



UNIVERSITY GRANTS COMMISSION

Establishments Circular Letter No. 04/2013

20, Ward Place
Colombo 07
April 10th 2013

Vice Chancellors of Universities
Directors of Institutes
Rectors of Campuses

COMMON GUIDELINES TO BE FOLLOWED BY UNIVERSITIES AND HIGHER EDUCATIONAL INSTITUTES WITH REGARD TO ANNUAL VERIFICATION OF ASSETS

Your attention is invited to Chapter "XXVI" of the Establishments Code of the University Grants Commission and Higher Educational Institutions on "Verification of Stores".

The Commission at its 864th meeting held on 20th December 2012 decided to rename Chapter XXVI of the Establishments Code as "Verification of Stores and Fixed Assets" instead of "Verification of Stores".

Relevant sections of Chapter XXVI of the Establishments Code are amended as given below, by considering the Supply & Finance Circular No 43, Supply & Finance Circular No 51, Public Finance Circular No 44.1 and Public Finance Circular No 438.

Substitute Sub Section 2.9 of Chapter XXVI with the following paragraph;

The Boards of Survey should be appointed by 15th of December of the present year and complete the physical verification on or before 15th January of the year immediately following.

Amend Sub Section 2.13 of Chapter XXVI to read as follows;

The report of the Boards of Survey together with the stock sheets or schedules and any submissions in duplicate should be forwarded to the Appointing Authority or to any other officer authorized by him for this purpose on or before 29th January of the year immediately following.

Insert following two new Sub Sections under Section 3 of Chapter XXVI;

- 3.1 To obtain a report from the Board regarding the reconciliation of discrepancies and excesses on or before 17th February of the year immediately following
- 3.2 To instruct the relevant Division to finalize the destruction of destructible items, repairing of serviceable items and auctioning of items to be disposed on or before 26th February of the year immediately following

Renumber Sub Section 3.1 as 3.3 and amend to read as follows;

- 3.3 Forward a copy of the Report of the Boards of Survey, together with copies of Stock Sheets/Schedules and other annexure to the Auditor General on or before 17th March of the year immediately following

Sub sections from 3.2 to 3.12 should remain and be re-numbered accordingly.

Renumber Sub Section 3.13 as 3.15 and amend to read as follows;

- 3.15 The course of action enumerated above should be completed on or before 17th March and a report including observations of the Boards of Survey of unserviceable articles and recommendations, if any, to improve stores management and promote economy should be sent to the governing body of the Institution concerned for their information.

Amend Sub Section 4.3 to read as follows;

The Officers, Teachers and Employees in whose custody the unserviceable articles remain, should make inquiries in advance, whether the unserviceable materials in their charge could be used in other Departments of the same Institution/other Higher Educational Institutions.

Amend Sub Section 4.9 to read as follows;

Any unserviceable articles, the purchase price of which bears a significant value should not be condemned and authorized for sale or destruction, unless the recommendations of the Board constituted for survey of unserviceable articles, have been independently checked by competent persons acceptable to the Chairman of the Commission/Vice Chancellor of the University /the Director of the Higher Educational Institute concerned.

Insert a new Sub Section as 4.10 in Section 4 of Chapter XXVI as follows;

4.10 Quick Disposal of accumulated Disposable Items

Chairman of the Commission / Principal Executive Officer of Higher Educational Institution is authorized to dispose accumulated disposable assets of the Commission / Higher Educational Institution quarterly by using the most suitable action out of the courses of action given under the Quick Disposal Method which is specified below:

- (a) If a Board of Survey has already been conducted and has identified items to be disposed of, they should be disposed, immediately in the following manner;
- (i) Unserviceable tyres should be handed over to the Coast Conservation Department
 - (ii) Handing over to the following Government Institutions by transferring inventories or handing over with written evidence to the effect that those goods were issued and received.
 - Items of goods required by the Sri Lanka Army, Air Force, Navy and the Police (e.g. office equipment and furniture etc.)
 - To the Department of Prisons for vocational training purposes (e.g. office equipment, machinery, and equipment, computers etc.)
 - To Sri Lanka Technical College and other Vocational Training Institutes for technical education (e.g. office equipment, machinery, worn out motor spares)
 - Government Schools (e.g. office equipment and furniture)
 - (iii) Items of goods which should be disposed of and could be sold and derive an income should be sold to the employees of the Commission / Higher Educational Institutions or should be auctioned or sold by calling for quotations.
 - (iv) Any items of goods which cannot be disposed as mentioned above should be destroyed according to Section 5 of Chapter XXVI.

- (b) If a Board of Survey has not been conducted, the following courses of action could be taken with regard to identified disposable items.
- (i) Until an annual verification of stores is conducted, Board of Survey could be appointed (in respect of items of goods or assets which have been discarded or beyond repairs or repairing is not economically viable) and recommend for their disposal.
 - (ii) The items of goods recommended for disposal should be listed, so that they could be clearly identified and action should be taken to note that those listed items have been written off from stock books and registers of assets.
- (c) Commission and Higher Educational Institutions however, should ensure that all other procedures relating to the disposable items, laid down in Chapter XXVI are followed and action is taken to hold Annual Board of Survey on the due dates and periods.

Amend Sub Section 5.1 (a) to read as follows;

Reasonable publicity of the notice of the sale should be given to employees of the Commission / Higher Educational Institution and then to the general public.

Amend Sub Section 5.1 (c) to read as follows;

The sale of unserviceable articles, of which scrap value is estimated to be over the value determined by the External Expert / Valuation Officer (as approved by appointing authority), should be by tender or sealed quotations.

Amend Sub Section 5.1 (e) to read as follows;

The scrap value recommended by the External Expert / Valuation Officer (as approved by appointing authority), may be taken as the standard price when considering bids at auctions or tenders. However, any bid or tendered price which is 90% of the standard price may be accepted.

Amend Sub Section 5.1 (j) to read as follows;

Articles ordered to be sold but for which no bids have been received, or sold but not removed, may be otherwise disposed of as directed by the approving authority in para 5.1 (g) above, provided the scrap value of such article recommended by the External Expert / Valuation Officer (as approved by appointing authority) is insignificant. Such article, where the scrap value, recommended by the External Expert / Valuation Officer (as approved by appointing authority) is fairly considerable should be put up for sale again and if no bids are received for the second time they may be disposed of as directed by the approving authority in para 5.1 (g) above.

Insert a New Section as 6.0 in the Chapter XXVI as follows;

6.0 Accounting

- 6.1 All articles sold, destroyed or otherwise disposed of should be written off from the Fixed Assets Register, Inventory Books and Stores records as the case may be by following Financial Regulations that prevail at the time of such disposal.

6.2 Proper accounting should be made for the profit or loss on disposal of assets and revenue derived from the disposal of goods and assets should be brought to accounts.

The Universities and Higher Educational Institutes are required to adhere to the above changes with immediate effect.

Please take action accordingly.



Prof. Kshanika Hirimburegama
Chairperson

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