



CAPITAL ASSET SURPLUS AND DISPOSAL POLICY

Policy Area:	Administrative		
Policy Number:	ASDPL_2504N_AD/VPC		
Policy Sponsor:	CFO & Vice President, Corporate Services		
Policy Contact:	Director, Financial Services		
Applies to:	Employees		
Authority:	<i>College and Institute Act</i>		
Approval Authority:	Executive Team		
Approval Date:	April 30, 2025		
Effective Date:	July 30, 2025		
Replaces or New:	New		
Last reviewed:	April 2025	Scheduled review date:	April 2030

Procedures: *Procedures for Capital Asset Surplus and Disposal*

1. Policy Statement

The Capital Asset Surplus and Disposal Policy exists to provide guidance for the Disposal of Capital Assets that no longer meet the needs of a department or the College.

2. Purpose

The purpose of this Policy is to ensure the College has consistent direction for the treatment of Surplus Capital Assets and the Disposal of Capital Assets at the end of their life cycle, or use to the College, whichever comes first.

3. Scope and Application

This Policy applies to the Disposal of all College Capital Assets regardless of value and source of funding. The Disposal of land and buildings is excluded from this Policy and will be administered in accordance with current government directives and may require Board approval.

At the discretion of the Director, Financial Services, the Procurement Services team is accountable for making determinations of Capital Asset Disposals, in consultation with the Director, Campus Planning & Facilities Management and College Information Officer and Director, OC Foundation as needed. Any

deviation from this Policy must be approved by the CFO & Vice President, Corporate Services, or their authorized delegate(s).

4. Definitions

Capital Asset	<p>Means property, whether purchased by or donated to the College, that meets all the following criteria:</p> <ul style="list-style-type: none">- Is acquired with the intention of being used on a continuing basis.- Is valued at \$1,000 or greater when first acquired, exclusive of applicable taxes (this value subject to change and is based on approved capital threshold as determined by the CFO & Vice President, Corporate Services).- Is not intended for sale in the ordinary course of operations.- Has a useful life extending beyond one year. <p>Capital Assets may include but are not limited to Cultural Items, equipment, furniture, fixtures, machinery, materials, technology-related equipment, supplies and vehicles.</p>
Capital Asset Team	<p>Means the team within Financial Services assigned to oversee the use of the College's Central Asset Register and reporting on the College's Financial Statements.</p>
Central Asset Register	<p>Means the central repository where an inventory of Capital Assets' condition and physical locations are kept by College Departments.</p>
Certificate of Destruction	<p>Means a certificate issued by a service provider as a statement of the completion of the destruction of electronics, documents, hard drives, and other digital information.</p>
Conflict of Interest	<p>Means any situation where an Employee has Personal Interests, whether direct or indirect, that are in conflict, potentially in conflict or could result in the reasonable perception of a conflict, with the interests of the College. This includes, but is not limited to, situations where the independence, impartiality and interest objectivity the Employee is obliged to exercise in the performance of their duties and responsibilities could be compromised. A Conflict of Interest can occur in three ways:</p> <ol style="list-style-type: none">1) an actual conflict of interest refers to a situation where an Employee takes some action or exercises a power or performs a duty or responsibility, and in doing so, there is the opportunity to further the Employee's personal interests;2) a potential Conflict of Interest refers to a situation where an Employee's personal interests could influence the exercise of the employee's actions, power or performance of their duties or responsibilities to the College;3) a perceived Conflict of Interest refers to a situation where an informed person might reasonably hold an apprehension that a Conflict of Interest exists on the part of the Employee in relation to a personal interest. A perceived conflict of interest is determined by the perception

of a reasonable person (a hypothetical member of the public) who is reasonably well informed.

Cultural Item	Means an object of significance to a specific group that reflects the beliefs, practices, or values of that culture, such as a sacred object, sculpture, tool, clothing, or art.
Employee	Means any person employed by (or who has an appointment with) the College.
Department(s)	Means a College Department responsible for the administration of an academic and/or service area.
Disposal	Means the repurposing, retirement, or removal of a Capital Asset from the College's Central Asset Register and accounting records due to depreciation, obsolescence, theft, or end of useful life.
Capital Asset Donation Receipt	Means a receipt issued for the donation of a Capital Asset that is recorded as the depleted Net Book Value on the College's Financial Statements and is retained as documentation for audit purposes.
Obsolete	Means a Capital Asset that is worn out, broken beyond repair, or is functionally outdated and has no more useful life for a Department.
Net Book Value	Means the original cost of a Capital Asset minus any depreciation, amortization, or depletion.
Request for Disposal	Means the formal process to initiate the Disposal of a Capital Asset under the Capital Asset Surplus and Disposal Policy and Procedures.
Capital Asset Sales Receipt	Means a receipt issued for the sale of a Capital Asset that is recorded on the College's Financial Statements as the Net Book Value and is retained as documentation for audit purposes.
Surplus	Means a Capital Asset that is no longer needed by a Department.

5. Policy Principles

5.1 The Capital Asset Surplus and Disposal Policy and Procedures outline the principles for College Capital Assets and their Disposals as follows:

- a) That all areas of Okanagan College (OC) will have equal opportunity to Surplus Capital Assets prior to Disposal.
- b) The College's Capital Assets will be disposed of in consideration of fair market value, conflict of interest and allocation of proceeds from the sale of the Capital Asset(s).
- c) The College's Financial Statements accurately reflect a credit for the sale of OC owned Capital Assets that have been fully depreciated.
- d) That Disposals will reduce space requirements for Capital Assets stored beyond the point of use by a Department.
- e) That as the College is committed to sustainable practices, Disposals will promote the recycling, reuse and rebuilding of Capital Assets where possible.

- f) That other institutions may be provided with an opportunity to obtain Surplus Capital Assets prior to Disposal by OC.
- g) That during Disposal, the College will collect and remit the required taxes and any duties.

6. Ownership of Capital Assets

- 6.1 Capital Assets purchased using College funding are the property of the College.
- 6.2 Capital Assets acquired through a donation, a grant, or as part of standing operating budget or capital allocation are the property of the College, unless specifically indicated otherwise by an agreement securing the funding for the Capital Assets. This includes research related equipment secured by a research grant or industry partnership.
- 6.3 Capital Assets may only be disposed of after approval from Procurement Services.

7. Valuation of Capital Assets

- 7.1 Capital Assets will be valued at cost plus any additional direct set-up costs required. Such additional set-up costs may include initial freight and installation costs, import duties and non-refundable purchase taxes. Complex valuations will be supported by Financial Services.
- 7.2 The cost of donated Capital Assets will be equal to a third-party appraised fair market value of those Capital Assets at the date of donation plus any additional direct set-up costs.

8. Responsibilities

Custody and Security of Capital Assets

- 8.1 Departments must ensure that reasonable safeguarding measures (including additional insurance through Ancillary and Business Services, where applicable) are in place where Capital Assets are located, to prevent damage to or the loss of such Capital Assets. Lost, stolen, or damaged Capital Assets must be reported to the Security Department and Financial Services, and to the IT Department as appropriate.

Inventory of Capital Assets

- 8.2 Departments are responsible for monitoring the location and condition of all Capital Assets through a physical inventory which should be conducted on a recurring basis.
- 8.3 Departments will update the Central Asset Register to keep an accurate inventory of the Capital Assets in its possession.

Surplus and Disposal

- 8.4 Departments wishing to deem a Capital Asset as Surplus must inform Procurement Services, regardless of the condition or value of the Capital Asset. All Requests for Disposal and final decisions will be recorded using a Capital Asset Disposal Form.
- 8.5 Procurement Services' review and approval is required prior to the Disposal of all College Capital Assets.
- 8.6 Financial Services will review and record any costs incurred to repurpose the Capital Asset, and will process any associated transactions as appropriate in the College's financial systems and statements.

- 8.7 All technology-related Capital Assets must have any electronic data deleted and be fully inspected by IT Services before deemed Surplus or Obsolete as per Section 3 of the *Standard for Security of College Information*, particularly as it pertains to removal of personal, confidential, or sensitive information.
- 8.8 All Capital Assets identified as Surplus will be considered for redeployment to other College Departments prior to proceeding with any of the Disposal methods. Redeployment of Capital Assets will be based on an assessment of College priorities. Before reassigning Capital Assets, consideration will be given to the useful life of the Capital Asset including its functional obsolescence and cost of maintenance.
- 8.9 Disposals may also be recommended as the transfer to a body outside the College, by way of trade-in, sale, donation, or the removal of Capital Assets from service due to obsolescence, recycling, or disposal.
- 8.10 The following preferred Capital Asset Disposal partners will be leveraged:
- a) the Province's BC Asset Recovery Program for the sale of all Capital Assets except electronic equipment.
 - b) BCNET's Preferred Electronics Disposal Partner for the sale of IT servers and all other electronic equipment.
 - c) Other local educational institutions or charitable organizations for the donation of Capital Assets.
 - d) An alternate disposal partner, if proposed and approved during the Request for Disposal.
- 8.11 No Employee shall be able to purchase a College Capital Asset unless it is sold publicly, and no Conflict of Interest exists.

9. Related Acts and Regulations

Financial Administration Act
Freedom of Information and Protection of Privacy Act

10. Supporting References, Policies, Procedures, Standards and Forms

Procurement Policy
Procedures for Procurement Policy
Code of Conduct
Privacy Policy
Capital Asset Management Framework Guidelines & Capital Project Checklist
Standard for Security Classification of College Information
Standard for Securing computing and mobile storage devices

History / Revisions

Date	Action
2025-04-30	New policy approved by Executive Team: <i>Capital Asset Surplus & Disposal Policy (ASDPL_2504N_AD/VPC)</i>