



LAC LA BICHE COUNTY POLICY

TITLE: Liquidation of Surplus Assets	POLICY NO: CS-10-018
RESOLUTION:	EFFECTIVE DATE: September 26, 2017
LEAD ROLE: Manager, Finance	NEXT REVIEW DATE: September 26, 2019
SPECIAL NOTES/CROSS REFERENCE:	AMENDMENT DATE:
CS-10-006 Tangible Capital Assets PI-30-004 Sale of Used Culverts & Grader Blades PI-62-004 Supply and Sale of Pesticides PI-61-012 Land Sale	

POLICY STATEMENT:

Lac La Biche County recognizes that some of its assets may no longer be required because they have passed their service life, been replaced or are no longer used. The County therefore deems it important to establish a fair and equitable framework to ensure assets are disposed of in a timely and efficient manner.

Approval from Lac La Biche County Council must be obtained prior to the liquidation of assets with a fair market value of \$5,000 or more. Assets with a fair market value under \$5,000 require approval from the Chief Administrative Officer.

Administration will establish procedures for this policy. Administration and County Council will be responsible for ensuring that the spirit and intent of this policy is being adhered to.

 “Original Signed”
 Chief Administrative Officer

 October 26, 2017
 Date

 “Original Signed”
 Mayor

 October 26, 2017
 Date

Procedure

TITLE: Liquidation of Surplus Assets

PROCEDURE NO: CS-10-018

DEPARTMENT RESPONSIBLE:
Finance

EFFECTIVE DATE: September 26, 2017

NEXT REVIEW DATE: September 26, 2027

GENERAL GUIDELINES:

1. The purpose of this procedure is to provide for the liquidation of surplus assets. Surplus assets owned by Lac La Biche County will be disposed of in a manner that:
 - a. Maximizes public benefit and is in the public interest;
 - b. Is fair, equitable and uniform in manner; and
 - c. Provides equal opportunity and equal access to purchase surplus assets.

Scope

2. The liquidation of Surplus Assets Policy and Procedure applies to tangible capital assets, surplus and inventory, as well as attractive items (machinery and equipment with a value less than \$5,000). For the purpose of this policy and procedure, asset(s) shall mean both tangible capital assets and attractive items. The following assets are not included under this policy and procedure.
 - a. Land and land improvements;
 - b. Buildings and Engineered Structures;
 - c. Aggregate (gravel, sand, asphalt, sand, etc.);
 - d. Recyclable solid waste;
 - e. Assets subject to buy-back, trade-in, insurance agreements, or other similar liquidation agreements or arrangements; and
 - f. Assets or classes of assets where a policy already provides guidelines for liquidation, or for assets where one has been established.
3. The definition of surplus assets means to include assets which are possessed by the County in excess of normal operating or repair requirements, as well as obsolete items, which are those that are no longer needed in the service for which they were purchased and cannot be utilized for any other purpose by the County.

PROCEDURE:

4. Liquidation includes the discarding, sale, or donation of an asset.
5. No liquidation of such assets shall be made to employees, elected officials, or their immediate family members unless such assets are sold through external advertisement, formal request, auction, public sale, and no conflict of interest exists.
6. Assets will be disposed of on an “as is, where is” basis with no warranties or guarantees provided to the purchaser.
7. Assets should be disposed of in a timely manner, taking into consideration storage or other relevant factors.
8. Funds acquired through the sale of assets shall be returned to the appropriate department.
9. All assets that have a fair market value of less than \$5,000 may be disposed of by the Chief Administrative Officer (CAO), or designate.
10. All assets that have a fair market value of \$5,000 or more must have their sale approved by Council.
11. The combined value of assets shall be considered when determining if Council approval is required when:

- a. It is a set of the same asset that belong or are used together; and/or
 - b. It is a collection of assets that are considered to belong together.
12. Department Managers shall be responsible for identifying assets for liquidation.

Assets under \$5,000

Declaring an Asset as Surplus

13. Declaring an asset surplus shall be a “two-up” approval process:
- a. Department Manager shall complete Section 1 of the Asset liquidation Form (Schedule A) for review and approval by the Senior Manager; and
 - b. The Senior Manager shall receive approval from the CAO prior to approving an asset for liquidation.

Liquidation Method

14. Any method of liquidation may be recommended and employed, including selling, donating, or disposing (throwing out) the asset, depending on the current value of the item, potential cost recovery, and its potential value to community organizations.

Approving the Sale of an Asset

15. Before a sale can be finalized, the approval of the sale itself will follow the same “two-up” process used for *declaring an asset surplus*.
16. After disposing of an asset, Section Two of the Asset Liquidation Form shall be completed and kept as a record of liquidation.
17. An asset may be donated to the entities listed below, in the following priority:
- a. Local community groups/non-profit organizations, etc;
 - b. Local area agencies; and
 - c. Non-local community groups/non-profit organizations or agencies.
18. For a Surplus Asset that has been designated for donation to local community groups/non-profits, Administration will:
- a. Advertise in the local newspaper and County website about the opportunity to apply to receive the asset; and
 - b. Contact organizations to whom they believe the asset may be valuable.
19. Interested organizations will need to provide a short summary outlining how the asset will be used.
20. Selecting the recipient of the donated asset will be made by the Senior Management Team based on:
- a. Current capacity of the organization to purchase a similar item;
 - b. Past/current funding/support received by the organization; and
 - c. Benefit that the asset will bring to the organization.
21. Items with no resale value should first be considered for donation prior to being discarded.

Advertising Requirements

22. The opportunity to purchase an asset, regardless of the method chosen, must be advertised in local media and/or on the County Website.
23. A private sale may only be made if the opportunity to purchase the item has been first offered publicly and advertised in local media and/or on the County Website for two (2) weeks at the established fair market price, and where no buyer is found. If the item is being sold privately, it must be through an arms-length transaction.

Assets of \$5,000 or more

Timelines

- 24. Annually, each department will be responsible for providing Council with a list of assets to be disposed of as part of the budgeting process.
- 25. If the liquidation of an item is time sensitive, the department manager shall prepare a Request for Decision (RFD) seeking Council approval to dispose of the asset at anytime throughout the year.

Liquidation Method

- 26. The asset will be sold or conveyed in a manner that most effectively markets the item to interested parties as approved by Council. Assets may be conveyed in the following manner:
 - a. Public tender;
 - b. Auction;
 - c. Consignment; and
 - d. Donation (see Section 31).

Sale Provisions

- 27. County Council may choose to establish a reserve price.
- 28. For public tenders, the CAO, or designate, will be responsible for reporting the bid results to Council. Council will then award the tender. County Council does not have to accept the highest bid.
- 29. If the asset was declared surplus and offered for sale through an approved process identified in Section 26, and it did not sell, Council will be notified. Council may wish to employ the same disposal method again and/or change the reserve price.
- 30. Notwithstanding Section 26, following an unsuccessful sale, Council may instead approve the sale of the asset through an arm’s-length, private sale at the same or a different reserve price, or, alternatively, at a price determined at the discretion of the CAO.

Donation

- 31. Donation, as a method of liquidation will not be considered, unless there is a known and existing need for that type of asset by a local organization, and there are compelling reasons why the provision of the asset to the organization outweighs the benefit of cost recovery to the County through selling the asset.

Advertising Requirements

- 32. All purchasing opportunities through consignment, auction or public tender must be advertised in local media and on the County website.

"Original Signed"
Chief Administrative Officer

July 25, 2024
Date

SPECIAL NOTES/CROSS REFERENCE: FIN-10-006, PI-30-004, PD-61-012

AMENDMENT DATE: July 22, 2024



Schedule A
Asset Liquidation Form
CS-10-018 Liquidation of Surplus Assets

Section 1

Asset Information

<p>THE DEPARTMENT MANAGER IS RESPONSIBLE FOR IDENTIFYING AND PROVIDING THE FOLLOWING INFORMATION REGARDING THE ASSET THEY INTEND TO LIQUIDATE</p> <p style="text-align: center;"><u>Instructions</u></p> <ul style="list-style-type: none"> ▪ Complete before seeking Senior Manager and CAO approval to declare an asset as surplus. ▪ Ensure the liquidation of this asset is governed by Policy CS-10-018. ▪ Ensure there are no restrictions preventing the liquidation of this asset. ▪ Once the <i>Asset Information</i> portion is completed, provide the form to your Senior Manager. 			
Unit #:	Asset #:	IT reference #:	
Item Description			
Quantity			
Reason for Liquidation:			
Fair Market Value of Asset (\$)			
Per Unit		Total	
Recommended method for liquidation (sale, donation, disposal)			
Manager Recommendation			
<i>I recommend that the asset identified above be declared a surplus asset and be scheduled for liquidation.</i>			
_____	_____	_____	
(Manager Name)	(Manager Signature)	(Date)	

Declaration of Surplus Asset- Approval

<p><i>AN ASSET MUST BE DECLARED SURPLUS BEFORE THE SALE, DONATION PROCESS CAN BEGIN*</i></p> <p style="text-align: center;"><u>Instructions</u></p> <ul style="list-style-type: none"> ▪ Once the asset has been declared surplus by the Senior Manager and CAO (and Council, if necessary), have the form returned to you. ▪ Contact the Finance Department once approval as been received to liquidate the asset and provide them with information on the asset. ▪ An additional second level of approval is required to finalize the sale or donation. 	
Senior Manager Approval	Chief Administrative Officer Approval
<i>I certify that the asset in question is a surplus asset and that it may be liquidated according to the information provided in Section 1 Asset Information.</i>	
Name: _____ Signature: _____ Date: _____	Name: _____ Signature: _____ Date: _____
<p>*For assets with a determined fair market value of \$5,000 or more, a resolution from Council is also required to approve liquidation of an asset.</p> <p>Council Resolution: _____</p>	

Liquidation an Asset to Proposed Buyer/Recipient- Approval

*BEFORE AN ASSET CAN BE SOLD OR DONATED TO A SPECIFIC BUYER OR RECIPIENT, THE TRANSACTION MUST BE APPROVED BY THE RESPECTIVE SENIOR MANAGER, AS WELL AS THE CHIEF ADMINISTRATIVE OFFICER**

- Complete prior to finalizing any sale or donation to the recipient organization or individual.
- Indicate the recommended buyer/recipient and price, in the event of a sale.

Manager Recommendation	
Recommended Buyer/Recipient	
Recommended Price (if sale)	
<i>I recommend the liquidation of the asset to the buyer/recipient identified above for the stated price.</i>	
<div style="display: flex; justify-content: space-between; margin-top: 10px;"> _____ (Manager Name) _____ (Manager Signature) _____ (Date) </div>	

Senior Manager Approval	Chief Administrative Officer Approval
<i>I approve the liquidation of the asset to the identified recipient for the recommended price.</i>	
Name: _____	Name: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

*For assets with a fair market value of \$5,000 or more, which are sold through a public tender or a private sale, a resolution from Council is required.

Council Resolution: _____

Section 2

Record of Asset Liquidation

<ul style="list-style-type: none"> ▪ Complete this form and send a copy to the Finance Department. ▪ Attach the completed bill of sale and other documentation (tender and bid documents, sample of advertisements, estimates, receipts, etc). 	
Liquidation Date:	
Sale Price (if applicable):	
Liquidation Method (if sale, specify sales method):	
Name of Recipient:	

Keep a Copy of for your Records