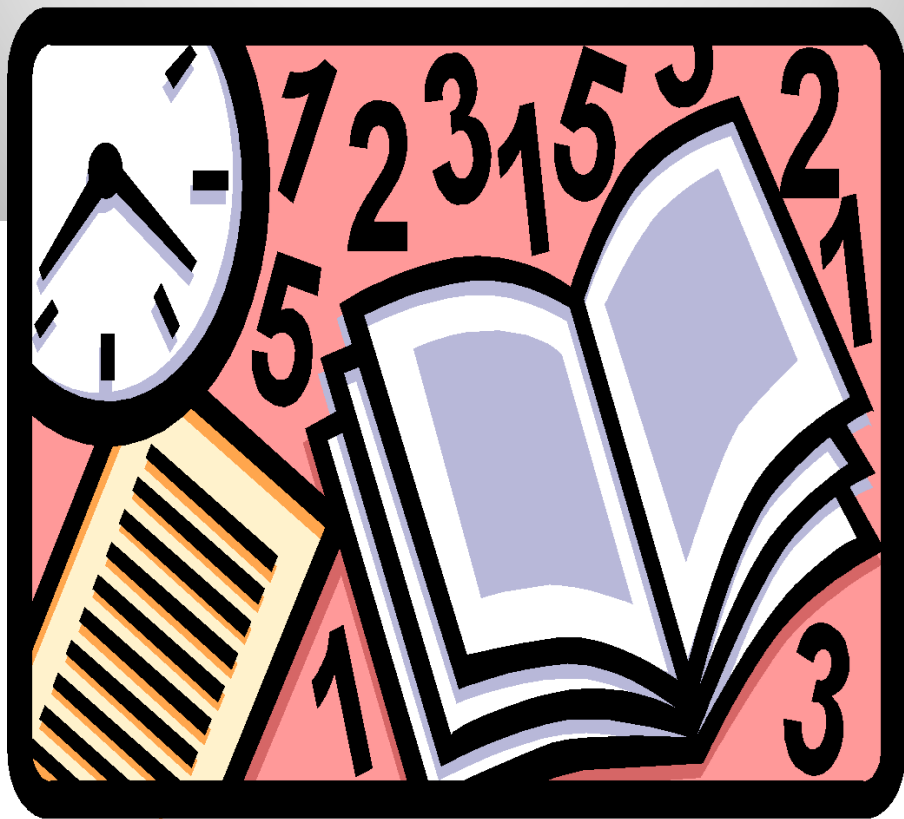
Creation of Disposal Committees and Secretariat (EO 888 and 309) For National and Corporate Agencies

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

Documentation



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:**



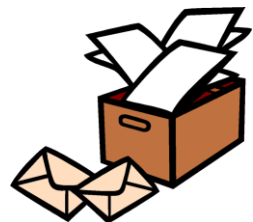
- **Inventory and Inspection Report of Unserviceable Property (IIRUP) for equipment, or other PPE, accompanied by any of the following, whichever is appropriate:**
- **Individual survey report, duly certified by the Supply Officer and Head of Agency**



- **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.**



**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.**



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



**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.**



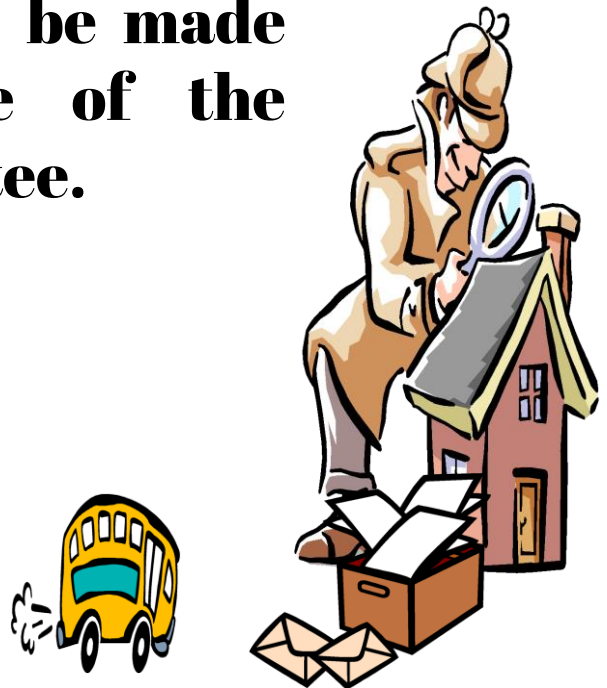
MODES OF DISPOSAL

- 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**



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.



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

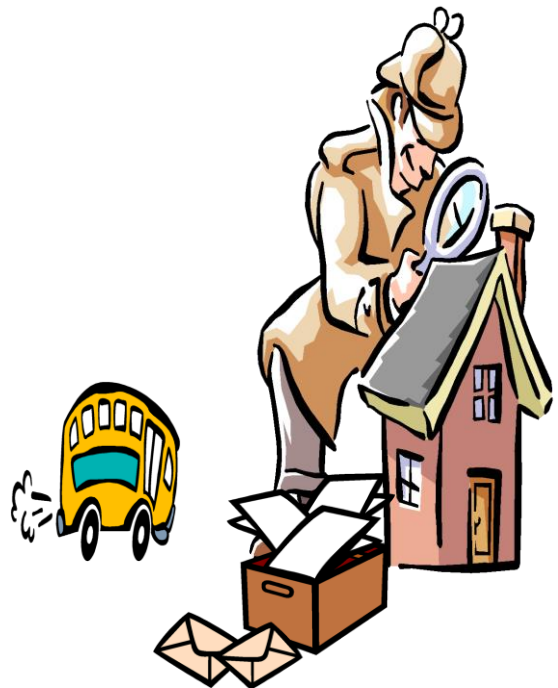
**b. when there is no
willing receiver; or**

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



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.



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.**



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**

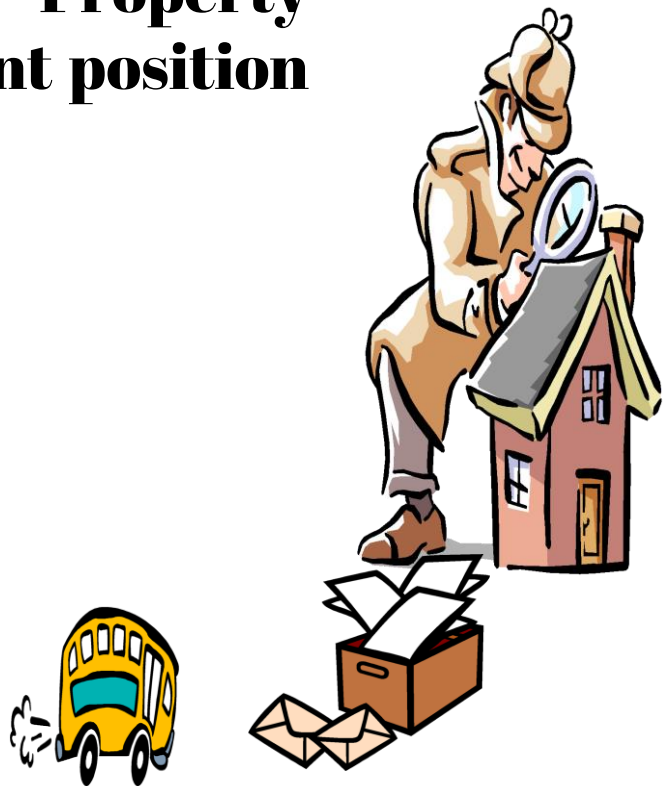


- **Sale thru negotiated sale is resorted to as a consequence of failed bidding.**



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.**



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.



General Procedures in Disposal

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



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.



General Procedures in Disposal

The awardee shall pay, claim and withdraw the property.



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

1. Inventory and Inspection Report of Unserviceable Property,

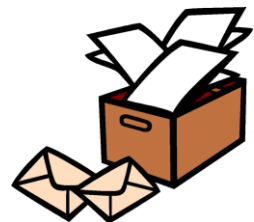
2. Inventory and Inspection Report of Unserviceable Semi-Expendable Property

3. Waste Materials Report

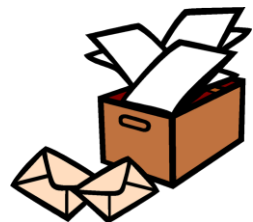
4. Invoice-Receipt for Property



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.



**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.**



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.



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 | | | | | | |
| | | | TOTAL | | | |

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)

Certified Correct:

Witness to Disposal:

Signature over Printed Name of Inspection
Officer

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.**



REPUBLIC OF THE PHILIPPINES
 INVOICE – RECEIPT FOR PROPERTY

Control no: _____

TRANSFER of property from OLD BALARA ELEMENTARY SCHOOL to _____

Student's Name

authorized by GEOFFREY H. ECHANIS, PhD

| QTY. | UNIT | NAME AND DESCRIPTION | DATE OF PURCHASE | PROPERTY NUMBER | CLASSIFICATION NUMBER | UNIT VALUE | TOTAL VALUE |
|------|------|----------------------|------------------|-----------------|-----------------------|------------|-------------|
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INVOICE

*I CERTIFY that I have this **SAMSUNG TABLET** invoiced to _____, _____ the Student's Name Gr. & Sec. above listed articles, property of **LGU**.*

OLD BALARA ELEMENTARY SCHOOL
 (Name of Bureau or Office)

ERLINDA D. ALBA
 (Signature of Invoicing Accountable Officer)

School Property Custodian
 (Title)

RECEIPT

*I CERTIFY that I have this **SAMSUNG TABLET** received from **OLD BALARA ELEMENTARY SCHOOL** the above listed articles, property of **LGU**.*

(Grade & Section)
 (Name of Bureau or Office)

Student's Name
 (Signature of Receiving Accountable Officer)

 (Title)

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.



Any Question?



THANK YOU

