

Policy Name	<b>Asset and Materials Disposal</b>		
Policy #	<b>414</b>	Category	<b>Financial Services</b>
Policy Sponsor	<b>Associate Vice-President, Financial Services</b>	Previous Revision Date	<b>June 5, 2012</b>
Policy Approved by	<b>President &amp; CEO</b>	Revision Date	<b>April 9, 2018</b>
Procedures Approved by	<b>CFO &amp; Vice-President, Administrative Services</b>	Review Date	<b>See Policy Review Date or As Required</b>

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. Assets are defined consistent with Saskatchewan Polytechnic's Fixed Asset Capitalization Policy #404.

**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. If no monetary transaction is involved, the necessary documentation must be completed as per its specific process set out below in the process guidelines.
2. Asset disposal decisions will be authorized by the budget unit manager for those items with an initial cost of less than or equal to \$50,000. For those items that have been lost or stolen or had an initial value of greater than \$50,000 the disposal must be authorized at the Senior Management Assembly (SMA) level of authority.
3. Procurement 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.

5. 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.

### **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 Procurement department to oversee the sale by public tender process. A Fixed Asset Disposal form must be completed and authorized prior to any sale of Saskatchewan Polytechnic Assets or Materials are removed from the fixed asset system.

### **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 schools, charities and volunteer organizations.
3. Donations must be approved by a member of Senior Management Assembly (SMA) 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.

### **Sale – Private or by an Agent Acting for Saskatchewan Polytechnic** (auction facility, Ministry of Central Services (MCS), consignment, newspaper 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. The advice should be signed as per the Management Authorities Grid (MAG).
4. Collection or forwarding of the goods is normally contingent on the presentation to Saskatchewan Polytechnic of evidence of payment of the sale price.

5. A Fixed Asset Disposal form must be completed and authorized prior to any sale of Saskatchewan Polytechnic assets and/or materials. This is to ensure correct allocation of payment and to ensure the assets are removed from the Fixed Asset system.

### **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 such case, the asset may, upon agreement between both departments, be transferred. Such transfer will be completed at net book value (NBV).
2. A Fixed Asset Transfer form must be completed with appropriate authorizations and signatures.

### **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.

### **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 storage 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 (Fixed Asset Disposal forms must be completed with appropriate authorizations).
3. Documentation (forms) must be completed and authorized for all assets to ensure they are removed from the Fixed Asset system.

### **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 storage exceed the benefits.
2. The Procurement department will dispose of the asset in the most economical and environmentally safe manner possible. A Scrap Metal Disposal or Surplus Materials Disposal form must be completed and authorized.
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.
4. A Surplus Material Disposal form must be completed and authorized appropriately and forwarded to the Procurement department to ensure assets are removed from the Fixed Asset System.

## **Lost or Stolen**

1. Lost or stolen Saskatchewan Polytechnic assets/materials are considered disposals 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.