

## AQ1800 – SURPLUS EQUIPMENT DISPOSAL

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka’pamux, Secwépemc, St’át’imc, syilx, and Tšilhqot’in Nations, where we live, learn, collaborate, and work together.

Interior Health recognizes that diversity in the workplace shapes values, attitudes, expectations, perception of self and others and in turn impacts behaviors in the workplace. The dimensions of a diverse workplace include the protected characteristics under the human rights code of: race, color, ancestry, place of origin, political belief, religion, marital status, family status, physical disability, mental disability, sex, sexual orientation, gender identity or expression, age, criminal or summary conviction unrelated to employment.

### 1.0 PURPOSE

To outline the steps for disposal of Surplus Equipment.

### 2.0 DEFINITIONS

TERM	DEFINITION
<i>Capital Equipment</i>	<i>Equipment that was considered capital upon acquisition in accordance with Interior Health (IH)’s capitalization guidelines.</i>
<i>Equipment</i>	<i>A physical asset acquired for use in operations that is not intended for resale, has a useful life of more than one year, and meets IH’s capitalization threshold (<math>\geq</math> \$10,000).</i>
<i>Information Technology Equipment</i>	<i>Any hardware or physical devices used for the processing, storage, transmission, or display of digital information. Common examples include: Computers, computer hard drives, standalone hard drives, electronic storage devices, monitors, printers, etc.</i>
<i>Medical Equipment</i>	<i>Clinical, imaging and laboratory electro Medical Equipment, used in the treatment, mitigation, diagnosis or prevention of a disease or abnormal physical condition. Excludes Information Technology (“IT”) Equipment unless it is an integral part of a medical device.</i>
<i>Minor Equipment</i>	<i>Equipment that was considered non-Capital Equipment upon acquisition in accordance with IH’s capitalization guidelines.</i>
<i>Non-Profit Organization</i>	<i>A club, society, or association that’s organized and operated solely for social welfare, civic improvement, pleasure or recreation, or any other purpose except profit.</i>
<i>Surplus Equipment</i>	<i>An asset that is no longer used or needed in the operations of a facility or department.</i>

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<i>Authorizing Individual</i>	<i>Individual(s) accountable for delivering the service for IH. These individuals are Department Heads, Managers, Site Administrators, or any individual part of the signing authority hierarchy for the department.</i>
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<b>Disposal Methods</b>	
<i>Trade-in</i>	<i>A currently owned Equipment/device offered to a vendor to reduce the price of replacement Equipment being acquired by IH.</i>
<i>Transfer</i>	<i>Reallocation to another department within a site, to another site within the same external funding partner's catchment area or to another site outside of the originating external funding partner's catchment area within IH.</i>
<i>Sale</i>	<i>Ownership of the Equipment is transferred to a third party in exchange for an agreed sum of money.</i>
<i>Donation</i>	<i>Ownership of the Equipment is transferred to a third party as a gift for no exchange of money.</i>
<i>Scrap / Recycle</i>	<i>Surplus Equipment that can be used for reprocessing, for parts or reworked.</i>
<i>Discard / Destruction</i>	<i>The Equipment has reached the end of its useful life and cannot be disposed in any other fashion outlined above.</i>

### 3.0 POLICY

Prior to the removal of Surplus Equipment from the facility, personnel must adhere to the disposal procedures outlined in this policy.

### 4.0 PROCEDURES

#### 4.1 Identification

Department Heads, Site Administrators, Managers, or designates determine whether Equipment is surplus and approve whether Equipment can be offered for disposal.

#### 4.2 Determination of Funding Source of Surplus Capital Equipment

Notify Capital Accounting of all surplus Capital Equipment that is proposed to be disposed of, or transferred, to determine the original funding source of the Equipment and to make the appropriate accounting entries. Equipment wholly or partially funded by external funding partners, such as Foundations, Auxiliaries or Regional Hospital Districts must only be disposed after required approvals are in place as outlined in Appendix A.

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### 4.3 Confidential Information

Departments and facilities are responsible for ensuring that all confidential or sensitive information—whether physical or electronic—is removed from surplus equipment prior to disposal. For devices containing electronic data, Digital Health must be contacted to securely remove information and reformat storage media, and Biomedical Engineering must ensure that any confidential or sensitive information on medical equipment is removed.

The Authorizing Individual must verify that equipment is free of confidential content to prevent information breaches. This action must be documented on the [Transfer or Release of Assets to Third Party form](#), in accordance with IH Security Bulletin 8 – Security Standards for the Handling of Confidential Information.

### 4.4 Medical Equipment

Consult Biomedical Engineering prior to the disposition of any Medical Equipment. Biomedical Engineering assesses the device to determine the available disposal options as follows:

- Safe for clinical use, i.e. operating properly and has a current Health Canada License
- Safe for educational, veterinary or humanitarian use, i.e. operating properly and does not have a current Health Canada License
- Use for parts, manufacturer return or discard

Devices deemed unsafe are disabled except for devices that are returned to a manufacturer/supplier.

Medical Equipment must not be sold, donated or given to any IH employee or related party (e.g. physician), except for humanitarian, veterinary or educational facility use.

### 4.5 Contaminated Equipment and Equipment Containing Hazardous Materials

It is the responsibility of the disposing department/site/facility to ensure that all Equipment subject to possible contamination or containing hazardous materials is checked by the services department that supports the Equipment (Plant Services or Biomedical Engineering) or a hazardous materials consultant prior to the Equipment being declared surplus and made available for disposal.

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When possible, remove contaminated material prior to disposal. Follow Transport Canada's regulations on transportation of dangerous goods for any disposal of contaminated goods.

### 4.6 Disposal Hierarchy

4.6.1 After consideration of sections 4.1. to 4.5 dispose surplus Capital Equipment as specified in the following order :

1. Trade-In
2. Transfer to another department/service within the same site.
3. Transfer to another site within the same Regional Hospital District Area
4. Transfer to another site within IH
5. Sale by Auction, e.g. BC Government Auction or Local Auction (except for Medical Equipment)
6. Sale to a 3rd party at fair market value
7. Sale to Affiliated Services and Related Parties
8. Donation to a Non-Profit Organization
9. Sale to Employee (except for Medical Equipment)
10. Scrap / Recycle
11. Discard

Transfers of medical equipment within IH (#2, #3, and #4 in 4.4.1 above) requires the [BioMed Equipment Move Request form](#) to be completed.

In exceptional circumstances, the prioritized disposal hierarchy can be changed with approval from the Chief Financial Officer.

4.6.2 Minor Equipment disposals do not have to follow this hierarchy, however, Biomedical Engineering must assess any minor equipment classified as medical equipment to ensure its safety for clinical use prior to transfer, sale, or donation, as outlined in section 4.4.

### 4.7 Transfer or Release of Assets to Third Parties Form

For all Sales and Donations (#5 to #8, and #9 in 4.6.1 above), complete a [Transfer or Release of Assets to Third Parties Form](#) and forward the original completed form to Capital Accounting. The conditions in the form governs all transfers, whether at fair market value, for a nominal value, or as a donation.

The form must be signed by the Authorizing Individual.

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### 4.8 Sale

- The disposing department determines fair market value. If applicable, Provincial Health Services Authority Supply Chain (“PHSA”) will aid in this process.
- All Surplus Equipment is sold on an “as is, where is basis”.
- Sale by Auction: The [Asset Investment Recovery \(AIR\)](#) group can help departments facilitate the sale by auction.
- All sales must be approved by the department manager
- Sale to Employees must be governed by standards of conduct as outlined by [policy AU0100](#), section 3.9.

### 4.9 Scrap / Recycle

Digital Health, Biomedical Services, Facilities Maintenance & Operations or designate have the authority to scrap for parts any obsolete Equipment that has been replaced. Items that have value as recyclable materials, such as copper electrical cables, large transformers, copper bus bars, lead-acid batteries, or other items may be sold to a 3<sup>rd</sup> party at fair market value. Recycle items with no intrinsic value.

### 4.10 Costs and Proceeds of Disposition

Reduce proceeds of disposal by any costs incurred to dispose of Equipment. Dependent on the funding source of the Equipment, reimbursement of the proceeds to the original funder may be required (see policy AQ 1850). Any net proceeds of disposition from the sale of Minor Equipment is credited to the department’s operating budget. Any net proceeds of disposition from Capital Equipment is utilized for future capital purchases, unless it was purchased with unrestricted funds, in which case the proceeds are recorded in equity.

### 4.11 Role of PHSA

PHSA may facilitate the disposition of any Surplus Equipment. If doing so PHSA must ensure that the terms of this policy are met.

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### 5.0 REFERENCES

1. [Transfer or Release of Assets to Third Parties Form](#)
2. [BioMed Equipment Move Request Form](#)
3. [AU0100 – Standards of Conduct for Interior Health Employees](#)
4. [IH Security Bulletin 8 – Security Standards for the Handling of Confidential Information \(October 2022\)](#)
5. Ministry of Health Services Policy Communique: Disposal of Health Authority Capital Assets and Disposition of Proceeds (May 27, 2005)
6. Core Policy & Procedures Manual, Chapter I.6 (December 2024)

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### Appendix A – Transfer or Disposal of Capital Assets Funded by External Funding Partners

	Foundations and Auxiliaries	Regional Hospital Districts
<b>1. Trade-In</b>	No notification	No notification
<b>2. Transfer to another IH site within the External Funding Partner's catchment area</b>	Notification; obtain written approval; inquire whether reimbursement of the NBV at the original contribution share is desired	No notification
<b>3. Transfer to another IH site outside the External Funding Partner's catchment area / Donation:</b>		
a) <b>Capital Asset with NBV less than \$100,000</b>	Notification; obtain written approval; inquire whether reimbursement of the NBV at the original contribution share is desired	No notification
b) <b>Capital Asset with NBV over \$100,000, or less than 2 years old</b>	Notification; obtain written approval; inquire whether reimbursement of the NBV at the original contribution share is desired	Notification; inquire whether reimbursement of the NBV value at the original contribution share is desired
<b>4. Sale:</b>		
a) <b>Proceeds less than \$10,000</b>	Notification; obtain written approval; inquire whether reimbursement of the proceeds at the original contribution share is desired	No notification
b) <b>Proceeds over \$10,000</b>	Notification; obtain written approval; inquire whether reimbursement of the proceeds	Notification; inquire whether reimbursement of the proceeds at the

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	<i>at the original contribution share is desired</i>	<i>original contribution share is desired</i>
<b>5. Scrap, Recycle, Discard, Destruction</b>	<i>No notification</i>	<i>No notification</i>

When approval is required, the [Approval Form \(807442\)](#) may be used. Approval may also be provided by letter or e-mail from the Foundation/Auxiliary to Capital Accounting.