

## Municipality of Fundy Albert

### Policy: Disposal of Surplus, Obsolete, or Damaged Equipment

#### 1. Purpose

The purpose of this policy is to ensure that the Municipality of Fundy Albert disposes of surplus, obsolete, or damaged equipment and materials in a manner that is transparent, cost-effective, environmentally responsible, and compliant with all applicable legislation, including the Local Governance Act, Financial Administration Act, and relevant environmental regulations. This policy supports effective asset management, promotes fiscal responsibility, and protects municipal interests by ensuring accountability and consistency in all disposal activities.

#### 2. Scope

This policy applies to all municipal departments, including Public Works, Recreation, Fire Services, and Administration, and covers all tangible assets owned, leased, or controlled by the Municipality. Assets include but are not limited to vehicles, heavy equipment, office furniture, fixtures, tools, machinery, IT equipment, and surplus materials. This policy does not apply to consumable supplies or materials that are routinely discarded through regular operations (e.g., paper waste, general refuse).

#### 3. Definitions

**Surplus Equipment:** Any item that is no longer required by a department for operational purposes.

**Obsolete Equipment:** Items that are outdated or replaced by more modern technology.

**Damaged Equipment:** Items that are no longer functional or economically repairable.

**Fair Market Value (FMV):** The price that an item would reasonably sell for in an open and competitive market.

#### 4. Identification of Surplus or Obsolete Equipment

Department Heads shall conduct asset reviews at least annually to identify items that are no longer required, uneconomical to repair, or obsolete. A Disposal

Request Form (Appendix A) must be completed and submitted to the CAO for approval before any disposal action is taken. The Finance Department shall verify each asset against municipal inventory records to ensure proper removal once disposed of.

## **5. Methods of Disposal**

**Transfer or Reuse:** Surplus equipment may be reassigned to another department or used for training or emergency backup.

**Trade-In:** Items may be traded in during procurement of replacements, with trade-in value documented and deducted from purchase cost.

**Public Sale, Tender, or Auction:** Public sales or electronic auctions shall be advertised through municipal communication channels and conducted on an 'as-is, where-is' basis.

**Donation:** With Council approval, surplus assets of minimal value may be donated to a registered non-profit, educational institution, or community group.

**Scrap or Destruction:** Items with no resale or reuse value shall be safely disposed of in compliance with environmental and safety standards.

## **6. Approval Authority**

The CAO may approve disposals of items with a market value up to \$5,000. Disposals exceeding this threshold require Council approval. Records must include item description, disposal method, authorization, proceeds, and recipient information. The Finance Department shall maintain an auditable record of all disposals.

## **7. Proceeds**

All proceeds from the sale of surplus or obsolete assets shall be deposited into the Municipal General Revenue Fund unless otherwise directed by Council. If the asset was purchased using restricted or grant funds, proceeds may be reallocated to the same funding source subject to grant terms and regulations.

## **8. Environmental and Safety Considerations**

All disposal activities must comply with environmental protection and workplace safety standards. Fluids and hazardous materials must be handled safely, electronic data wiped, and e-waste recycled according to provincial guidelines.

### **9. Accountability and Recordkeeping**

Department Heads are responsible for identifying and reporting surplus items accurately. The Finance Department maintains a centralized disposal register and ensures audit trail compliance. The CAO oversees policy implementation and ensures compliance with Council and legislation. Disposal records may be reviewed during the annual audit.

### **10. Conflict of Interest**

Municipal employees, elected officials, and their immediate family members shall not purchase or otherwise benefit from the disposal of municipal assets unless through a public and competitive process.

### **11. Policy Review**

This policy shall be reviewed every three (3) years or as required by changes in legislation, asset management practices, or audit findings.

#### Approval and Signatures

Mayor: \_\_\_\_\_

Clerk: \_\_\_\_\_

Date: February 3, 2026

