

# Policy

**POLICY TITLE: ASSET DISPOSAL**

**POLICY NO.: ADM-12-15**

**RESOLUTION: 217-15**

**EFFECTIVE DATE: 2015-06-10**

**DEPARTMENT RESPONSIBLE: Administration**

**NEXT REVIEW DATE: N/A**

## **STATEMENT:**

To establish a method of effectively disposing municipal assets in a manner that is

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1. This policy pertains to all assets of the Municipal District of Lesser Slave River #124 excluding land and real property.
  2. Tangible capital assets are those assets having an “as new” value of \$5,000 or more (see Policy B12 for additional information). Attractive assets are those items with an “as new” value of \$50 or more, but less than \$5,000 (see Policy B15 for additional information).
  3. Any tangible capital assets no longer needed by the Municipal District will be brought to Council to be declared as surplus who will also authorize the method of disposal. Council may establish a reserve bid if deemed necessary.
  4. Attractive assets that are no longer required may be declared surplus by the CAO and shall not be subject to a reserve bid.
  5. Other items with an “as new” value of below \$50 are deemed to be consumables and are not subject to this policy and are typically discarded or have no value once used.
  6. All tangible capital or attractive assets that are disposed by any means mentioned in this policy will require a disposal form (See Appendix A) be completed and forwarded to the finance department as a cross reference to update insurance and asset tracking listings.
  7. Finance will also be responsible for ensuring that the asset is free of any grant and/or financing related covenants that may restrict the sale of the asset.
  8. Attractive assets that are damaged beyond repair, determined to be unsafe or obsolete and have minimal or no residual value can be discarded into the landfill, recycled or sold for scrap once approved for disposal.

9. All tangible assets and any attractive assets having residual value may be disposed of by the following methods:
  - a) Sale by sealed tender to the public;
  - b) Sale through an auction mart;
  - c) Sale by consignment (tangible capital asset only);
  - d) Donation.
10. Notwithstanding Section 11, the use of guaranteed trade-in and buy back options may only be considered for tangible capital assets and only if negotiated at the time the tangible capital asset is originally purchased.
11. The disposal of a tangible capital asset may via trade-in may also be coupled with the purchase of its replacement provided that the replacement is being purchased by way of public tender.
12. All assets will be disposed or donated on an “as is, where is” basis with no warranties or guarantees provided to the purchaser.
13. Surplus items will not be sold to any MD employee, Board Member or Councillor other than through public auction unless otherwise disclosed in this policy.
14. Any public tender for an asset being disposed will have a requirement that payment in full be submitted with the sealed tender price. Acceptable forms of payment will be cash, certified cheque or bank draft. The surplus item will be awarded the bidder providing the highest tender. All tender awards shall be approved by CAO or the Director of Finance prior to the disposal of the asset. Unsuccessful bidders will have their payments returned within seven business days.
15. For public tenders where the expected sale price of an asset is expected to be in excess of \$2,500.00, the CAO may alter terms, whereby a 10% deposit will be considered in place of full payment. The successful bidder will be required to pay the outstanding balance before taken possession of the asset or within seven business days, whichever comes first. Failure to do so will result in forfeiture of the deposit and the item will be offered to the next highest bidder. All other terms of payment outlined in Section 14 will still apply.
16. If tangible capital asset was declared surplus and offered for sale through an approved process identified in Section 9, and it did not sell, Council must be notified prior to proceeding with a subsequent disposal process. This notification will allow Council an opportunity to re-evaluate the reserve price and disposal method. If no specific direction is provided, the item can be sold at a later date through an arm's length transaction approved by the CAO. For items on which Council has set a reserve bid, the CAO will sell the item for the reserve bid. For items which a reserve bid was not established, the sale price shall be at the discretion of the CAO.
17. The CAO shall have the authority to declare desktop and portable computer equipment as surplus, based on budget approvals for replacement of computer equipment. Based on the belief that staff members will be of more value to the Municipal District if they have access to up to date computers in their homes, surplus



computers may be offered for sale to MD staff at a price established by the CAO, but will not be less than \$50.00 per computer or tablet. The method of disposal is at the discretion of the CAO.

If computer items are not purchased by staff, they may be donated provided that the hard drive is erased and all specific MD programs and information are removed from the hard-drive prior to the item leaving the MD office.

18. The CAO shall have the authority to donate attractive assets with a value of less than \$2,500 to related government entities & community based organizations in the following priority (highest to lowest):
  - a) Municipal commissions;
  - b) Educational institutions and libraries;
  - c) Seniors facilities; or
  - d) Other non-profit groups.
19. Specific donation requests from groups identified in Section 18 will be considered by the CAO on a case by case basis.
20. Funds acquired through the sale of surplus tangible capital assets shall be returned to the appropriate equipment and/or vehicle replacement reserve fund. Funds acquired from the sale of other surplus goods/materials shall be deemed to be general revenue.
21. On a quarterly basis, Administration will report to Council the assets that were disposed, the disposal reason, the sale type, and the proceeds of all disposals occurring in accordance with this policy.

\_\_\_\_\_"Original Signed"\_\_\_\_\_  
Chief Administrative Officer

\_\_\_\_\_"June 10, 2015"\_\_\_\_\_  
Date

\_\_\_\_\_"Original Signed"\_\_\_\_\_  
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APPENDIX A  
ASSET DISPOSAL FORM

Date: \_\_\_\_\_

Asset/Unit # (if applicable): \_\_\_\_\_

Asset/Unit Year, Make and Model: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Serial # (if present): \_\_\_\_\_

Reason for Disposal:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Appropriate Method of Disposal:

Sell

Recycle

Discard into Landfill

Requested By: \_\_\_\_\_

CAO Approval (Attractive assets): \_\_\_\_\_

Council Motion (Tangible capital assets): \_\_\_\_\_



**SPECIAL NOTES/CROSS-REFERENCE:** Supersedes B16

**AMENDMENT DATE:** NA

