



Issue Date: August 2008	Effective Date: July 10, 2008	Responsible Agency: 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. Regulation 9918 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 listed 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* and the *Tobacco Tax Act*.

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 Directive 704-4..
- 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. The Deputy Head of each department may declare public property surplus to the needs of their department.



- 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 Department who 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 department or 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 department, 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, or the gain on the disposal of tangible capital assets, shall be charged to a revenue account. Losses on the disposal of tangible capital assets are to be charged to an 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. Departments 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 \$100,000.