



## Cree Regional Authority

# Policy for the conservation and disposal of fixed assets of the Cree Human Resources Development Department

Adopted on: December 12, 2002

As per resolution #: GCC(EI)/CRA 2002-63

### 1) Reference

- 1.1 [Agreement](#) Article 60 of the Agreement respecting Cree Human Resources Development requires the Cree Regional Authority (CRA) to develop and implement a policy for the conservation and disposal of all assets costing \$1,000 or more and encourage the continued use of assets in support of the employability needs of Cree individuals.

### 2) Purpose

- 2.1 [Purpose / Part I](#) The purpose of **Part I** of this policy is to establish responsibility and process in order to provide the best overall outcome for the Cree Human Resources Development Department (CHRD) in the disposal of its surplus fixed assets, to the end that:
- the highest net value is obtained through disposal;
  - there is an open opportunity for the public to participate in the disposal;
  - the disposal process is characterized by prudence, probity and integrity.

- 2.2 [Purpose / Part II](#) The purpose of **Part II** of this policy concerns the conservation of fixed assets and is to establish a proper Inventory system control of all fixed assets owned by CHRD with a cost of \$1,000 and more to ensure these assets will be properly recorded in the accounting records and adequately safeguarded.

### **3) Definitions**

- 3.1 [Definitions](#) In this policy the following expressions mean:
- a) **cost**: the amount paid at the time of the acquisition;
  - b) **fixed asset**: a long-term, tangible asset held for business use such as furniture, computer and equipment;
  - c) **head office**: the CHRD Administrative center located in Mississauga;
  - d) **market value**: the most probable price material or equipment would bring under normal conditions on the open market;
  - e) **Purchasing Department**: the CRA Purchasing Department.

## Part I

### DISPOSAL OF FIXED ASSETS

#### 4) Application

- 4.1 First step When the Head office or any other local offices has surplus or obsolete material and equipment, any employee may file a request in order to initiate the disposal process of fixed assets (see **Annex A**). This form is sent for approval to the Coordinator of Finance after what he forwards the request to the Purchasing Department, which will apply the necessary procedure leading to the disposal.

#### 5) Reasons for disposal

- 5.1 Reasons for disposal Fixed assets no longer required by CHRD should be declared surplus promptly by the Coordinator of Finance and disposal action initiated. Surplus equipment must be removed and disposed as soon as possible so that valuable and limited warehouse space is not used to store unwanted items, and to avoid deterioration or damage to equipment left unattended, which could reduce any potential residual value.

Typical reasons for disposal include:

- a) the fixed asset is no longer needed due to changes in operational requirements;
- b) the fixed asset is technologically obsolete or incompatible with other assets;
- c) the fixed asset is beyond economical repair.

#### 6) Options for disposal

- 6.1 Methods The Purchasing Department will dispose of the fixed assets by whichever method is deemed most suitable by the Coordinator of Finance at best market value to the CHRD; such methods of disposal include:
- a) **competitive bids**: when material and equipment has been declared surplus by the Coordinator of Finance and Administration, and the market value is deemed to be greater than \$1,000, sealed bids may be publicly solicited with the items being sold to the highest qualified bidder;

- b) **cost-minimizing disposal:** this category consists of low-value fixed assets where the anticipated costs of selling the goods exceed expected proceeds of sales. In this situation, the Purchasing Department may dispose of assets by donating them to another level of the CRA or a Cree charitable or non-profit organization, selected in a way that would be perceived by the public to be fair, equitable and transparent. Failing that, Purchasing Department may arrange for the assets to be recycled or otherwise disposed of in a manner that is environmentally appropriate and will withstand public scrutiny;
- c) **negotiated sales;**
- d) **donation** to a local non-profit or educational organization or to another Cree community.

**6.2**            Priority    Employees do not have special “first right of refusal” privileges to purchase surplus equipment. They will be given the same opportunity as the general public to acquire surplus items. Preference will be given to providing surplus educational equipment to local non-profit or charitable organizations at a nominal price.

## 7) Preparing a fixed asset for disposal

- 7.1**            Before the disposal    It is the CHRD responsibility, before transferring a fixed asset or releasing it for sale, to search it thoroughly in order to:
- a) find and remove all CHRD property markings, inventory stickers, etc. and all classified, protected or other sensitive information contained in hard copy, electronic storage media, microfiche etc.;
  - b) set a minimum acceptable sale price for the asset, if the Coordinator of Finance so wishes;
  - c) monitor the progress of the sale, receive and reconcile proceeds of the sale, and pay all applicable fees and expenses.

## 8) Bids, sale and Revenue

**8.1**            No obligation to accept a bid    In all cases where bids on surplus fixed assets are tendered, the highest or any other bid need not be accepted.

- 8.2 [Method of payment](#) All sales completed under this procedure will be final. A cheque payable to the CRA is required at the time of the sale before the item is released.
- 8.3 [Form to be completed](#) After the disposal, the CRA Treasurer shall complete the form as shown in **Annex B** and send it to the CHRD Coordinator of Finance.
- 8.4 [Accounting](#) It is the responsibility of the Coordinator of Finance to ensure that:
- a) appropriate accounting records is maintained;
  - b) necessary authorization for the execution of contracts, bills of sale and documents transferring ownership are done;
  - c) revenues realized from disposal of fixed assets shall be credited to the CHRD "Proceeds on disposal of fixed assets" account.

## **9) Modification to the inventory**

- 9.1 [Update the list](#) The Coordinator of Finance ensures that the surplus equipment is removed from the CHRD inventory list according to Part II of this policy.

## Part II

### CONSERVATION OF FIXED ASSETS / INVENTORY

#### 10) Scope

- 10.1 Cost value / \$1,000 This policy applies to CHRD owned fixed assets (such as furniture, computer and equipments) having a cost value of \$1,000 and more.

#### 11) Inventory / list, tag, etc.

- 11.1 Requirements All CHRD's fixed assets with a cost value of \$1,000 and more shall:
- a) be properly identified and recorded in the accounting records and adequately safeguarded;
  - Record b) be recorded on the "Fixed asset inventory list" as shown in **Annex C** at historical cost of acquisition, plus any related costs (i.e. freight, etc.) less any discount;
  - Tag c) be tagged when included under the furniture and equipment classification;
  - d) remain on the inventory list until they:
    - i) have served their useful life;
    - ii) are traded in on a replacement;
    - iii) have been damaged.

#### 12) Acquisition of fixed assets

- 12.1 CRA procedure All fixed assets will be acquired through normal purchasing procedures adopted by the CRA.
- 12.2 Inspection and inscription New fixed assets are recorded and controlled as follows:
- a) upon reception of goods with a cost value of \$1,000 and more, the asset must be inspected and a tag affixed by CHRD;
- and
- b) the "Fixed asset inventory list" shall be updated accordingly by the office of the Coordinator of Finance;

### **13) Inventory list / verification**

- 13.1            [Physical inventory](#)    Every five year, by March 31, the Coordinator of Finance has the responsibility to ensure that a physical inventory count of all furniture and equipment recorded in the “Fixed asset inventory list” is undertaken. This list is sent to the CHRD Director and to the CRA Purchasing Department.

### **14) Final Provision**

- 14.1                            This policy comes into effect the day of its adoption.

**Annex A**  
***Request for disposal of fixed assets***

Please complete relevant sections to describe surplus items. Add a page if room is insufficient to adequately describe surplus items. Please forward completed forms to the Coordinator of Finance of the Cree Human Resources Development Department.

Location:	Name of the person requesting the disposal:
Telephone:	Date:

<b>DESCRIPTION OF SURPLUS EQUIPMENT</b>	
Quantity:	
Description:	
Manufacturer:	Model:
Serial number <i>(if any)</i> :	Inventory (tag) number:
Reasons:	
a) <input type="checkbox"/> the asset is no longer needed due to changes in operational requirements;	
b) <input type="checkbox"/> the asset is technologically obsolete or incompatible with other assets;	
c) <input type="checkbox"/> the asset is beyond economical repair;	
d) <input type="checkbox"/> Other <i>(specify)</i> : _____	

<b>APPROVAL of the Coordinator of Finance</b>
Method of disposal:
a) <input type="checkbox"/> Competitive bids;
b) <input type="checkbox"/> Cost-minimizing disposal
c) <input type="checkbox"/> Negotiated sales
d) <input type="checkbox"/> Donation <i>(specify)</i> : _____
Comments:
Date:
Signature:



**Annex B**  
**Form to be filed by the CRA Treasurer**

<b>PURCHASING DEPARTMENT</b>
1) The fixed asset has been disposed as follows: <input type="checkbox"/> Competitive bids (call for tender) <input type="checkbox"/> Cost-minimizing disposal <input type="checkbox"/> Negotiated sale <input type="checkbox"/> Donation ( <i>specify</i> ): _____ <input type="checkbox"/> Other ( <i>specify</i> ): _____
2) The amount of the disposal is: \$ _____
3) Payment has been received by cheque: <input type="checkbox"/>
4) The purchaser is: _____
5) Comments:
6) Date:
7) Signature:

**Annex C**  
**INVENTORY / CHRD**  
**LIST OF FIXED ASSETS WITH A COST VALUE \$1,000 AND MORE**

Acquire Date	Date of write-off	Inventory Number	Description	Manufacturer	Model	Location	Serial #	Cost

Date: \_\_\_\_\_

Community: \_\_\_\_\_

Name (*printed*): \_\_\_\_\_

Signature: \_\_\_\_\_

*This list must sent to the Director every five year by March 31*