

DISPOSAL OF ASSETS POLICY

POLICY PURPOSE:

To ensure that the disposal of municipal assets and surplus supply of goods is conducted in a manner that is beyond reproach. It is the responsibility of the Rural Municipality of Crapaud (hereinafter, Crapaud or Municipality), the Crapaud Water and Sewer Corporation and the Crapaud Fire Department to obtain the best possible return for both capital assets and surplus goods on behalf of the taxpayers of Crapaud.

POLICY SCOPE:

This policy applies to Crapaud, the Crapaud Water and Sewer Corporation and the Crapaud Fire Department for all goods and services acquired through purchase or lease.

POLICY STATEMENT AND GUIDELINES:

The disposal of surplus assets shall be done as soon as possible after declared surplus in accordance with the following guidelines:

1. Capital Assets

In this policy, "asset" means any capital asset owned or deemed to be owned by and having an original cost greater than \$5,000 or declared to be greater than \$5,000 by the Council. Surplus capital assets include but are not limited to vehicles and property. Where there is any disagreement as to ownership of the asset, regard shall be had to purchase records, registrations, insurance coverage, reference in audited statements and/or the opinion of the municipal solicitor.

Where the municipality, Crapaud Water and Sewer Corporation or the Crapaud Fire Department has an interest, capital assets shall be sold through an advertising medium as determined by the CAO with notice published on the Crapaud web site. A reserve bid shall be predetermined by the CAO prior to advertising.

In the event of the disposal of surplus land (including such properties as building lots, parkland, walkways, road allowances etc.), the property is to be sold at fair market value as determined by either a Letter of Opinion or a formal appraisal from a qualified appraiser, according to section 2 of this policy. Council, upon recommendation of the CAO, shall determine which evaluation method is appropriate on a property by property basis.

If an asset is not sold through the advertising process, it may be sold privately at a later date through an arm's length transaction approved by the Council. If there is no salvage value, due to obsolescence or damage, the asset will be disposed of accordingly, upon Council approval.

The sale or disposal of all capital asset items must be approved by the Council following a report submitted by the CAO, the Utility Manager or the Fire Chief as the case may be, prior to the sale or disposal.

2. Surplus Goods

In this policy, surplus goods means items having an original cost of less than \$5,000 and does not include items listed under 1 above. Surplus goods include but are not limited to equipment, computers, printers, filing cabinets, and furniture.

The disposal of surplus goods shall be as follows:

- a) Offered firstly to other departments (Administration, Fire, Utility)
- b) Consideration should be given to other community entities (Arena Board, Exhibition Board, Library)
- c) Any surplus goods remaining thereafter will then be sold through an advertising medium as determined by the CAO, with notice published on the Crapaud web site. A public offering shall be by sealed bid returnable to Crapaud.
- d) If there is no salvage value, the asset will be disposed of accordingly, as determined by the CAO.
- e) Technological assets that have memory devices shall be totally decommissioned by the Administration **prior** to disposal.

PROCEDURE GUIDELINE:

To provide a guideline regarding the disposal of assets under this policy.

Procedure Guidelines:

1. Posting the Information

The information will be posted publicly through the advertising medium which will be determined by the CAO and Crapaud's web page with respect to capital assets and surplus goods. Where bids are sought, any person or organization may bid either hand delivered to either municipal office during normal business hours or by mailing in a sealed envelope marked as "**Confidential**".

2. Payment for Items

Where bids are sought, the winning bidder will be contacted by the CAO. As of the time that notification has been made, the winning bidder has one (1) week to provide the amount offered. This

amount may be provided by Certified Cheque or Cash. Should the winning bidder fail to provide full payment within one (1) week of notification, the next highest bidder will be declared the successful bidder. If there are no other bids above the established reserve bid (where applicable), the value of the item will be re-evaluated, and the item will then either be re-listed or disposed of in accordance with this Policy.

3. Transference of Ownership

Upon successful payment and issuance of the Bill of Sale by Crapaud, the winning bidder will have two weeks from the date of payment to come and pick up the item. Delivery by Crapaud is **NOT** provided. If the winning bidder decides to have the item delivered by courier or other individual, Crapaud must be notified prior to the delivery date. In such instances, a valid ID will be requested of the person picking up the item. If the winning bidder does not retrieve the item within the allotted two (2) weeks a refund will be available, less a 15% fee for administrative costs. The value of the item will be re-evaluated, and the item will then either be relisted or disposed of, in accordance with this policy.

4. Terms of Sale

All items sold are on an “**AS-IS – WHERE IS**” basis. Crapaud assumes no liability, provides no warranty, and will not accept further responsibility for the sold item once the successful bidder takes possession of the sold item.

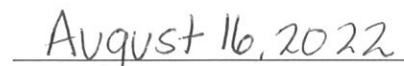
5. Council and Employee Eligibility

Members of Council and Employees of the Municipality, Crapaud Water and Sewer Corporation or the Crapaud Fire Department are eligible to bid on any capital asset or surplus goods during the time period established for disposal.

6. Use of Auctions

At the discretion of the CAO, capitals assets may be included in any Provincial or private auction sale conducted by a qualified auctioneer.


CAO


Approval/Revision Date