

Detailed Implementing Rules of Asset Management Regulations

Established December 19, 1994

Amended October 15, 1997

Amended June 1, 2001

Amended December 1, 2002

Amended September 25, 2003

Amended March 1, 2007

Amended June 1, 2011

Amended June 8, 2016

Chapter 1 General Provisions

Article 1 (Purpose) These detailed rules seek to specify matters related to the processing of unusable assets and damaged/lost assets as well as the administrative procedure for the assets transfer in more detail in accordance with the Asset Management Regulations. (Amended on June 1, 2011)

Article 2 (Application Scope) Except when specifically stipulated by the applicable laws or other regulations concerning the processing of unusable/damaged/lost assets and assets transfer, these detailed rules shall apply. (Amended on June 1, 2011)

Article 3 (Definition of Terms) The terms used in these detailed rules are defined as follows:

1. "Asset" shall refer to any fixed assets (excluding land and building) and inventory assets.
2. "Unusable Asset" shall pertain to the following:
 - A. Surplus asset: Inventory that cannot be used
 - B. Excess asset: Inventory that is usable but held in excess of the economical level of holding
 - C. Waste asset: Asset that is not usable on its own
3. "Disposal of Unusable Asset" shall refer to the sale, rent, disassembly, disuse, and donation of the unusable asset.
4. "Damage" shall mean that the value and utility of an asset are reduced; it is limited to the following:
 - A. Wear and tear, damage, modification, degeneration, and deformation resulting from use for purposes not originally intended
 - B. Reduction of use value of an asset as a result of a deliberate act or gross negligence
 - C. Unusability resulting from a deliberate act or gross negligence
5. "Loss" shall mean that an asset exists in the books but does not physically exist.
6. "Idle Facility" shall refer to any of the facilities not in operation and whose usage in the future is not required or is uncertain.
7. "Inventory Asset" shall pertain to any and all material objects except fixed assets including materials, stored goods, and consumable tools and apparatuses.
8. "Assets out of Books" shall refer to items that are not counted in the assets account of the balance sheet because they are not worth managing as fixed assets considering their nature (assets valued at less than 300,000 won, etc.). (Amended on June 1, 2011)

Article 4 (Management Department) The general asset management department shall be responsible for the overall processing of unusable/damaged/lost assets, with the operations departments of various assets required to cooperate fully in the business of the general asset management department.

Chapter 2 Processing of Unusable Asset

Article 5 (Standard for the Decision for Unusable Asset) The following assets shall be processed as unusable:

1. Asset that cannot be used at all and is not likely to be used in the future (surplus asset)
2. Asset that is held as inventory in excess of demand for a certain foreseeable period of time (excess asset)
3. Original equipment that is unusable, or parts for the original equipment that was lost and is not likely to be acquired
4. Asset that cannot be used for its original purpose even after repair since the specification or model has been modified
5. Asset that cannot be utilized since it has been removed from the facilities
6. Asset that cannot be used for its original purpose even after repair since it is damaged or worn-out
7. Asset whose repair is not economical
8. Asset attached to facilities without use value
9. Waste material produced in the course of business performance not worth utilizing

Article 6 (Decision on Unusable Asset and Processing of Asset) The heads of the general management department and the operations department shall review whether an asset falling under any of the categories described in Article 5 shall be deemed unusable and how the asset shall be processed.

1. Decision on unusable asset: Operations department
2. Processing of unusable asset: General management department

Article 7 (Classification of Unusable Assets Based on Condition) Unusable assets shall be classified as follows depending on the condition of each asset:

1. When making a decision for unusable assets, the condition of each asset shall be determined based on the status classification (C1: New asset, C2: Used asset, C3: Waste asset and scrap iron). (Amended on March 1, 2007)
2. The person in charge of checking the unusable asset and making a classification shall be the person in charge of asset management in the operations department. (Amended on March 1, 2007)
3. When the unusable assets in Clause 1 did not complete the service life from the acquisition date, the person in charge of operating the assets shall prepare and submit a statement explaining the early disuse including the following: (Amended on June 1, 2011)
 - A. Asset number, model, quantity, acquisition amount, acquisition date, and service life
 - B. Reason for early disuse

Article 8 (Decision Procedure for Unusable Assets) The following procedures shall be observed:

1. In case some assets managed and used by an operations department are deemed unusable based on the decision standard and idle facilities, the head of such department shall first check if such assets may be usable in other departments and -- if such is the case, if there are requirements -- make a classification based on the condition of such assets pursuant to the provision of Article 7 and report through POVIS pursuant to the provision of the regulations on arbitrary decision making. (Amended on March 1, 2007)
2. The head of the general management department shall take actions for the processing of unusable assets as requested pursuant to the provision of Clause 1 and notify the head of the operations department of the result of the processing.
3. (Deleted)

Article 9 (Return) The head of the operations department shall return the assets for which approval was given for the decision on unusable assets; the returned assets shall then be donated, rented, sold, scrapped, or recycled after the general management department determines their condition and approves of such. (Amended on March 1, 2007)

1. Deleted (March 1, 2007)
2. Deleted (December 1, 2002)
3. Deleted (March 1, 2007)
4. Deleted (March 1, 2007)

Article 10 (Selling) The disposal of unusable assets through selling shall be in accordance with Budget and Accounting Regulations as well as the contract regulations. In case assets subject to the applicable laws such as the Foreign Capital Inducement Act and the Customs Act are sold, however, approval shall be obtained in accordance with the procedure stipulated by law.

Article 11 (Donation, Rent) If deemed necessary by the President of the University, an asset for which a decision of unusability has been made may be donated at no cost or rented to a designated agency if such asset falls under any of the following:

1. Asset that has not been sold or is not likely to be sold
2. Asset whose selling is not favorable or inappropriate to the University
3. Asset whose selling cost exceeds the payment to be received
4. Asset whose use or possession is prohibited by applicable law

Article 12 (Disassembly) In case the asset for which a decision of unusability has been made has been decided as old or waste asset, and if disassembling the asset and utilizing the components are deemed more beneficial than selling as is, such asset shall be disassembled to utilize the usable components, and the rest shall be sold or scrapped.

Article 13 (Disuse) An unusable asset falling under any of the following may be scrapped after obtaining approval pursuant to the provision of Regulations on Discretionary Approval:

1. Asset deemed unsellable due to degeneration, decomposition, or for other reason
2. Asset whose selling, donation, or rent is unfavorable or inappropriate to the University
3. (Deleted)

Article 14 (Disposal Record) When an unusable asset is disposed of, the following matters shall be recorded in the relevant business form, and the record change shall be managed:

1. Type of disposal (selling, donation, rent, disassembly, disuse, etc.)
2. Date of disposal
3. Amount of disposal (payment for selling, rental, etc.)
4. Detailed description of components acquired by disassembly

Chapter 3 Processing of Damage/Loss

Article 15 (Direct Responsibility) The person in charge of operation of the corresponding asset shall be directly responsible for the damage and loss of such asset. In case another person actually caused the damage or loss, however, he/she shall be responsible.

Article 16 (Supervisory Responsibility) The person in charge of operation of the asset shall only be responsible to the extent that preventive action was not properly taken for the cause of the damage/loss. If the person responsible for the damage/loss is not clear, however, the head of the operations department shall take responsibility.

Article 17 (Responsibility in Case of Natural Disaster) In case the damage/loss is caused by fire, flooding, earthquake, or other disasters, the person in charge of operation of the asset shall be responsible only when taking prior action to minimize the damage/loss is deemed to have been neglected. (Amended on March 1, 2007)

Article 18 (Report of Damage/Loss) ① In case of damage/loss of assets, the person in charge of operation of the asset shall prepare the following and report to the head of his or her department: (Amended on June 1, 2011)

1. Cause and date of damage/loss, asset number, model, acquisition amount, acquisition date, operations department, specification, and quantity
2. Confirmation of damage/loss by the asset manager

② The head of the operations department who received the report specified in Clause 1 shall send it to the head of the general management department. (Amended on June 1, 2011)

③ In case a critical damage/loss occurs, the head of the general management department shall immediately report the corresponding matters to the President of the University. (Amended on June 1, 2011)

Article 19 (Processing of Damage/Loss) The head of the general management department shall confirm the truth of the accident and the person responsible for the damage/loss accident as specified in Article 18 and decide the method of processing such as compensation for damage, etc.

Article 20 (Amount of Compensation for Damage/Loss) ① In principle, compensation for damage/loss shall be made based on its market value. If the market value is lower than the book value, however, the book value shall apply.

② If the market value cannot be determined, the amount of compensation for damage/loss shall be determined based on the purchase amount considering the inflation rate, depreciation, value of the waste asset, etc.

Article 21 (Execution of Compensation) ① In principle, compensation for damage/loss specified in Clause 1 shall be made in cash lump sum.

② The execution of compensation as described in Clause 1 shall be controlled by the head of the general management department, with the related departments extending the necessary cooperation.

Article 22 (Inventory Adjustment Report and Processing of Damage/Loss) ① Inventory adjustment shall be performed in case of non-confirmable errors, transfer of assets, discrepancies in stock, alteration, damage, or difference in specification as a result of inventory investigation. (Amended on June 1, 2011)

② Damage/Loss of assets in kind according to the inventory investigation result shall be processed as damage/loss. (Amended on June 1, 2011)

③ For the review of the investigation result and method of processing in the inventory adjustment report, the damage/loss processing procedure shall apply *mutatis mutandis*. (Amended on June 1, 2011)

Chapter 4 Management of Assets out of Books

Article 23 (Scope and Category) (Deleted on June 1, 2011)

Article 23.2 (Transfer Approval Procedure) (Deleted on June 1, 2011)

Chapter 5 Acquisition

Article 24 (Acquisition Period) (Deleted on June 1, 2011)

Article 25 (Acquisition Price) (Deleted on June 1, 2011)

Chapter 6 Management

Article 26 (Preparation and Management of Assets Book) (Deleted on June 1, 2011)

Article 27 (Management Organization and Person in Charge) (Deleted on June 1, 2011)

Article 28 (Processing of Unusable Assets) (Deleted on June 1, 2011)

Chapter 7 Maintenance and Repair

Article 29 (Maintenance and Repair Obligation) (Deleted on June 1, 2011)

Chapter 8 Assets Transfer Procedure (Established June 1, 2011)

Article 30 (Assets Transfer Procedure) ① The following shall be prepared and reported to the assets management department when carrying the assets of the University out to another institution for the purpose of performing a joint research project:

1. Applicant institution, user identification, and copies of research contract and research plan
2. Purpose, period, and location of transfer, whether the assets will be continuously used after the period
3. Asset number, model, acquisition price, acquisition date, operations department, specification, and quantity

② If a University faculty requests for the transfer of assets in use upon resignation, such request is not accepted as a rule. However, the transfer may be requested to general asset management department with the approval of the Department Head where the resigning professor is affiliated with. (Amended on June 8, 2016)

③ In case the request described in the foregoing clause is received, the general asset management department for assets shall consult with the related sectors in accordance with the following standards and decide on the approval of the transfer after obtaining approval from the person with approval authority.

1. Assets acquired with research funds for national agency projects (including local governments) may be transferred at no cost. However, general-purpose assets such as a PC, a laptop, a printer, and mobile devices may be sold.

2. Assets acquired with funds other than research funds for national agency projects shall be sold only if the corresponding Department Head determines that the assets are not recyclable and not regarded as a post management matter. (Established June 8, 2016)

Addendum

These amended detailed rules are established on December 19, 1994 and shall be retroactively implemented as of November 1, 1994.

Addendum

These amended detailed rules are amended on October 15, 1997 and shall be retroactively implemented as of October 1, 1997.

Addenda

1. (Enforcement Date) These amended detailed rules shall be established and shall be effective on June 1, 2001.
2. (Interim Measure) The “Processing Guideline for Unusable Asset and Damage/Loss” and the “Management Guideline for Assets out of Books” prior to the implementation of these detailed rules are integrated into and implemented as these detailed rules as of the date of enforcement.

Addendum

These amended detailed rules shall take effect on December 1, 2002.

Addenda

1. (Enforcement Date) These amended detailed rules shall take effect on September 25, 2003.
2. (Interim Measure) Matters processed prior to the amendment of these detailed rules shall be deemed processed under these detailed rules.

Addendum

These amended detailed rules shall take effect on March 1, 2007.

Addendum

These amended detailed rules shall take effect on June 1, 2011.

Addendum

These amended detailed rules shall take effect on June 8, 2016.