



BOARD OF DIRECTORS MANUAL

CATEGORY:	FINANCE	NUMBER:	III-004
ISSUED BY:	FINANCE AND AUDIT COMMITTEE	PAGE:	1 of 2
APPROVED BY:	BOARD OF DIRECTORS		
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DISPOSAL OF TANGIBLE CAPITAL ASSETS

Purpose:

To ensure the disposal of the Hospital's capital assets return fair market value.

Policy:

Any disposition of a capital asset with a fair market value greater than \$10,000 must be supported by an appraisal or valuation.

Items with fair market value of more than \$50,000 shall require approval by the Finance and Audit Committee prior to disposition.

However, any use and disposition of NHH Real Property (see Policy III-002) shall be in accordance with Board Policy III-010 Use and Disposition of NHH Real Property.

Procedure:

1. Capital assets subject to disposal (excluding trade-ins) with a fair market value greater than \$50,000 shall be identified by the CEO and presented to the Finance and Audit Committee giving date of purchase, cost and current book value wherever possible.
2. Capital assets requiring an independent appraisal will be agreed upon by the CEO and the Finance and Audit Committee.
3. The CEO will ensure that appraisals are obtained from reputable appraisal professionals.
4. The CEO will ensure the assets are disposed of as follows:

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- a) Capital assets valued at less than \$50,000:
 - Dispose of capital asset(s) and report results in the financial statements
- b) Assets with appraised value greater than \$50,000:
 - Advertise and receive written quotations from prospective purchasers
 - Receive approval from the Finance and Audit Committee prior to sale
5. When a capital asset is no longer required the first option will be to seek a trade-in, the second option will be to sell the asset and the third option, where appropriate, will be to donate it for future use in another setting.
6. Where there is likely a public relations impact regarding disposal of previously donated capital assets, the CEO will inform the Foundation or Auxiliary (as applicable).

References:

Approved:

November 30, 1998

March 2001

April 2002

May 2003

October 2007

October 2008

April 2011

March 2014

March 2016 revised

February 2017 reviewed

February 2018 reviewed

February 2019 reviewed

February 2020 reviewed

March 2021 reviewed

May 2022 revised

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