



qathet

REGIONAL DISTRICT

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| SECTION 3 | FINANCIAL POLICIES |
| POLICY | 3.17 |
| SUBJECT | ASSET DISPOSAL POLICY |
| ADOPTED | OCTOBER 25, 2023 |

1. POLICY STATEMENT:

It is the policy of the qathet Regional District (qRD) to dispose of surplus assets in a transparent, cost-efficient, non-discriminatory and sustainable manner.

2. PURPOSE:

To establish policy and control over disposal of surplus assets or assets that have reached the end of their economic life, ensuring disposals are carried out in a transparent, cost-efficient, non-discriminatory and sustainable manner. This policy applies to all qRD employees, elected officials and others who may be entrusted with qRD assets. Disposals of land are not within the scope of this policy.

3. PROCESS:

- (a) When Staff identifies an Asset as Surplus or Obsolete a Capital Asset Transfer / Disposal (CATD) Certificate must be initiated and filled out in accordance with the instructions on the form.
- (b) The Manager of Financial Services, in conjunction with the Department Manager, will consider the information provided on the CATD Certificate and recommend the appropriate method of disposal.
- (c) The Department Manager or Supervisor of the function responsible for the assets will coordinate the disposal in the manner deemed appropriate and in accordance with the disposal methods outlined in this policy.
- (d) The Board must be informed of the intent to dispose of assets that have a historical cost in excess of \$100,000.
- (e) Any proceeds from the disposal of an Asset must be deposited to the service that owned the asset immediately prior to disposal.

4. **METHODS OF DISPOSAL (In order of preference):**

- (a) **Internal Transfer:** A qRD function specific Asset that is deemed a Surplus Asset but still has Economic Life can be transferred to another qRD function at the net book value of the asset.
- (b) **Trade-in:** An Asset at the end of its Economic Life can be traded in toward the cost of another Asset of similar use and purpose as a replacement Asset. This is commonly done with corporate vehicles, for example.
- (c) **Public Offering:** An “Asset for Sale” listing can be prepared for advertising on an “as is, where is” basis and may use any of the following in an effort to maximize the proceeds of sale and remove any concern for conflict of interest:
 - i. qRD website and / or related social media.
 - ii. BC Bid, BC Auction, news publications, or other broad reaching, public facing medium.
 - iii. Local qRD solid waste facilities, post offices, community bulletin boards, or other public gathering places in the area in which the item for sale is located.
 - iv. Viewing of the Asset for sale may be required to solicit the appropriate level of interest and such viewings will be coordinated with the Department Manager responsible for the asset.
 - v. For items on public offer, the Department Manager may determine which offer to accept based on best value achieved.
- (d) **Donation:** An Asset at the end of its Economic Life may be donated to a non-profit organization. The net book value would be considered the value of the donation. The following organizations should be considered for donation of qRD Surplus Assets, particularly IT Assets:
 - i. Registered charities
 - ii. Educational institutions
- (e) **Recycling:** If an Asset at the end of its Economic Life is not sold, traded or donated, it will be recycled to the fullest extent possible in a manner that minimizes environmental impact.
- (f) **Waste:** If all other disposal options have been exhausted, an Asset that is at the end of its Economic Life or is deemed Obsolete will be taken to the nearest appropriate qRD solid waste facility.

- (g) Obsolete or Surplus IT equipment will have its hard drive destroyed by the IT Department Manager (or designate) or IT contractor and the components (computer units, screens, keyboards, etc.) will be scavenged, recycled and the residual will be taken to the nearest appropriate solid waste facility. The IT Department may make use of the Electronic Recycling Association (ERA) program wherein the ERA wipes and refurbishes old computer hardware and then donates the items to organizations and people in need.
- (h) If a more advantageous option to dispose of an Asset is an alternative method, not identified above, the Chief Administrative Officer will have the authority to approve of an alternative disposal method.
- (i) Unless specifically addressed in another policy, elected officials, employees and their immediate family members can bid on assets that are posted for sale to the public but are prohibited from obtaining qRD Assets prior to the assets being offered for sale to the public.

5. DEFINITIONS:

“Asset” means an item of economic value that could be converted to cash.

“Capital Asset Capital Asset Transfer / Disposal (CATD) Certificate” means an internally developed form containing the details of a proposed Surplus Asset disposal, which may be amended from time to time.

“Department Manager” means the manager of a specific department of the qRD.

“Immediate Family Member” means father, mother, sister, brother, stepfather, stepmother, stepsister, stepbrother, father/mother/sister/brother-in-law, spouses/common law spouses, and/or children.

“IT” means computers and information technology.

“Net Book Value” is the historical cost of an asset less the depreciation realized during the life of the asset at the time of disposal.

“Obsolete Asset” is an asset that no longer has usefulness to the qRD because it is no longer compatible with other assets or systems, is no longer supportable by IT or outside firms, is no longer operational, is no longer safe to use, or the cost of ownership exceeds its value or the benefits it provides (i.e. insurance, maintenance, storage fees, and operating costs).

“Surplus Asset” is an asset that has economic value that can be converted to cash but is not meeting operational requirements in its current capacity or is no longer cost effective to maintain. This type of asset includes but is not limited to office furniture and equipment, computers, cameras and audio-visual equipment, fire equipment, construction or shop tools and equipment, park equipment, and all fleet vehicles and trailers (including components such as storage boxes and tires). Land does not fall into this definition.

“Tangible Capital Asset” is an asset that has a historical cost in excess of \$3,000, has a useful economic life of several years, is capitalized in the fixed asset register and is depreciated over its useful life.

“Vehicle” means a passenger vehicle such as a car, van or pick-up truck, and specifically also includes Fire Trucks, Garbage Trucks, Mobile Library, Trailers, Bobcat, Forklifts and other forms of heavy machinery, or is licensed through ICBC for on or off-road use.