

**CORPORATE POLICY, STANDARDS and PROCEDURE**

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<b><u>POLICY TITLE</u></b> <b>DISPOSAL OR MOVEMENT OF CAPITAL ASSETS</b>		<b><u>NUMBER</u></b> TBA
<b><u>AUTHORIZATION</u></b> Vice President, Facilities Management and Chief Financial Officer	<b><u>DATE APPROVED</u></b> January 2003	<b><u>CURRENT VERSION</u></b> <b><u>DATE</u></b> November 2017

**DATE(S) REVISED / REVIEWED SUMMARY**

<b>Version</b>	<b>Date</b>	<b>Comments / Changes</b>
1.0	January 2003	Initial Policy Released
2.0	January 2014	Revised
3.0	July 2016	Revised
4.0	November 2017	Revised

**1. Purpose**

As part of the overall management of Fraser Health's capital assets, this policy sets out the guidelines for the disposal or movement of capital assets. These guidelines are designed to ensure that assets are used to their maximum potential and, if applicable, the desires of donors are fulfilled.

**2. Scope**

This policy applies to all capital assets that are owned, managed or leased by Fraser Health including all departments managed by another Lower Mainland Health Organization or by BC Clinical and Support Services Society (BCCSS).

**3. Disposal of Capital Equipment**

The disposal of capital equipment includes the sale, trade-in, transfer, loan or dismantling of the equipment. Loaning of capital equipment between locations, unless it is for temporary emergent purposes, is included in this approval process.

Before capital equipment is disposed of, moved or loaned between facilities, the requesting department must contact Biomedical Engineering for medical equipment or Plant Services for all other capital equipment, to determine if there is a need for the capital equipment somewhere else within Fraser Health. Using the Removal of Surplus Assets form, the department will then contact Fraser Health's Capital Accounting department for approval. The form must provide a sufficient description and detail of the capital equipment so it can be determined when it was purchased, the original cost and the funding source. The Removal of Surplus Assets form must be signed off by the

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appropriate Manager for equipment originally costing less than \$100,000 and the appropriate Director for equipment originally costing \$100,000 and greater. The documented approval of disposition from either Biomedical Engineering or Plant Services should also be included. The department may provide this information to BCCSS who will, in turn, ensure approval from Capital Accounting.

The Executive Director, Corporate Finance's approval is required for all disposals that would result in a loss of greater than \$10,000.

When Capital Accounting has given approval to move or dispose of the asset, the department and BCCSS will ensure all appropriate regulations and safety standards are met, especially with regard to liability and confidentiality, prior to disposing of the equipment. Any transfers outside of Fraser Health require the appropriate waiver of liability to be signed. BCCSS and/or the department will go through the accepted order of priority in determining the appropriate manner of disposal.

The accepted order of priority is:

1. Transfer to another site and/or department within Fraser Health
2. Trade-in for newer equipment, if there is a trade-in value greater than sale value
3. Sell, if there is a market value
4. Transfer to another BC Health Organization
5. Donate to a charity registered in Canada
6. Scrap

3.1 Disposal of Capital Equipment Funded by a Donor

Fraser Health receives funding from donors to acquire specific pieces of equipment. Upon accepting donor funding Fraser Health enters into a fiduciary responsibility to ensure that the donors' expectations have been fulfilled before the equipment is disposed of.

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Prior to disposal, Capital Accounting will determine who donated the funds to acquire the equipment and if the fiduciary responsibilities to the donor have been met. If not met, Capital Accounting will advise the department of the need to communicate with the donor. The appropriate management authority will meet with the donor to explain the need for movement or disposal and seek the donor's support and consent. If the donor is unwilling to provide their consent to the movement or disposal of the equipment the wishes of the donor will be respected.

Donors include, but are not limited to, Regional Hospital Districts, Foundations, Auxiliaries, service leagues, corporations or private individuals.

Capital equipment purchased in whole or part with Fraser Valley Regional Hospital District funds will not be moved outside of the Fraser Valley Regional Hospital District jurisdiction while still functional even if fully depreciated for accounting purposes.

There will be circumstances where, due to the sensitive nature of the donation, that even when Fraser Health has met the fiduciary responsibilities, it is deemed appropriate to inform the donor and seek their consent to move or dispose of capital equipment.

**4. Disposal of Facilities and Real Property *(Land and Buildings)***

Facilities Management must inform Capital Accounting of all disposals of land and buildings prior to the transfer or demolition. All disposals of real property must be pre-approved by the Board of Fraser Health. Some transactions may also require the approval of the Ministry of Health. The Executive Director, Corporate Finance's approval is required for all disposals that would result in a loss of greater than \$50,000.

**5. References**

Fraser Health's Capital Assets Policy