
Safeguarding of Tangible Public Assets: Disposal of Assets and Items of Value

PURPOSE

Departments may, from time to time, determine that Assets or Items of Value are no longer required to achieve the mission of the College. In such cases, it may be in the interests of the College to dispose of such assets in a manner which reflects good stewardship.

1.0 DEFINITIONS

Assets

- economic resources controlled by NBCC as a result of past transactions or events and from which future economic benefits may be obtained. Assets have the following three characteristics:

- they embody a future benefit that involves a capacity singly or in combination with other assets to provide services
- NBCC can control access to the benefits
- the transaction or event giving rise to the entity's right to or control of the benefit has already occurred.

Budget Managers

- NBCC personnel specifically accountable for the ongoing management of a single or a collection of departmental budgets (as denoted by specific ORACLE coding). Budget Managers may include Task Managers (e.g. function managers), Option Managers (e.g. Academic Chairs, Directors) and ORG Managers (e.g. Deans of Schools and members of College senior management).

Capital Assets

- tangible properties such as land, buildings and equipment, and intangible properties are identifiable assets that meet all the following criteria:

- are held for use in the provision of services, for administrative purposes, for production of goods or for the maintenance, repair, development, or construction of other capital assets
- have been acquired, constructed, or developed with the intention of being used on a continuing basis
- are not intended for sale in the ordinary course of operations
- are not held as part of a collection (see Collections Held by not-for-profit organizations, Sec PS 4240)

Disposals

- result when the ownership of a capital asset is relinquished. Disposals reduce the cost of capital assets and accumulated amortization to zero.

Items of Value

- small tools, equipment, or supplies having a value but have not been capitalized as their value falls below the capitalization threshold.

2.0 IMPLEMENTATION

2.1 Approval

2.1.1 Disposals may only occur upon prior, written approval by the appropriate level of authority. For the purposes of this guideline, the following table outlines the appropriate level of authority:

Disposal Value	Approval Authority
Negative (i.e. net cost to dispose)	OPTION Manager
\$0 to \$5,000	TASK Manager
\$5,001 to \$25,000	OPTION Manager
\$25,001 +	ORG Manager, or Relevant Senior Executive Team member

2.1.2 In seeking such approval, the department should identify:

- The specific item(s) incl. model, serial number, and any PNB/College identification tags which may be affixed
- Date of purchase (or age)
- Original purchase value, donation value, or aggregate cost of labour, materials, and supplies to create or construct
- Expected/suggested sale value; and
- Reason for recommending disposal

2.1.3 In seeking such approval, the department should additionally recommend a proposed disposal procedure e.g. tender, sale, transfer (to department within the College), donation (to party external to the College), recycling, dumping/scraping.

2.2 Disposal Procedure

2.2.1 No recommendation with regard to disposal procedure may supersede the understanding that a competitive process should be called where appropriate and feasible.

2.2.2 No recommendation with regard to disposal procedure may supersede the understanding that other departments of the College may wish to obtain the Asset or Item of Value from those no longer requiring them. Budget Managers having approval authority pursuant to s. 2.1.1 should be prepared, at the discretion of the College, to transfer the Asset or Item of Value to another department of the College.

2.2.3 To facilitate the potential transfer of Assets or Items of Value between departments of the College, all approved disposals shall be forwarded to procurement@nbcc.ca so that they may forward it, with reasonable deadline for response, to the Director, Facilities and Ancillary Services and Regional Operations Managers related to all locations for dissemination at their discretion to others at their location.

2.2.4 If agreement between Budget Managers is reached within reasonable timeframes for the transfer of Assets or Items of Value between departments of the College, then no further competitive process (e.g. public tendering invitations to bid) would be required.

Any document appearing in paper form is uncontrolled and must be compared to the electronic version.

- 2.2.5** Should the transfer between departments include a transfer value greater than \$0, it should not exceed the lower of original purchase value, estimated or appraised donation value or aggregate of cost of labour, materials, and supplies to create or construct, as applicable. Consideration may be given to the proposed disposal value outlined by the approving Budget Managers.
- 2.2.6** If no interest by other departments of the College occurs, departments may proceed, with their proposed disposal procedure as identified in s. 2.1.3 of this guideline.
- 2.2.7** With the exception of employee's participation in a competitive process (e.g. bids), no Asset or Item of Value may be sold or transferred to an employee of the College without approval of the Senior Executive Team member (to whom the Budget Manager proposing the disposal reports).

2.3 Terms of Disposal

- 2.3.1** Disposals of Assets and Items of Value should be transferred on an "as-is, where-is" basis without further warranty by the College. It is neither recommended nor appropriate that further warranty be provided by the College.
- 2.3.2** If, in extraordinary circumstances, any other commitment is given to or required of ¹, the purchaser/transferee then the disposing Budget Manager (i.e. seller/transferor department) will be responsible for related costs for any unmet commitments.
- 2.3.3** Bills of sale, receipts and/or journal entries should reference the specific item, model, serial number, and any PNB/College identification tags which may be affixed.
- 2.3.4** For transfers and donations, the appropriate transfer agreement (form) shall be completed and/or reviewed in advance and placed on file with procurement@nbcc.ca.
- 2.3.5** Disposals of Assets and Items of Value shall be subject to the charge/collection of Harmonized Sales Tax.
- 2.3.6** Where reasonably possible, payments received for items in excess of \$1,000 should be by cheque payable to the "New Brunswick Community College".
- 2.3.7** Proceeds from the disposal of Assets and Items of Value must be deposited to the credit of the College through normal cash handling procedures. (For more information, contact AR@nbcc.ca.)
- 2.3.8** Revenue (or recovery) associated with proceeds from the disposal shall be credited to the appropriate seller/transferor (i.e. department) account.
- 2.3.9** Any disposal costs which are unrecovered through sale/transfer price shall be debited to the appropriate seller/transferor (i.e. department) account.
- 2.3.10** Permission to expend in whole or in part the net revenue (or recovery) should be approved in writing by the Senior Executive Team member (to whom the Budget Manager proposing disposal reports).

¹ e.g. reinstatement of location where Asset or Item of Value located

2.3.11 Interpretation or issue resolution with regard to any aspect of this guideline shall be the responsibility of procurement@nbcc.ca to the extent possible, with potential escalation to the Director of Finance and ultimately the Vice-President (Finance & Administration) where, in such extraordinary circumstances, it is required.

2.4 Update of Accounting and Other Records

2.4.1 On receipt of an approved disposal in s. 2.2.3, procurement@nbcc.ca shall forward the information to Team Budget & Reporting and Risk Management for update of any relevant accounting records (e.g. Capital Assets), insurance records, insurance policies and/or claims.

2.4.2 On receipt of an approved disposal in s. 2.2.3, departments and Regional Operations Managers shall update their registers or inventory, as applicable, with regard to disposals for their department or Campus/location.