



Issue Date: August 2008	Amended Date: August 15, 2019	Responsible Agency: Office of the Comptroller General	Directive No: 704-3
Chapter: Accounting for Expenditures			
Directive Title: ACCOUNTING FOR ASSETS - DISPOSAL OF PUBLIC PROPERTY			

1. POLICY

Disposals of public property that has been declared surplus to the Government must be in accordance with s.65 of the *Financial Administration Act (FAA)* and other applicable legislation.

2. DIRECTIVE

S.65 of the *FAA* authorizes the Financial Management Board (FMB) to determine that public property is surplus to the requirements of the Government and to dispose of such property. The Disposal of Public Property Regulations authorizes the FMB to delegate this authority.

The FMB hereby delegates the authority to declare public property surplus and to dispose of such property to the public officers and entities noted in the provisions of this directive.

This directive does not apply to public property that may be disposed of under the authority of another enactment, such as the *Archives Act*, the *Commissioners Land Act*, the *Petroleum Products Tax Act* or the *Tobacco Tax Act*.

This directive applies to all government departments and public agencies.

3. PROVISIONS

- 3.1. Inventory that has been declared surplus shall be disposed of in accordance with this directive. The write-off and deletion of inventory shall be dealt with in accordance with Financial Administration Manual Directive 704-4 Accounting for Inventories – Write-off, Write-down or Deletion.

- 3.2. Public property is defined in s.1 of the *FAA* as all personal and real property that belongs to the Government.
- 3.3. Public property can be declared surplus to the Government only if it has been properly authorized by the appropriate signing authorities as indicated in Table 1:

Table 1

Signing Authority: Director and Assistant Deputy Head of each government department or Executive Finance Officer of each public agency.	Public Property: 1) any furniture or other office items; 2) computers and accessories; and 3) any and all other items with a current replacement value of \$9,999 (GST/HST excluded) or lower that are not listed above.
Signing Authority: Deputy Head of each government department or public agency.	Public Property: 1) any buildings or real property (e.g., buildings, detached garages, detached storage sheds, portable buildings); 2) any and all vehicles (e.g., trucks, cars, SUV, heavy equipment); 3) any and all mobile equipment (e.g., ATV, snow machines, Kubota, snow blowers); and 4) any and all other items with a current replacement value of \$10,000 (GST/HST excluded) or higher that are not listed above.

- 3.4. All property that has been declared surplus must be transferred to the Department of Community and Government Services (CGS) for disposal. CGS, in consultation with the government department or public agency that declared the property surplus, may decide, for reasons of economy, that alternate disposal procedures are more appropriate.
- 3.5. The Deputy Head of CGS may declare public property surplus to the Government.
- 3.6. The Deputy Head of CGS may dispose of public property that has been declared surplus.
- 3.7. For public property disposed of by destruction, the destruction must be witnessed by a representative of the government department or public agency responsible for the property, in addition to the public officer carrying out the destruction. The officer of the responsible department or agency must file an affidavit with the Comptroller General and the Deputy Head of the responsible government department or public agency, certifying the act of destruction.



- 3.8. The declaration of public property as surplus to the Government and its subsequent disposal must be done in accordance with the policies established by CGS and approved by Executive Council.
- 3.9. The proceeds from the disposal of public property must be credited to an appropriate revenue account in accordance with s.65 (2) of the *FAA*. Losses on the disposal of public property are to be charged to an appropriate expense account. Neither is to be charged against an appropriation.
- 3.10. All disposals of tangible capital assets must be reported to the Comptroller General so that proper reporting and accounting procedures may be followed.
- 3.11. Government departments and public agencies responsible for public property that is disposed of must report annually to FMB on the disposal of all tangible capital assets having an initial cost in excess of \$50,000.
- 3.12. The Office of the Comptroller General shall be consulted for resolution of any issues related to surplus declaration or determination of the applicability of this directive to a given public agency.