

 <b>Confederation</b> COLLEGE <b>COLLEGE Operating PRACTICE</b>	Number: 2-2-04	# of Pages: 2
	Originator:	Director of Finance
	Approved By:	College Planning Committee
	Effective Date:	March 23 , 2011
	Replaces:	APRIL 24, 2002
<b>DISPOSAL/TRADE-IN OF SURPLUS/OBSOLETE/UNUSEABLE GOODS</b>		

1. **PREAMBLE**

Surplus fixed assets or non-capital furniture, equipment and fixtures are to be disposed of in a fair and equitable manner by the College. Requests to dispose of all fixed assets or non-capital furniture, equipment and fixtures (with total value estimated at \$1,000 or greater) must be approved in advance. The approval must give ample time beforehand so goods can be taken out of service and disposed of in the proper way to avoid unnecessary storage.

2. **DEFINITIONS & SCOPE**

Fixed Asset: A fixed asset is a unique piece of furniture, equipment or building with a fixed asset tag and an original price over \$1,000 per unit.

Non-Capital Item: Non-capital items are everyday pieces of furniture, equipment fixtures with an original cost of under \$1,000 each, but a disposal value of over \$1,000 for the whole lot. Groups of furniture and equipment with an estimated total value of less than \$1,000 are not subject to this policy so managers are left to sell or dispose of the items in the most sustainable method.

3. **RESPONSIBILITIES & APPROVALS**

You will need approval from the Dean/Director and Director of Finance, when disposing capital and non-capital items. The disposal form must also be approved by the Vice President of College Services for exceptions to this policy (example would be the corporate decision to donate equipment with a total value of more than \$1,000 to a worthy charity).

**DISPOSAL HEIRARCHY FOR DISPOSAL OF GOODS**

- 3.1 For Computer Equipment Disposal Procedures see form, #7-2-4 Disposal of Surplus Computer Equipment.
- 3.2 **TRADE IN:** The first step when replacing fixed assets or non-capital items; will be to inquire to receive a trade in value when purchasing new equipment, furniture or fixtures. And to have the vendors dispose of the fixed assets or non-capital items if goods to be taken out of service have no value.
- 3.3 **INTERNAL USE:** If there is no trade in value for the replaced items they should be registered by the Department Manager on the internal classifieds for two weeks for reuse in another department.
- 3.4 **SELL:** If the fixed asset or non-capital items have net proceeds greater than \$1000; purchasing will be notified to make the arrangements for advertising through online websites, for competition of item. Otherwise Managers will be responsible for selling. All sales must charge 13% HST on final sale.
- 3.5 If the fixed asset or non-capital item has no value, then the department that is responsible for the item can give it away or dispose of it in five different ways:
- 3.6
  - 1. The first option must be to discover if any of our local charities have a use for the item.
  - 2. The second option is to give it away to Confederation College students or the general public.

3. If the item is not wanted by students or the public, Restore may then be contacted for pick-up.
4. If the item can be considered scrap metal, it can be taken and placed into the scrap metal bin at the Dorion building.
5. Finally if none of the above options are possible for the item, the last option is to dispose of the item(s) in a sustainable manner.

#### 4. PROCEDURES

- 4.1 Where a department declares equipment surplus to its requirements, it shall fill out the Disposal of Assets Form and route the form for approval with the quantities, description, model number, serial number, college inventory number, net worth, condition of the surplus goods and reason for disposal.
- 4.2 The Department responsible (for assets) is to determine:
  - a) The usefulness of the equipment to another department.
  - b) If the item(s) should be sold at a separate sale.
  - c) If the item(s) should be put into their department's designated storage space.
  - d) If the item(s) should be disposed of immediately by public tender, auction or other means.
- 4.3 The Department responsible will arrange or coordinate the method of sale including advertising, collection, and removal of college inventory tags and completing the forms. Using the Disposal of Goods Hierarchy stated above (If the department needs guidance on how to dispose of certain items they may contact facilities for advice).
- 4.4 It is the responsibility of the Department to publish the availability of surplus equipment with useful life. From there any department may request an item be transferred to it. No large assets should be transferred between departments or sold or disposed of without the knowledge of the Facilities Department, who can give advice of mover to use and/or deal with any compromise of building operations, involvement regulatory code requirements or affect on structural integrities.
- 4.5 Revenues from the sale of surplus items go to the college general revenue fund. Exceptions must be approved by the Vice President of College Services.
- 4.6 The Information Technology Department should be informed of any surplus computer equipment. They will assess the equipment's usefulness and if not useful, will follow the operating practice: #7-2-4 Disposal of Surplus Computer Equipment.
- 4.7 Items not sold after 3 weeks will either be donated to charity or disposed of by the Department responsible using the Disposal Hierarchy method.
- 4.8 The Department responsible will provide the Director of Finance's Department with the College asset tag, along with the completed form updated with information whether the goods were disposed of or sold, along with the estimate of the age and original historical cost (to post disposal in the accounting records).

# Confederation College Disposal of Assets Form

To be used whenever Confederation College assets are no longer needed and require disposal action.

Date:  Department:

Requested by:  Print Name  Signature Ext.:

# of Items:  Location:

Reason for Disposal (Check one)    Obsolete     Surplus     Broken

Sold or Disposed of:

**DETAILS**

ITEM	DESCRIPTION & CONDITION	SERIAL #	TAG #	Original/Historical Cost Est. \$	Present/Sales Value Est. \$
1					
2					
3					
4					
5					
6					
7					
8					
9					

(Attach sheets as necessary)

**Final Sales Value \$**   
HST at 13% must be charged or included.

**INSTRUCTIONS**

- The department information section must be complete with description, serial number, asset inventory tag number and appropriate authorization. Upon equipment disposal this form must be forwarded to Director of Finance's office along with asset tags
- Copy to be retained by department of origin.
- Copy with asset inventory tags to Director of Finance's Department.

**DEPT. HEAD AUTHORIZATION**

Dean/Director Approval

Director of Finance

Signature

Signature

Date

Date