



Disposal of Surplus Assets Policy

Date Approved: May 2018

Effective Date: May 2018

Date Reviewed: September 2017

Replaces: Disposal of College Assets Policy

Purpose

To ensure that Cambrian College (the College) assets are disposed of in an efficient manner and that capital assets are properly accounted for when they are disposed.

Definitions

Asset: Items such as land, building, furniture, equipment, books, artwork, etc. funded from any source.

Capital Asset: Individual items \$5,000 and greater (net of taxes and shipping). These items have been recorded in the College's fixed asset ledger and may have a book value, unless fully depreciated.

Disposal: The transferring of title to another party by way of sale, trade-in or gift and the removal of assets from service due to discontinuance, scrapping or dismantling.

Furniture: Large movable equipment, such as tables and chairs, used to make a house, office, or other space suitable for living or working.

Gain or Loss on Asset: The difference between the net proceeds on disposal, less the asset's Net Book Value.

Information Technology Equipment "IT": Items such as computers, laptops, printers, keyboards, mainframe systems, servers and network.

Low Value Assets: Assets with a potential market value of \$100 or less.

Managed Asset: Assets that are centrally managed by a College department (e.g., furniture and IT equipment).

Market Value (MV): The amount for which something can be sold on a given market.

Net Book Value (NBV): The original cost of the Capital Asset less accumulated amortization up to and including the period and year of disposal.

Net Proceeds: The proceeds on disposal of the asset, less any costs incurred during the process.

Requisitioner: College employee requesting the disposal.

Surplus: Asset that is no longer needed or required.

Application/ Scope

All College employees and includes the disposal of all College assets regardless of value, funded from any source. This includes furniture, equipment, consumables and other assets.

The disposal of land and buildings is excluded from this policy and will be administered in accordance



Disposal of Surplus Assets Policy

Date Approved: May 2018

Effective Date: May 2018

Date Reviewed: September 2017

Replaces: Disposal of College Assets Policy

with applicable Ministry directives.

Policy Statements

Similar to the procurement of assets, disposal of assets must be done in a fair and transparent manner to ensure that no conflicts of interest exist and that the Cambrian College ("College") maximizes the outcome. In addition, the College desires to redistribute surplus assets internally to avoid unnecessary procurements.

1. Disposal Preference

Internal transfer of departmental surplus assets is the preferred method of disposal.

2. Managed Assets

Information technology equipment and furniture must be returned to the departments in which they are managed regardless of value, condition, or original account.

3. Level of Effort

When a decision is being made regarding the disposal method, all parties must consider level of effort verses asset value.

4. Determination of estimated market value

Estimated market value is determined by all parties involved in the disposal of the asset or via public auction.

5. Sale of Assets to Employees

No employee or elected official shall be able to purchase a College asset unless sold publically.

6. Ethics

Undocumented removal of College Assets (other than assets disposed of via scrapping, recycling or landfill) is considered to be theft of College property and individuals responsible for such actions will be appropriately disciplined.

7. Independent Approval

Asset disposal approvals must be done in accordance with this policy. Starting bids cannot be determined by a person who will potentially purchase the asset.

8. Removal of Large or High Risk Assets

Will ensure that all large or high risk assets being removed from the premise, have professional movers, insurance and WSIB certificate available to reduce the exposure to the College.

9. Release of Liability

All assets externally disposed of must be "as is, where is" and the College shall be released of any liability.

10. Accounting Proceeds from the Sale of Assets



Disposal of Surplus Assets Policy

Date Approved: May 2018

Effective Date: May 2018

Date Reviewed: September 2017

Replaces: Disposal of College Assets Policy

All proceeds from the sale of assets will be credited to a general account that matches the original account type (e.g. operating, capital, restricted). Costs incurred to process the sale may be transferred to the department that incurred the costs.

11. Allocation of Net Proceeds

Allocation of net proceeds from the sale of an asset refers to the planned use of the proceeds and is approved concurrently with the annual budget by Senior Team.

12. Procedures

Requisitioners must refer to the Disposal of Surplus Assets Procedure for the disposal procedures.

Responsibilities and Accountability

Requisitioners

- Comply with this policy and related procedures when disposing of assets.
- Provide accurate information and assist in the sale of assets.
- Safeguard assets that have been approved for disposal until removed from the College.

Approvers

- Ensure compliance to this policy and related procedure when approving asset disposals.

Financial Services

- Manage the disposal of assets policy and procedures.
- Approve the asset disposal and communicate any net book value to Ancillary Business Operations.
- Ensure appropriate allocation of resources following the sale of the asset.
- Records retention.

Ancillary Business Operations

- Manage internal reallocation of Low Value Assets and external sale of assets.
- Ensure the appropriate approvals have been obtained.
- Dispose of assets in the best interest of the College and in compliance with this policy, related policies and the Disposal of Surplus Asset Procedures.
- Ensure the College has been released of any liability resulting from the sale or removal of its assets.



Disposal of Surplus Assets Policy

Date Approved: May 2018

Effective Date: May 2018

Date Reviewed: September 2017

Replaces: Disposal of College Assets Policy

Approvals

Notwithstanding the approvals specified below, all disposals require the approval from the Manager, Budgeting and Reporting before proceeding with the disposal.

Disposal Category	Requesting Dept. Dean/Director	VP, Finance & Administration	Board of Governors	Other
Assets funded through College Operating or Capital Accounts				
Original cost less than \$25,000 and/or Market value is less than \$5,000	X			
Original cost is \$25,000 or greater and/or Market value is \$5,000 to \$99,999	X	X		
Market value \$100,000 or greater	X	X	X	
Donated assets (regardless of value)	X	X		Donor, if required
Assets funded by Special Projects (Restricted)				
All assets	X	X		As required by original funding agreement

Records Retention

- All records must be retained in accordance with the College’s Records Retention Policy.

Related Procedures/Forms

- Disposal of Surplus Assets Procedures
- Asset Disposal Requisition Form
- Bill of Sale and Release of Liability Forms

Related Policies / Directives / Laws/ Regulations

- College’s Conflict of Interest Policy
- College’s Record Retention Policy
- Privacy Laws
- Copyright Laws
- Landfill/Recycling Regulations (i.e. hazardous waste)
- Consumer Protection and Safety Laws