

## **Surplus Tangible Asset Management**

<b>Reviewed Date</b>		<b>Number</b>	<i>F10112</i>
<b>Revised Date</b>		<b>Approved Date</b>	<i>October 27, 2021</i>

### **Introduction**

#### **Purpose**

The purpose of this policy is to clarify the process used by the health unit when disposing of surplus items or assets.

#### **Legislative Authority**

#### **Policy Definitions and Interpretation**

**Asset:** Tangible property owned by the health unit which has or had economic value.

**Surplus Asset:** Assets which are not utilized in the course of current operations and are unlikely to be utilized in the future or items whose storage or maintenance costs exceed any likely future benefit to the agency.

**Low Financial Value:** The aggregate estimated residual value of the surplus asset(s) defined as Unit Price x Number of Units does not exceed \$500.

**High Financial Value:** The aggregate estimated residual value of the surplus asset(s) defined as Unit Price x Number of Units is greater than \$500.

#### **Policy**

The health unit will maximize the value of agency assets by recognizing unutilized assets and redeploying, selling, gifting, or disposing of them in a transparent and consistent process, as per the SMDHU Procurement Policy F10107 – Disposal of Goods.

No board of health member, employee or volunteer shall personally obtain any property that has been declared surplus unless it is obtained through a public process

#### **Procedures**

A transparent and consistent process for the disposal of assets is an important internal control for the agency ensuring several key components of good governance including: that such transactions are documented, that an attempt to maximize value for the agency is made, and that any perception of conflict of interest is minimized. For these reasons, the following steps are required:

1. The Program Manager responsible for the surplus asset will discuss the utilization of the asset with their respective Vice-President determining whether the asset can be

redeployed within the agency or whether the asset is surplus. The Program Manager will determine whether the asset retains any financial value.

- *Surplus IT equipment will not be redeployed to agency programs/staff without the prior consent of the Vice President, Human Resources & Infrastructure and the Privacy Officer.*

**If the asset could be redeployed within the agency:**

2. The Program Manager completes the *Surplus Asset Form* indicating that the asset is designated for redeployment. The Program Manager does not require Vice President authorization for this step. The Program Manager sends the completed form to Finance (Procurement).
3. Finance (Procurement) distributes a Surplus Items notice to the Program Manager listserv notifying them of available items.
4. Interested Program Managers contact Procurement to coordinate delivery of items.
5. Any items not claimed by other departments proceed to the disposal or gifting process in steps 6 – 10 or 11 – 15 based on asset value.

**If the asset is determined to be of Low Financial Value:**

6. The Program Manager completes the *Surplus Asset Form* indicating that the asset is designated for disposal or gifting. The Program Manager sends the completed form to their respective Vice President who authorizes the form. The Program Manager sends the signed form to Finance (Procurement).
  - In the event that non-financial concerns (e.g. IT equipment or privacy) require the asset to be destroyed rather than auctioned/gifted, the *Surplus Asset Form* should be prepared indicating disposal.
7. Finance (Procurement) and the Program Manager determine if there are opportunities to gift the asset. Gifted items should be donated to reputable non-profit charities and organizations only.
8. The Program Manager contacts appropriate organizations and determines interest in the low value asset. If multiple organizations express interest, the Program Manager will select the organization based on how closely it aligns with Public Health policies and objectives.
9. The organization receiving the asset will acknowledge receipt in writing and a copy of the acknowledgement will be provided to Finance for record keeping purposes.
10. If the low value item cannot be gifted, Procurement will contact the agency's recognized waste management vendor to dispose of the asset.

**If the asset is determined to be of High Financial Value:**

11. The Program Manager completes the *Surplus Asset Form* indicating that the asset is designated for auction. The Program Manager sends the completed form to their respective Vice President who authorizes the form. The Program Manager sends the form to Finance (Procurement).

- *In the event that non-financial concerns (e.g. IT equipment or privacy) require the asset to be destroyed rather than auctioned/gifted, the Surplus Asset Form should be prepared indicating disposal.*
12. Finance (Procurement) and the Program Manager collect additional details such as specifications, asset condition, and images in order to proceed with the auction.
  13. Finance (Procurement) contacts the recognized agency auctioneer (e.g. GovDeals Marketplace) to arrange the sale of the asset and provide details.
  14. Revenue received from sale of assets are allocated to the general agency cost centre unless otherwise approved by the Medical Officer of Health.
  15. In the event of a failed auctions, Finance and the Program Manager consult to determine whether to attempt a second auction or proceed to gift/dispose of the asset. A revised Surplus Asset Form is reviewed and approved by the departmental VP.

***Related Policies***

FI0107 Procurement Policy

***Related Forms***

FI0112(F1) Surplus Asset Form

***Final Approval Signature:*** \_\_\_\_\_

Review/Revision History:

### ***Addendum # 1 – COVID Mass Clinic Surplus Tangible Assets***

Due to the large number of surplus assets resulting from the completion of the COVID-19 Mass Immunization Clinics, the following temporary revisions to the disposal process are recommended:

1. Use of the Surplus Asset Form will not be required. Instead, tables and spreadsheets will be utilized to compile and approve transactions.
2. Facilities Management and Procurement will compile a draft master list of assets acquired for the COVID-19 Mass Immunization Clinics.
3. Facilities Management will complete a physical count to confirm items can be accounted for.
4. The final Master List of Assets will be distributed to all Program Managers for re-allocation to agency programs on a first come first serve basis.<sup>1</sup>
5. Remaining items will be sorted into high and low value items by Facilities Management & Finance for approval by Executive.
6. Clinical Services will compile a short-list of approved donation recipients for approval by Executive.
7. Low value items will be offered on a first come first serve via mass email to all short-listed recipients.
8. Procurement will auction higher value items through GovDeals with logistical support from Facilities Management.

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<sup>1</sup> *Potential Mass Clinic Equipment Kit proposed by N. Riewe would be completed before distribution of final list*