



MINISTRY OF FINANCE & ECONOMIC DEVELOPMENT

Circular Letter No 10 of 2013

Ref: CF/40/10/116/1

04 November 2013

From: Financial Secretary

To: Supervising Officer-in-Charge of Ministries/Departments

Replacement and Disposal of Used ICT Equipment

1. Objective

The objective of this circular is to lay down the principles to be applied for the replacement and disposal of used ICT equipment while improving business performance, generating better value on disposal and reducing the cost of storage for such items. Consequently, it has been decided:-

- a) to allow the sale of used ICT equipment to public officers and staff on contract ; and
- b) that replacement of used ICT equipment be driven by the business needs of the Ministry/Department and not by the book value of the equipment.

2. Definition of ICT equipment.

For the purpose of this circular, ICT equipment is composed of Personal Computers, laptops, monitors, printers and portable devices such as tablets and mobile phones.

3. Prerequisites for sale of used ICT equipment to public officers and staff on contract.

- a) Used ICT equipment, regardless of age, may be sold to eligible public officers and staff on contract who have been allocated personal ICT equipment for official use and who leave service in the following circumstances:-
 - (i) when proceeding on leave without pay to take up employment in Parastatal/International Organizations;
 - (ii) on resignation; and
 - (iii) at the time of retirement.
- b) Used ICT equipment aged more than 5 years and not likely to be re-issued if returned to stores, may be sold to any public officer wishing to purchase same, with priority given to the officer who was using the equipment.

- c) Used ICT equipment, aged more than 5 years, which has been returned to stores and is not likely to be re-issued or purchased by public officers, may be given free to schools, charities, religious bodies etc.

4. Replacement Policy for used ICT equipment.

- a) ICT equipment that continues to function properly should be replaced only when necessary, to accommodate developments forming part of an ICT strategy or development plan fully aligned with the business needs of the organization and approved by MOFED.
- b) The Accounting officer may exceptionally approve the replacement of ICT equipment aged more than 3 years in the case of public officers and officers on contract who, by the very nature of their work, need latest technologies to improve performance. However, prior clearance should be sought from MOFED.

5. Pricing Policy.

For the purpose of Paragraph 3(a) & 3(b), the selling price of the ICT equipment should be determined as follows:-

- a) at the end of one year, value would be 50% of the cost price;
- b) at the end of the second year, value would be 25% of the cost price; and
- c) at the end of year three to year five, value would be 20% of the cost price.
- d) after the end of year five, value would be a nominal amount of 10% of the cost price.
- e) for part of a year, depreciation should be calculated proportionately on a monthly basis, a period of more than 15 days being considered as a full month.

6. Data Protection.

Wherever applicable and prior to disposal of ICT equipment, data including encrypted data, should be wiped off in a manner which prevents recovery of any information, identity theft and misuse of confidential or sensible government data. The obligations under the Data Protection Act should be strictly adhered to. The relevant Ministry must delete all official information on computers and smart phones before handing over.

7. Software Licenses.

As far as possible, the equipment will be sold with the Original Equipment Manufacturer Software systems. Licensed software which does not extend to personal use must be removed.

8. Basic procedures to be observed.

To ensure that risks and concerns are addressed, Ministries/Departments must adhere to the following procedures before issuing the ICT equipment to the purchaser:-

- a) the Officer-in-charge, Procurement & Supply should amend the Inventory Sheet (Layout 10) to reflect the sale;
- b) Master Inventory recording the ICT equipment should be amended;
- c) sale should be effected against the official payment receipt (Accts BF9A);
- d) revenue collected from sale of ICT equipment should be promptly credited to Revenue item "Miscellaneous Revenue"; and
- e) a disclaimer (Appendix A refers) must be signed by the purchaser or receiver of the equipment which covers, amongst other things, that there is no government liability, warranty or technical support by Ministries/Departments once the equipment has been sold or given free.

9. Effective date.

These instructions will be effective as from the date of this circular.



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(D. D. Manraj)
Financial Secretary

Disclaimer for use on sale/donation of used ICT equipment by Ministries/Departments

The Ministry/Departmentis the current owner of the goods indicated below and authorization is given for their disposal. The procedures contained in the Circular letter No. 10 of 2013 on "Replacement and disposal of used ICT equipment" have been followed.

Name :
(Authorised Officer)

Signature:.....

Date:.....

The goods supplied to you by this Ministry/Department are second hand. They will work at the time of supply. Other than that the Ministry/Department excludes all warranties or guarantees to the maximum extent permitted by law. You are advised to inspect the goods carefully before accepting them.

You are obtaining the goods on the understanding that no technical support for the items will be provided.

This Ministry/Department accepts no liability whatsoever for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the receiver in respect of the equipment.

Please sign below to indicate that you have read and understood the above terms and by so doing take full responsibility for usage and the end of life disposal.

Signed by recipient of goods

Name of recipient: _____

Signature: _____ Date: _____

Description of goods including where originally purchased from, serial number, version of Operating system and other installed software.

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This document should be produced in duplicate. One copy to be retained by the recipient of the goods, the other to be filed by the Ministry/Department.