

FANSHAWE COLLEGE BOARD OF GOVERNORS' POLICY MANUAL

CATEGORY D – EXECUTIVE LIMITATIONS

TITLE: ASSET POLICY

POLICY NUMBER: D-15

EFFECTIVE DATE: 2022 04 28

REFERENCE: 37206, 42506, 48406, 49104, 50205, 56301, 59401

BACKGROUND INFORMATION:

The Board of Governors is responsible for the college's *assets* with some limitations regarding *real property* set by the Ministry.

THE POLICY:

1. To avoid duplication, *assets* contained within a capital project as described in the Board's Capital Planning Policy (Board Policy D-12) are excluded from this policy.
2. *Real property* shall neither be acquired nor disposed without prior approval from the Board of Governors.
3. Each *asset* with a *significant* cost value shall neither be acquired nor disposed without prior approval from the Board of Governors. To facilitate the decision, relevant information shall be provided to the Board for consideration.
4. The President shall not *lease* any of the College's *real property* with a *significant replacement value* and a term greater than ten years without prior approval from the Board of Governors.
5. The President shall not fail to maintain a process that maximizes the proceeds from the disposal of any College *asset*.
6. The President shall not fail to reasonably safeguard and maintain all College *assets*. Accordingly, the President shall not fail to:
 - 6.1 insure the College against losses and claims of liability
 - 6.2 implement appropriate internal financial controls
 - 6.3 protect plant and equipment from unreasonable wear and tear

MONITORING:

The President shall annually provide a statement of compliance with this policy including a summary of any on-going challenges and emerging issues.

NOTES:

Asset – includes all of the following criteria:

1. it is recorded on the College's asset ledger
2. its purchase price is \$5,000 or greater
3. its useful life is greater than one year

Lease – an agreement that assigns College property to a third party rendering the property unusable by the College for an extended period of time

Real Property - land or building(s)

Replacement value – the amount currently required to replace the asset

Significant – greater than 0.5% of the lesser of:

- a. the prior year audited operating revenue or;
- b. the current year budgeted operating revenue