



PROCEDURES

Policy Name	Asset and Materials Disposal		
Policy #	414	Category	Financial Services
Policy Sponsor	Associate Vice-President, Financial Services	Previous Revision Date	April 9, 2018
Policy Approved by	President & CEO	Revision Date	April 4, 2023
Procedures Approved by	CFO & Vice-President, Administrative Services	Review Date	April 2028

See the related [POLICY](#).

DEFINITIONS

Asset and Materials: Saskatchewan Polytechnic assets and materials are defined as any item, whether or not it is an operable or complete unit, purchased by or donated to Saskatchewan Polytechnic. Tangible Capital Assets are defined as non-financial assets having physical substance that:

- i) Are held for use in the production or supply of goods and services; for rental to others, for administrative purposes; for the development, construction, maintenance or repair of other tangible capital assets;
- ii) Have useful economic lives extending beyond an accounting period;
- iii) Are to be used on a continuing basis; and
- iv) Are not for sale in the ordinary course of operations.

Non-asset Materials: Saskatchewan Polytechnic non-asset materials are defined as any item, whether or not it is an operable or complete unit, that are not considered Capital Assets. Examples include stainless steel, copper, scrap metal, furniture under the capitalization threshold, and electronic devices that have no salvage value such as computers, laptops, and tablets.

Surplus: Assets and Materials are considered surplus if they no longer serve a useful purpose and/or the ongoing support and maintenance costs exceed the benefits derived from the equipment, in the case of assets.

PROCEDURES

1. Asset disposal decisions, and the reasons for taking them, are to be documented. A Fixed Asset Disposal form must be completed and authorized according to the Management Authorities Grid (MAG) prior to the sale, donation, transfer, trade-in or disposal of any Saskatchewan Polytechnic assets or materials. This is to ensure correct allocation of payment and to ensure the assets are removed from the Fixed Asset system, where applicable.
2. Asset disposal decisions including those items that have been lost or stolen will be authorized as per the MAG.
3. The Shipping & Receiving Department will have the responsibility of ensuring the price

established (whether by the department or Procurement) will be based on current market value and condition of the assets/materials.

4. To account for the sale of all assets and materials, the proceeds of disposal of all assets will be credited to the individual department(s) after any offsetting expenses (auction and/or handling fees, advertising) have been paid. Saskatchewan Polytechnic assets and materials identified for disposal may be dispensed with according to the procedures below. Choice of the most appropriate disposal option will normally be influenced by the nature of the goods, their market value and by their location.

Options for Disposal of Assets/Materials:

Assets identified for disposal may be dispensed by the methods below:

- a) Sale by public tender
- b) Private sale by an agent acting for Saskatchewan Polytechnic
- c) Donation
- e) Transfer of the asset to another department
- f) Trade-in
- g) Disposal or destroyed

Sale by Public Tender

1. Items with an initial cost of \$50,000 or more must be disposed of by public tender unless the item is more than 10 years old. Other items may be disposed of by tender where the items are known to have a market value, but the value/amount is unclear.
2. Tendering is the most expensive disposal procedure and should only be undertaken where there is a clear net return to Saskatchewan Polytechnic.
3. Departments will contact the Shipping & Receiving department to oversee the sale by public tender process.

Sale – Private or by an Agent Acting for Saskatchewan Polytechnic (auction facility, Ministry of SaskBuilds and Procurement, advertising, etc.)

1. To ensure a fair price is paid in the case of a private sale, an independent person outside of the department concerned and with appropriate expertise (e.g. Information Technology Services (ITS) for computers) should be involved and confirm the sale price quoted is fair.
2. Prospective buyers should be given adequate opportunity to inspect the goods prior to sale.
3. Where an agent is to undertake sales on behalf of Saskatchewan Polytechnic, it is important to advise the agent, in writing, of Saskatchewan Polytechnic instructions relating to the sale. Information might include timeframe for sale, target revenue, condition, and location of assets, reserve price, and end-user restrictions. This advice is the formal agreement or contract with the agent and constitutes the authority for the agent to undertake the sale in accordance with Saskatchewan Polytechnic requirements.
4. Collection or forwarding of the goods is normally contingent on the presentation to Saskatchewan Polytechnic of evidence of payment of the sale price for private sale.

Donations

1. Where Saskatchewan Polytechnic has determined that goods have:
 - a. Marginal residual value (meaning their disposal is unlikely to produce offsetting revenue); and
 - b. Not economically viable to dismantle the asset for parts.
2. Saskatchewan Polytechnic may authorize the donation of the goods to another organization. Organizations with a community service role are recommended. This includes but is not limited to schools, charities, non-profits, and volunteer organizations.
3. Donations must be approved by a member of Senior Leadership Assembly (SLA) and there must be confirmation by Financial Services that the goods have marginal residual value and no significant market value.
4. A donation request and release form must be completed and authorized prior to the release of any of Saskatchewan Polytechnic Assets and Materials.

Redeployment/transfer to another department

1. In some cases, an asset may be of no use for a department but may be of value to another department within Saskatchewan Polytechnic. In this case, the asset may, upon agreement between both departments, be transferred. Such transfer will be completed at net book value (NBV) by the Finance department.
2. A Fixed Asset Transfer form must be completed with appropriate authorizations according to the Management Authorities Grid (MAG).

Trade-In

1. Items may be traded in where this maximizes the net return to Saskatchewan Polytechnic.
2. The Asset Disposal form must be completed, authorized, and forwarded to the Procurement department with the purchase order (PO) number of the new asset being acquired.

Recycle

1. Wherever possible as part of Saskatchewan Polytechnic's corporate social responsibility mandate, assets and materials will be recycled when all attempts to redeploy or sell have been unsuccessful and/or if the cost of salvage exceed the benefits.
2. Saskatchewan Polytechnic presently works with:
 - a. Non-profit organizations to recycle printer cartridges, batteries and paper; and
 - b. SARCAN SWEEP program to recycle desktop computers and electronic devices.

For computer assets and electronic devices, all will be properly decommissioned prior to disposal to protect Saskatchewan Polytechnic from violation of software agreements or leaks of confidential or sensitive information.

Scrap/Salvage

1. Assets or materials are considered scrap or salvage material if:
 - a. they have been damaged beyond economical repair.
 - b. they have become an environmental, safety or health hazard.
 - c. attempts to redeploy or sell the asset/materials have been unsuccessful, and/or

- d. the costs of other disposal methods exceed the benefits.
2. The Shipping and Receiving department will dispose of the asset in the most economical and environmentally safe manner possible. A Scrap Metal Disposal or Surplus Material Disposal form must be completed and authorized according to the Management Authorities Grid (MAG).
3. Items with no market value, no use to any other organization or person and with no recyclable value may be destroyed in an appropriate and safe manner in accordance with any safety data sheets or other relevant documentation, if applicable

Lost or Stolen

1. Lost or stolen Saskatchewan Polytechnic assets/materials are considered disposed and require the submission of a Fixed Asset Disposal form.
2. This Fixed Asset Disposal form, together with the Campus Security Incident report, must be forwarded to the Shipping and Receiving department at the campus as notification that the asset was lost/stolen.
3. All losses over \$500 that were due to fraud or similar illegal acts (such as theft) must be reported to the Manager of Payroll.