



Administrative Policy Manual
Code: AQ Purchasing

## AQ 1850 – TRANSFER OR DISPOSAL OF CAPITAL ASSETS FUNDED BY EXTERNAL FUNDING PARTNERS

### 1.0 PURPOSE

To ensure appropriate communication and approvals occur related to the financial aspects of the transfer or disposal of Capital Assets that have been partially or wholly funded by External Funding Partners.

### 2.0 DEFINITIONS

TERM	DEFINITION
Capital Asset	Capital Assets are non-financial assets having physical substance that are acquired, constructed, or developed and that: <ul style="list-style-type: none"> <li>• are held for use by Interior Health (IH);</li> <li>• have a useful life extending beyond a year;</li> <li>• are intended to be used on a continuing basis; and</li> <li>• are not intended for sale in the ordinary course of operations.</li> </ul>
External Funding Partner	An organization or person that is not a related party to IH and has contributed financial resources to acquire, construct, or develop a Capital Asset. For the purpose of this policy, External Funding Partners are Regional Hospital Districts (RHDs), Foundations and Auxiliaries.

#### Disposition Methods:

Trade-in	A currently owned equipment/device offered to a vendor to reduce the price of a replacement equipment being acquired by IH.
Transfer	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.
Sale	Ownership of the Capital Asset is transferred to a third party in exchange for an agreed sum of money.
Donation	Ownership of the Capital Asset is transferred to a third party as a gift for no exchange of money.
Scrap / Recycle	Surplus Capital Asset that can be used for reprocessing, for parts or reworked.
Discard /	The Capital Asset has reached the end of its useful life and cannot be

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Destruction	disposed in any other fashion.
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### 3.0 POLICY

IH shall transfer or dispose of Capital Assets wholly or partially funded by External Funding Partners in an efficient and transparent manner.

### 4.0 PROCEDURES

4.1 Disposition procedures as per policy AQ 1800 apply.

4.2 Communication

Dependent on the type of disposition IH will provide the following communication to the External Funding Partner:

	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) Capital Asset with NBV less than \$100,000	Notification; obtain written approval; inquire whether reimbursement of the NBV at the original contribution share is desired	No notification
b) Capital Asset with NBV over \$100,000, or less than 2 years old	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) Proceeds less than	Notification; obtain written	No notification

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\$10,000	approval; inquire whether reimbursement of the proceeds at the original contribution share is desired	
b) Proceeds over \$10,000	Notification; obtain written approval; inquire whether reimbursement of the proceeds at the original contribution share is desired	Notification; inquire whether reimbursement of the proceeds at the original contribution share is desired
<b>5. Scrap, recycle, discard, destruction</b>	No notification	No notification

**4.3 Approval form**

When approval is required as per 4.2 the Approval Form ([807422](#)) may be used. Approval may also be provided by letter or e-mail from the Foundation/Auxiliary to Capital Accounting.

**5.0 REFERENCES**

- [AQ 1800](#) – Surplus Equipment Disposal
- Approval Form ([807422](#))

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