

**Purpose:**

- 1 To provide direction for the proper disposal of surplus City material and equipment and unclaimed lost and found items in The City's possession.

**Policy Statements:**

- 2 The City of Red Deer will dispose of surplus and unclaimed property in a cost effective, efficient and transparent manner. It will include, but not be limited to:
  - (1) Vehicles and equipment
  - (2) Office furniture
  - (3) Computer equipment
  - (4) Non-perishable items (clothing, books, electronics, etc.)
  - (5) Bicycles
- 3 The City will strive to obtain reasonable value for surplus or lost and found items by using the most appropriate disposal method. Methods of disposal may include:
  - (1) Internal transfer to another department
  - (2) Sale by public auction
  - (3) Trade-ins
  - (4) Donations to registered non-profit organizations, or government agencies
  - (5) Destruction
  - (6) Negotiated sale (to employees)
- 4 Appropriate authorization will be obtained prior to disposing of items.
- 5 Departments will report disposals with tangible capital asset implications (TCA) to Financial Services.
- 6 Departments will keep records/files of the item(s) available for disposal and those disposed of in accordance with the requirements of the records retention procedures of The City.

### **City Owned Surplus Materials and Equipment**

- 7 When property of The City wears out, becomes obsolete or is no longer needed in operations, it becomes surplus. Surplus items may be transferred to another City department, sold, or donated. The City's preferred option is to transfer the surplus item(s) within the organization where it can be used in the course of regular operations. The classification of an item as surplus is subject to approval of the department manager.
- 8 Items sold, donated or transferred are on an "As Is-Where Is" basis; no guarantee or warranty, either implied or expressed is to be made.
  - (1) Transfer to City Departments
    - (a) Other departments will be made aware of the surplus item(s). Surplus items will be transferred on a first-come-first served basis to the requesting department.
  - (2) Trade-In
    - (a) Where advantageous to trade in an item (i.e. cost effective, decreased risk, etc.) surplus items will be traded in for consideration on replacements.
  - (3) Sale
    - (a) If no City department expresses a need for surplus computer equipment within 7 days of receipt of the notice, it will be made available for sale to City employees to promote continued skill development.
    - (b) If other City items cannot be transferred or traded-in and costs to transport and auction such items are expected to be higher than the auction proceeds then such items may be first offered for sale to employees at fair market value on a first-come-first served basis.
    - (c) The City reserves the right to accept or reject any and all offers. All sales are final. GST will be added to sale prices as applicable.
    - (d) The City will send any remaining surplus items to the auction house designated by Purchasing unless they meet the criteria for donation and such donation is approved or the item(s) have been approved for destruction.
  - (4) Donation
    - (a) When The City has determined other disposal methods are not viable, The City may donate surplus items to a registered non-profit organization.
    - (b) The donation is subject to the approval of the General Manager of Corporate Services.

### **Unclaimed Lost and Found Property**

- 9 Lost and found items shall be kept for a minimum of 30 days (in accordance with MGA Section 610) and a maximum of 6 months from date of possession by The City unless it is unsanitary, perishable, unsafe or hazardous, in which case it may be disposed of at any time.
- 10 When unclaimed items are sold at a public auction:

**Disposal of Surplus  
& Unclaimed Items**

- (1) If no claim is made within 90 days of the sale by the owner, then proceeds will be recognized as revenue by the department.
- (2) If a claim is made within 90 days of the sale by a prior owner, then the sale proceeds less associated expenses shall be reimbursed to the prior owner.

11 When costs to transport and auction unclaimed items are expected to be higher than the auction proceeds, then property not claimed after 30 days may be donated to a registered non-profit organization or discarded, subject to the approval of the department manager or general manager.

**Associated Costs for Auction**

12 Departments are responsible for all costs related to auctions (i.e. transportation, commission, etc.) for items owned or in their custody.

**Destruction**

13 Discarding surplus and unclaimed item(s) is the last option to be used unless the item is broken, unusable, or has no commercial, salvage or donation value and all other options for disposal have been exhausted. The City will properly dispose of items in a safe manner and in accordance with any environmental requirements for hazardous items.

14 The destruction is subject to the approval of the department manager.

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**References/Links:**

- 1 5331-C Delegation: Disposal of Unclaimed Items
- 2 5331-CP Disposal of Surplus and Unclaimed Items
- 3 MGA (s. 610) Lost or Unclaimed Property
- 4 5324-CA Tangible Capital Assets

**Scope/Application:**

1 This policy applies to all departments of The City and to activities that include the disposition or transfer of surplus materials and equipment or unclaimed items. This policy does not apply to obsolete inventory of The City.

**Authority/Responsibility to Implement:**

- 1 The General Manager of Corporate Services has the authority to approve donations.
- 2 Department managers:
  - (1) are responsible for approving the classification of an item as surplus
  - (2) have the authority to determine fair market value when selling item(s) to employees
  - (3) have the authority to approve the destruction of surplus item(s)
  - (4) are responsible for implementing the policy within their department.
- 3 The Corporate Controller- Procurement and Risk Management is responsible for monitoring, interpreting and recommending revisions to this policy.

**Inquiries/Contact Person**

- 1 Controller – Procurement and Risk Management
- 2 Purchasing Section
- 3 Capital Asset Accountant

**Policy Monitoring:**

- 1 This policy will be reviewed one year from the date of approval and then every three years, or earlier if necessary.

**Document History:**

<b>Date:</b>	<b>Signature:</b>	<b>Title:</b>
Approved: March 2, 2000	SMT	SMT
Approved: January 2001	“Norbert Van Wyk”	City Manager
Revised: January 23, 2012	“Craig Curtis”	City Manager
Revised: July 13, 2020	“Allan Seabrooke”	City Manager