

1.0 Purpose

- 1.1 From time-to-time, academic and support service departments may find themselves in possession of equipment or supplies which are no longer required for continuing operations. In such cases, it may be in the interest of the department and the University to sell or otherwise dispose of such assets.

2.0 Applicability

- 2.1 University-wide

3.0 Definitions

- 3.1 None applicable

4.0 Implementation

- 4.1 Because University property is involved, it is appropriate to have an established procedure for dealing with such cases. This procedure is as follows:
 - 4.1.1 Prior approval to sell or otherwise dispose of surplus equipment or supplies must be obtained from the appropriate Vice-president. In seeking such approval, the department would identify the items which are considered surplus, the approximate date of purchase or age, the original value and expected or suggested resale value if known, and the reasons for recommending disposal at this point in time. In addition, the department should indicate the proposed sale procedure, on the understanding that competitive bids or tenders should be called where appropriate and feasible.
 - 4.1.2 Proceeds from the sale of items purchased with research funds must be credited to the research account from which they were paid, or another research account if the original is no longer available. In any case, the proceeds must be reinvested in research.
- 4.2 It is understood that other departments of the University may arrange to "purchase" surplus equipment from those departments which no longer require them, and that from time-to-time departments with surplus property may be prepared to donate it to other University departments that can make effective use of them. Indeed, every reasonable effort should be made to determine if another University department wishes to acquire an item before it is sold to an outside party. In such cases, if agreement on the terms of

transfer is reached between the chairmen or heads of the departments concerned, there will be no need to invite bids from other possible customers. The approval of the appropriate Vice-president will still be required, however.

- 4.3 Note that on the sale of items to outside agencies located within the Province of New Brunswick, provincial sales tax must be collected, if the item is one normally subject to such taxation. Sales tax must also be collected on sales made to individuals, including employees. If the University was exempted from the payment of import duty when the item was acquired, this amount may have to be recovered from the purchaser, unless the purchaser is also exempt from liability for such duty. Federal sales taxes need not be collected if the sale involves used items that were not purchased by the University with the intention of reselling them. Because of the very complex nature of tax and duty regulations, you should consult the Purchasing Manager (Fredericton Local 4626) before arranging to sell any item if you have any doubt as to liability for tax or duty payments.
- 4.4 The name of the manufacturer and any serial number, if available, should appear on the bill of sale.
- 4.5 Please also ensure that items are sold "as is" without other warranty by the University. If any other commitment is given to the purchaser, the department selling the equipment will be held responsible for the costs involved.
- 4.6 As far as is reasonably possible, payment should be made by cheque or cash. Proceeds from the sale of equipment must be deposited with the Comptroller, for credit to the appropriate departmental account.

5.0 Interpretation and Questions

- 5.1 For further information please contact:
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