

Hardware Asset Disposition Policy

Introduction: How to Use This Template

Asset retirement is a risky process as improper disposition can lead to potentially devastating fines and lawsuits, as well as sometimes irreparable brand damage. To mitigate risks, companies need to proactively strategize for the retirement of their IT assets, including documenting and enforcing a clear Asset Disposition Policy that lays out disposition standards.

To use this template, customize all text in dark grey to your enterprise needs. When finished, delete this Introduction and convert all remaining text to black.

Purpose

The purpose of this policy is to establish and define standards, procedures, and restrictions for the disposition of non-leased IT equipment in a legal, cost-effective manner. [Company name]'s surplus or obsolete IT assets and resources (i.e. desktop computers, servers, etc.) must be discarded according to legal requirements and environmental regulations through the appropriate external agents and [company name]'s upgrade guidelines. All disposition procedures for retired IT assets must adhere to company-approved methods.

Scope

This policy applies to the proper disposition of all non-leased [company name] IT hardware, including PCs, printers, handheld devices, servers, hubs, switches, bridges, and routers. Company-owned surplus hardware, obsolete machines, and any equipment beyond reasonable repair or reuse are covered by this policy. Where assets have not reached end of life, it is desirable to take advantage of residual value through reselling, auctioning, donating, or reassignment to a less-critical function.

Definitions

1. "Non-leased" refers to any and all IT assets that are the sole property of [company name]; that is, equipment that is not rented, leased, or borrowed from a third-party supplier or partner company.
2. "Disposition" refers to the reselling, reassignment, recycling, donating, or disposal of IT equipment through responsible, ethical, and environmentally sound means.
3. "Obsolete" refers to any and all equipment over [...] (recommended standard obsolescence age is 7 years) years old and/or that which no longer meets requisite functionality.
4. "Surplus" refers to hardware that has been replaced by upgraded equipment or is superfluous to existing requirements.
5. "Beyond reasonable repair" refers to any and all equipment whose condition requires fixing or refurbishing that is likely to cost as much or more than total replacement.

Responsibility

Disposition procedures for all IT assets and equipment will be centrally managed and coordinated by [company name]'s IT department. [Company name]'s IT department is also responsible for backing up and data wiping all IT assets slated for disposition, as well as removing company tags and/or identifying labels. The IT department is responsible for selecting and approving external agents for hardware sanitization and reselling or recycling. The IT department is also responsible for acquiring credible documentation from contracted third parties that verify adequate data wiping, tag or label removal, and disposition & disposal that meet regulated environmental standards.

Practices

Following data wiping, acceptable methods for the disposition of IT assets are as follows:

- a) Sold to existing staff.
- b) Auctioned online.
- c) Used as a trade-in against cost of replacement item.
- d) Retasked/reassigned to a less-critical business operation function.
- e) Donated to a school, charity, or other non-profit organization.
- f) Recycled and/or refurbished to enable further use (within limits of reasonable repair).
- g) Disposed of through a certified disposal partner.

Policy

It is the responsibility of any employee of [company name]'s IT department with the appropriate authority to ensure that IT assets are dispossessed according to one or more of the methods prescribed above. It is imperative that all dispositions are done appropriately, responsibly, and according to corporate IT lifecycle standards, as well as with company resource planning in mind. The following rules must therefore be observed:

1. **Obsolete IT Assets:** As prescribed above, "obsolete" refers to any and all computer or computer-related equipment over [...] years old and/or equipment that no longer meets requisite functionality. Identifying and classifying IT assets as obsolete is the sole province of [company name]'s IT department. Decisions on this matter will be made according to [company name]'s purchasing/procurement strategies. Equipment lifecycles are to be determined by IT asset management best practices (i.e. total cost of ownership, required upgrades, etc.).
2. **Reassignment of Retired Assets:** Reassignment of computer hardware to a less-critical role is made at the sole discretion of [company name]'s IT department. It is, however, the goal of [company name] to – whenever possible – reassign IT assets in order to achieve full return on investment (ROI) from the equipment and to minimize hardware expenditures organization-wide.

3. **Trade-Ins:** In some cases, it may be financially beneficial to offer old IT equipment as a trade-in for new(er) equipment. In such cases, reasonable actions must be taken to ensure that fair market value is obtained for the old IT asset(s). [Company name]'s purchasing and procurement manager or IT asset manager will assume this responsibility.
4. **Income Derived from Disposition:** Whenever possible, it is desirable to seek asset value recovery by remarketing retired or surplus IT assets. Any and all receipts from the sale of IT assets must be kept and submitted to the appropriate department. Income derived from sales to staff, the public, or through online auctioning must be fully receipted and monies sent to [company name]'s Finance department. Sales to staff should be advertised through the company intranet or via e-mail. Auctioning methods will be chosen as a joint decision between [company name]'s IT manager and the [name your executive of choice].
5. **Cannibalization and Assets beyond Reasonable Repair:** The IT manager is responsible for verifying and classifying any IT assets beyond reasonable repair. Equipment identified as such should be cannibalized for any spare and/or working parts that are worth the costs associated with removal. The IT department will inventory and stockpile these parts. Remaining parts and/or machines unfit for use will be sold to an approved scrap dealer or salvaging company after data wiping. Handling of any hazardous materials such as lead, mercury, bromine, and cadmium will not be done onsite, but must be contracted to a government-certified disposal company.
6. **Decommissioning of Assets:** All hardware slated for disposition by any means must be fully wiped of all company data. [Company name]'s IT department will assume responsibility for decommissioning this equipment by deleting all files, company-licensed programs, and applications using a pre-approved disk-sanitizer. This sanitizer must **completely overwrite** each and every disk sector of the machine with zero-filled blocks and the sanitization must be completed [7] times to ensure complete data erasure. In addition, any property tags or identifying labels must be removed from the retired equipment.
7. **Donations:** IT assets deemed redundant within [company name] that are considered to have a useful life and are less than [6] years old, may be donated to a company-approved charity, school, or other non-profit organization. All donations must be authorized by [company name] and follow due diligence in ensuring product is in good working order and is needed by the organization. Any costs associated with refurbishing the equipment must be approved by [executive title]. All donation receipts (if applicable) must be submitted to the Finance department for taxation purposes.

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