



## **1. Statement of Policy**

Surplus goods owned by the Government of the Northwest Territories will be disposed of in a manner that maximizes public benefits.

## **2. Principles**

The Government of the Northwest Territories will adhere to the following principles when implementing this Policy:

- (1) Disposal methods for surplus goods should follow the principles of reuse, recovery and recycling to the maximum extent practical.
- (2) Surplus goods that are not sold or donated should be disposed of by the most cost-effective method available while protecting the public and the environment.

## **3. Scope**

This Policy applies to the disposal of all goods declared surplus to the needs of the Government of the Northwest Territories and to groups and individuals interested in acquiring goods declared surplus to the needs of government.

### **Exclusions**

This Policy does not apply to:

- (a) Improved or unimproved land;
- (b) Public records under the *Archives Act*;
- (c) Library and heritage goods under the Collections Disposal Policy;
- (d) Goods disposed of under the Privatization Policy;
- (e) Goods transferred to community governments through community empowerment;
- (f) Goods seized under the *Petroleum Products Tax Act* and the *Tobacco Tax Act*;



- (g) Goods transferred pursuant to land claim, self-government or land treaty entitlement agreements;
- (h) Goods repossessed from debtors by the Government of the Northwest Territories where the intent is to use the proceeds from the sale to offset the debt in question;
- (i) Real property disposed of under the Disposal of Improved Real Property Policy;
- (j) Government of the Northwest Territories boards and agencies that have authority, pursuant to legislation or regulations, to own goods and have been delegated authority by the Financial Management Board to dispose of goods; and
- (k) Hazardous waste which must be managed in accordance with appropriate environmental legislation.

#### **4. Definitions**

The following terms apply to this Policy:

Band Councils - band councils recognized under the *Indian Act* (Canada).

Community Government - a municipal corporation or, in the absence of a municipal corporation, a community governing authority recognized by the Minister of Municipal and Community Affairs as the prime public authority responsible for the provision of municipal services.

Deputy Head - the deputy minister of a department, chief executive officer of a public committee, board or council or such person as may be appointed as a deputy head.

Disposal - the donation, sale, destruction or discarding of surplus goods.

Donation – for the purposes of this Policy, the transfer of goods to another party in exchange for nominal or no consideration or for considerations with less than fair market value.

Fair Market Value - the value of surplus goods as determined by the Government of the Northwest Territories through appropriate valuation methods including but not limited to market appraisal, book value, and depreciated replacement value.



Grant-in-Kind - a transfer of goods to a non-government individual or organization at less than the fair market value.

Goods - public property, other than that excluded above.

Government of the Northwest Territories Boards and Agencies - those statutory bodies specified in Schedule 2 of this Policy.

Metis Local - a community-based Metis organization representing the local interests of Metis residents in the Northwest Territories along the Mackenzie Valley and around Great Slave Lake. A Metis Local does not have to use the term "Local" and may wish to use another term such as "council" or "corporation".

Municipal Corporation - a corporation established under or continued by the *Charter Communities Act*, the *Cities, Towns and Villages Act*, the *Hamlets Act* or the *Settlements Act*.

Municipal Programs and Services - those programs and services which are normally provided by community governments, including the provision of water; collection, treatment and disposal of sewage and garbage; fire protection; road maintenance; recreation; by-law enforcement; land use control and community planning. This may also include land administration, borrowing and the collection of property taxes.

Non-Profit Organizations - those organizations that are registered under the *Societies Act* of the Northwest Territories or under the *Canada Corporations Act* as not-for-profit legal entities.

Northwest Territories Public Corporations - those statutory bodies specified in Schedule 1 of this Policy.

Owner/Client Department - a department, board or agency that has purchased, produced or acquired goods for its use and has declared the goods surplus to its requirements.

Priority Interests - parties which the Government of the Northwest Territories grants the opportunity to acquire surplus goods. For the purposes of this Policy, priority interests includes Northwest Territories Public Corporations, Community Governments, Band Councils, Metis Locals, Youth Councils, Elders Societies and non-profit organizations.



Sponsoring Department - the Government of the Northwest Territories department that assists non-government agencies groups through financial and other means.

Surplus Goods - materials, goods or equipment owned by the Government of the Northwest Territories that is not required in support of Government of the Northwest Territories' programs and services or is judged beyond cost effective repair.

## **5. Authority and Accountability**

### (1) General

This Policy is issued under the authority of the Executive Council. The authority to make exceptions and approve revisions to this Policy rests with the Executive Council. Authority and accountability is further defined as follows:

#### (a) Minister

The Minister of Infrastructure (the Minister) is accountable to the Executive Council for the implementation of this Policy.

#### (b) Deputy Minister

The Deputy Minister of Infrastructure (the Deputy Minister) is accountable to the Minister and responsible to the Minister for the administration of this Policy.

### (2) Specific

#### (a) Executive Council

The Executive Council may extend the provisions of this Policy to Government of the Northwest Territories boards and agencies not listed in Schedule 2 of this Policy.

#### (b) Financial Management Board

The Financial Management Board may:

- (i) issue directives and procedures concerning the financial management of goods disposals;



- (ii) delegate the authority to dispose of goods;
- (iii) approve the donation of surplus goods to a priority interest group where a grant-in-kind of \$50,000 or more will result; and
- (iv) consider any matter referred by the Minister under this Policy.

(c) Minister of Infrastructure

The Minister of Infrastructure may make recommendations to the Executive Council and Financial Management Board concerning disposal of surplus goods in accordance with this Policy.

(d) Ministers of Owner/Client Departments

Ministers of owner/client departments may:

- (i) recommend, jointly with the Minister of Infrastructure, to the Financial Management Board the sale or donation of surplus goods to a priority interest where the sale or disposal would result in a grant-in-kind of \$50,000 or more; and
- (ii) recommend to the Executive Council extending the provisions of this Policy to Government of the Northwest Territories boards and agencies not listed in Schedule 2 of this Policy.

(e) Deputy Minister of Infrastructure

The Deputy Minister (or designate):

- (i) will make goods declared surplus to the needs of an owner/client department available to other departments, boards and agencies;
- (ii) may declare goods surplus to the needs of the Government of the Northwest Territories in accordance with Section 6(1) of this Policy;



- (iii) may invite and will consider recommendations of sponsoring departments concerning the donation of surplus goods;
  - (iv) may authorize the disposal of surplus goods in accordance with the provisions of this Policy; and
  - (v) may, in consultation with owner/client departments, estimate the fair market value of surplus goods.
- (f) Deputy Heads of Owner/Client Departments
- Deputy Heads of owner/client departments:
- (i) will undertake periodic inventory review of their departments, boards and agencies to identify surplus goods;
  - (ii) may declare goods surplus to the needs of their departments, boards and agencies; and
  - (iii) will advise the Deputy Minister that goods have been declared surplus to the needs of their departments, boards and agencies and assist the Deputy Minister in the transfer or disposal of those goods.
- (g) Deputy Heads of Sponsoring Departments
- Deputy Heads of sponsoring departments:
- (i) may recommend to the Deputy Minister the donation of surplus goods to a priority interest; and
  - (ii) will report, in accordance with Financial Management Board approved directives, a grant-in-kind for surplus goods donated to a priority interest on the recommendation of the sponsoring department.



## 6. Provisions

### (1) Surplus Declaration Criteria

Goods will be declared surplus to the Government of the Northwest Territories' requirements if it meets both of the following criteria:

- (a) The goods are declared surplus to an owner/client department's requirements.
- (b) Goods declared surplus by an owner/client department, according to Section 6(1)(a), are not required by another Government of the Northwest Territories department, board or agency as determined by the Deputy Minister in accordance with Section 6(2) of this Policy.

### (2) Transfer of Goods to an Owner/Client Department

- (a) The Deputy Minister will make available to Government of the Northwest Territories departments, boards and agencies goods declared surplus to the requirements of an owner/client department.
- (b) Where goods declared surplus to the requirements of an owner/client department are required by another department, board or agency, the Deputy Minister may reallocate those goods to another department, board or agency in accordance with Financial Directive 401-5 and 602-4.

### (3) Fair Market Value Estimates

The Deputy Minister, in consultation with owner/client departments, may estimate the fair market value of surplus goods.

### (4) Donation of Surplus Goods

- (a) Goods declared surplus to the needs of the Government of the Northwest Territories may be donated to a priority interest for nominal or no consideration or for considerations with less than fair market value when:



- (i) the goods are required by a priority interest for the delivery of programs and services; and
  - (ii) a sponsoring department has recommended the donation.
- (b) Where more than one sponsoring department has recommended the donation of surplus goods to two or more priority interest groups, the donation shall be offered in the following order of preference:
  - (i) Priority Interest No. 1: Northwest Territories Public Corporations (listed in Schedule 1 of this Policy)
  - (ii) Priority Interest No. 2: Community Governments
  - (iii) Priority Interest No. 3: Band Councils, Metis locals, Youth Councils, Elders Societies and non-profit organizations
- (c) Where more than one sponsoring department has recommended the donation of surplus goods to two or more groups within the same priority interest, the Minister may refer the matter for Financial Management Board consideration.
- (d) Each donation of surplus goods will be reported as a grant-in-kind by the sponsoring department that recommended the donation in accordance with Financial Management Board approved directives.

(5) Sale of Goods

Surplus goods not donated to a priority interest may be offered for sale to the public.

(6) Other Methods of Disposal

Surplus goods may also be disposed of by one of the following methods:

(a) Trade-In

Provided that the transactions are acceptable to the owner/client department, trade-in of surplus goods for similar items may be made without financial limitation.





(b) Reduction to Spare Parts

Surplus goods may be reduced to spare parts for use as an alternative source of parts supply.

(c) Destruction and/or Dumping

If surplus goods cannot be disposed of by any other method, they will be destroyed and discarded in a manner which protects the public and the environment.

(7) Eligibility Restrictions

Government of the Northwest Territories employees who are directly involved in the disposal of the surplus goods, members of their immediate families and agents for these individuals are not eligible to acquire surplus goods.

(8) Financial Management

Surplus goods disposals will be managed in accordance with directives and procedures issued by the Financial Management Board.

## **7. Financial Resources**

Financial resources required under this Policy are conditional on approval of funds in the Main Estimates by the Legislative Assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.

## **8. Prerogative of the Executive Council**

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting the disposal of goods outside the provisions of this Policy.

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Chairman of the Executive Council



## SCHEDULES

Northwest Territories Public Corporations

Schedule 1

Government of the Northwest Territories  
Boards and Agencies

Schedule 2



## SCHEDULE 1

### **SCHEDULE OF NORTHWEST TERRITORIES PUBLIC CORPORATIONS TO WHICH THE DISPOSAL OF GOODS POLICY DOES NOT APPLY**

Goods owned by the following Northwest Territories public corporations are excluded from the Government of the Northwest Territories Policy on Disposal of Goods:

1. The NWT Housing Corporation established by the *Northwest Territories Housing Corporation Act*.
2. The NWT Power Corporation established by the *Northwest Territories Power Corporation Act*.
3. The NWT Development Corporation established by the *Northwest Territories Development Corporation Act*.
4. The NWT Workers' Compensation Board established by the *Workers' Compensation Act*.
5. The NWT Business Credit Corporation established under the *Northwest Territories Business Credit Corporation Act*.



## SCHEDULE 2

### **SCHEDULE OF GOVERNMENT OF THE NORTHWEST TERRITORIES BOARDS AND AGENCIES TO WHICH THE DISPOSAL OF GOODS POLICY APPLIES**

The Disposal of Goods Policy applies to the following Government of the Northwest Territories boards and agencies unless the board or agency has been given authority, pursuant to legislation or regulations, to own goods and has been delegated authority by the Financial Management Board to dispose of its surplus goods.

1. All District Education Councils and Divisional Education Authorities established under the *Education Act*.
2. All boards of management established under the *Territorial Hospital Insurance Services Act* and *Social Services Administration Act*.
3. The Labour Standards Board established by the *Labour Standards Act*.
4. The Liquor Licensing Board established by the *Liquor Act*.
5. The Liquor Commission established by the *Liquor Act*.
6. All Colleges established under the *Public Colleges Act*.
7. The Status of Women Council of the Northwest Territories established by the *Status of Women Council Act*.
8. The Legal Services Board of the Northwest Territories established by the *Legal Services Act*.
9. The Public Utilities Board of the Northwest Territories established under the *Public Utilities Act*.