



University of Toronto Governing Council

Policy on Disposal of Fixed Assets and Allocation of Proceeds of Disposition (including Regulations)

June 25, 1991

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Policy on Disposal of Fixed Assets and Allocation of Proceeds of Disposition (including Regulations)

Definitions:

"Fixed Assets" are defined to include all of the University's assets, funded from any source, including land, buildings, furniture, equipment, books, artwork and other assets.

"Disposal" is defined as the transferring of title to another party by way of sale or gift and the removal of assets from service due to obsolescence.

Authority:

Disposals of all land and buildings (real estate), and of all other fixed assets with a fair market value in excess of \$5 million*, and the allocation of the proceeds, require the approval of Business Board.

The Business Board delegates to the Administration the authority to approve disposals of all other fixed assets and the allocation of any proceeds thereof.

Disposals where the fair market value is in excess of \$270,000* and not greater than \$5 million* shall be reported by the Administration to the Business Board for information.

* In real terms - these amounts shall be adjusted periodically to reflect inflation.

Approved by the Business Board
June 25, 1991

(signed)
R. G. White
Assistant Vice-President, Finance

Regulations on Disposal of Fixed Assets and Allocation of Proceeds of Disposition

Policy:

These regulations are issued pursuant to the policy approved by the Business Board on June 25, 1991. All approval references in the following clauses refer only to those fixed assets for which disposal authority has been delegated by the Business Board to the administration.

Reporting:

All disposals must be reported to the Office of the Controller.

Administrative Approvals:

1. Any one of a Chair, Director of an institute or centre, Dean, Principal or Head of an administrative department, or a Director of an administrative division, together with the Controller, may approve the disposal and allocation of net proceeds of disposition where:
 1. the original cost is less than \$70,000 in real terms; and
 2. the fair market value at the date of disposal is less than \$7,000 in real terms; and
 3. the disposal is not to a staff member or to a relative of a staff member.
2. Any one of a Vice-President, an Assistant Vice-President, or a Vice-Provost, together with the Vice-President -- Business Affairs, may approve the disposal and allocation of the net proceeds of disposition where:
 1. the fair market value is \$270,000 or less; or
 2. the disposal proceeds are less than the fair market value; or
 3. the disposal is to a staff member or to a relative of a staff member.
 4. any other condition required in clause # 1 is not met.
3. The President may approve the disposal and allocation of the net proceeds of disposition where the fair market value is in excess of \$270,000 and not greater than \$5 million. Such disposals shall be reported to the Business Board for information. All disposals where the fair market value exceeds \$5 million shall be recommended to the Business Board for approval.
4. Notwithstanding the approval authorities specified above, all disposals require the approval of at least one level of authority higher than that requesting the disposal.

Determination of Fair Market Value:

The fair market value must be determined for all disposals as a prior condition of approval. The Director of Procurement Services shall have the authority to determine the fair market value for all disposals. The Director of Procurement Services will consult with University experts in establishing the fair market value, where appropriate (e.g. computers).

(signed)
R. G. White
Assistant Vice-President, Finance