

Title: Disposal of Assets

Policy No: 9100

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Department: Corporate Services

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Legal References:

Agricultural Societies Act, R.S.A. 2000, c. A-11.
 Societies Act, R.S.A. 2000, c. S-14
 Municipal Government Act, R.S.A. 2000, c.M-26
 Canada Not-for-profit Corporations Act (Canada), S.C. 2009, c.23
 Income Tax Act (Canada), R.S.C. 1985, c. 1 (5th Supp.).

Cross References:

Bylaw 20-855 "Advertising"
 Policy 1507 "Tangible Capital Assets"
 Policy 1034 "Asset Management"
 Policy 8002 "Community Grants"
 Policy 8011 "In-kind Donations"
 Policy 1034 "Asset Management"

Purpose: To establish consistent, transparent, and equitable processes on the disposition of Greenview owned assets and surplus supply of goods in a fair manner, while recovering the maximum residual value

1. DEFINITIONS

- 1.1. **Asset** means an economic resource controlled by Greenview as a result of past transactions or events and from which future economic benefits are expected to be obtained. Assets have three essential characteristics:
 - A) They embody a future benefit that involves a capacity, singly or in combination with other Assets, to provide future net cash flows, or to provide goods and services;
 - B) Greenview can control access to the benefit; and,
 - C) The transaction or event giving rise to Greenview’s control of the benefit has already occurred.
- 1.2. **Chief Administrative Officer (CAO)** means the Chief Administration Officer for Greenview or their delegate.
- 1.3. **AMO** means Asset Management Officer of Greenview.
- 1.4. **Disposal** means to sell or dispose of an Asset.
- 1.5. **Greenview** means the Municipal District of Greenview No. 16.
- 1.6. **Miscellaneous Goods** mean Surplus goods or Assets where the value is less than the estimated cost of commission at auction, which are not accepted for sale by auction, or that otherwise do not meet the definition of a Tangible Capital Asset.

- 1.7. **Net Book Value** means the historical cost of an asset less accumulated amortization.
- 1.8. **Non-profit Organization (NPO)** means an organization which provides products or services to improve or benefit a community. Any money made by a Non-profit Organization is not for the personal gain of its directors, members, or officers, but whose excess revenue goes back into the organization to further its aims and projects. For the purposes of this policy, organizations incorporated under the following acts of Alberta and Canada are considered Non-Profit Organizations:
- A) *Agricultural Societies Act*;
 - B) *Societies Act*;
 - C) *Canada Not-for-profit Corporations Act (Canada)*; or
 - D) Registered as a charity under the *Income Tax Act (Canada)*.
- 1.9. **Senior Leadership Team (SLT)** means the CAO and Directors of Greenview.
- 1.10. **Surplus** describes the amount of an Asset or resource that exceeds the portion that's actively utilized.
- 1.11. **Tangible Capital Asset** means financial Assets having a physical substance that:
- A) Are held for use in the production or supply of goods or services;
 - B) Have useful lives that extend beyond one year;
 - C) Are to be used on a continuing basis by Greenview; and
 - D) Are not for sale in the ordinary course of operations.

2. POLICY STATEMENT

- 2.1. Assets to be disposed of with a value less than \$1,000.00 may be disposed of at the discretion of the CAO. Assets with a Net Book Value greater than \$1,000.00 will be presented to Council for Disposal approval.
- 2.2. Beginning on January 1st, managers will compile a list of all Miscellaneous Goods and Assets that are at the end of their useful life, in need of replacement, or not required by their respective Greenview departments. All department Surplus lists require Director sign-off prior to being released to the AMO.

Once the AMO has reviewed the list, it will be brought to SLT for approval. Once approved by SLT, the Surplus list will be presented to the Council no later than the second Council meeting in February.

The AMO will initially bring two Disposal lists to Council. The first list will include Electronics, Office Equipment, and Small Equipment/Tools to be disposed of (See Section 3.2). The second list will be a draft proposal of all the Machinery, Equipment, and Fleet Assets for Disposal. Assets on the first list are to be Disposed of once approved by Council. The CAO will be responsible for the Disposal of the Surplus Assets in accordance with this policy.

The final list of Machinery, Equipment, and Fleet Assets and whatever is remaining for Office Equipment, Electronics, and Small Equipment/Tools from the first list, will be brought to SLT at the beginning of June for approval, to be presented to Council by the second Council meeting in June for Disposal approval. The CAO will be responsible for the Disposal of the Assets on the approved list in accordance with this policy.

- 2.3. Council may establish a reserve bid for Asset Disposal.
- 2.4. Any item determined to be of no value or unsafe must be Disposed of as waste or recycled in an appropriate manner.

2.5. All items to be sold are on an “as is, where is” basis with no warranties or guarantees expressed or implied.

3. DISPOSITION OF ASSETS

3.1. Surplus Assets will be identified annually; however, it is recognized that there may be an occasion when an unplanned Disposal of an asset is determined advisable or necessary.

3.2. Surplus Assets will be Disposed of in one of three ways once approved by Council:

- A) All Electronics, Office Equipment and Small Equipment/Tools will be offered to Non-profit Organizations for purchase or donation. If offered for purchase, Council will set the minimum value for which the Asset may be sold. The Asset will be posted to Greenview’s website for a period of 6 (six) weeks. Assets will be sold on a first-come, first-served basis, proposals must be sent to the following email address greenview_surplus@mdgreenview.ab.ca;
- B) The remaining Electronics, Office Equipment and Small Equipment/Tools shall be available for staff to purchase with the sale price determined by Council. The AMO shall post the assets on SharePoint for a period of 6 weeks. The names of staff will be gathered via email and then will be put on a raffle where the staff member chosen will have the opportunity to purchase the Asset.
- C) Assets that have not been sold in the first two steps will be added to the Machinery, Equipment, and Fleet Assets to be presented at the second Council meeting in June and sold at auction.

3.3. The auctioneer used to Dispose of Assets will be selected by Council resolution.

3.4. Non-profit Organizations and municipalities may apply for Surplus Asset donation or sale provided they:

- A) Submit written requests to the CAO expressing interest in a Greenview Surplus Asset slated for Disposal.
- B) Greenview Administration will present the requests to Council for approval. Council may approve a donation of an Asset or may recommend the sale of the Asset directly to a Non-profit Organization or other municipality. Greenview Council may determine the price of the sale to a maximum of the net book value of the surplus asset.

3.5. Emergency & Protective Services Asset Disposal:

- A) Emergency vehicles will be Disposed of through Council with a reserve price set by Council. This is to cover the cost of returning these vehicles back to their original state prior to becoming an emergency vehicle. The Assets may be made available for purchase by municipalities once the Assets have been de-badged and key Greenview Assets have been removed. These Assets may be presented throughout the year or as required when determining new Asset availability.

4. COUNCIL RESPONSIBILITIES

4.1. Council is responsible for providing Administration direction on Asset Disposal as outlined in this policy.

4.2. Council shall set the reserve price, and review and approve the Disposal of Emergency & Protective Services Assets.

4.3. Council is responsible for approving the Disposal of Assets exceeding \$1,000.00, and those Assets presented to Council for Disposal direction.

5. ADMINISTRATION RESPONSIBILITIES

- 5.1. Administration shall annually produce a registry of Surplus Assets and Assets for Disposal.
- 5.2. Administration shall notify departments of the due date to have Surplus Asset ready for Disposal.
- 5.3. Administration will adhere to this policy and the procedures for the Disposal of Surplus Assets.
- 5.4. Administration will ensure interdepartmental Assets are Disposed of and ensure the proceeds of the sale are accounted for in the appropriate reserve and accurate insurance is maintained for Greenview Assets.
- 5.5. Administration will advertise and organize the Disposal of Assets once Disposal is approved pursuant to this policy.
- 5.6. The CAO may approve the Disposal of Surplus Assets valued at less than \$1,000.00.
 - A) Administration will report the sale of Assets valued at less than \$1,000.00 to Council.