

## TITLE

**DONATION OF SURPLUS EQUIPMENT**

## SCOPE

Provincial

## DOCUMENT #

1192-01

## APPROVAL AUTHORITY

Enterprise Risk Management Executive Committee

## INITIAL EFFECTIVE DATE

March 1, 2022

## SPONSOR

Contracting, Procurement and Supply Management

## REVISION EFFECTIVE DATE

Not applicable

## PARENT DOCUMENT TITLE, TYPE, AND NUMBER

Not applicable

## SCHEDULED REVIEW DATE

March 1, 2025

**NOTE:** The first appearance of terms in bold in the body of this document (except titles) are defined terms – please refer to the Definitions section.

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**OBJECTIVES**

- To provide organizational direction for the management of requests to donate **surplus equipment** from **Alberta Health Services (AHS) settings**.

**PRINCIPLES**

- AHS is committed to employing surplus equipment donation practices that:
  - comply with legislation and AHS policies and procedures;
  - are generally aligned with relevant guidelines such as those developed by the World Health Organization; and
  - minimize overall cost and risk to AHS.
- AHS Contracting, Procurement and Supply Management (CPSM) shall develop and manage AHS' donation of surplus equipment processes.
- Requests for donation of surplus equipment shall be facilitated through CPSM Surplus Management and then provided to executive leadership for review and approval.

**APPLICABILITY**

Compliance with this document is required by all Alberta Health Services employees, members of the medical and midwifery staffs, students, volunteers, and other persons acting on behalf of Alberta Health Services (including contracted service providers as necessary).

## ELEMENTS

### 1. Background

- 1.1 This Policy does not apply to any **equipment** that is not surplus equipment.
- 1.2 This Policy applies to all requests for donation of equipment that is believed to be surplus and that was previously purchased or otherwise obtained by AHS via:
  - a) acquisition from vendors or other parties by purchase, donation, or any other means; and/or
  - b) provision of **surplus management services** to **AHS affiliates** as defined by applicable service agreements.

### 2. Review for Donation Eligibility

- 2.1 **Eligible donees** shall submit requests for donation of **eligible items** to CPSM Surplus Management for review, screening, and processing.
- 2.2 Eligible items shall be determined to be surplus equipment as per the AHS *Surplus Equipment Management* Policy and shall be physically located within a CPSM surplus warehouse.
  - a) Exception: eligible items that cannot be reasonably transported to a CPSM surplus warehouse shall be assessed by CPSM Surplus Management for potential donation on a case by case basis.
- 2.3 Requests for the donation of surplus equipment shall be reviewed by CPSM and other stakeholders as required for confirmation as eligible items.
- 2.4 Requests for donation of information technology (IT) equipment-related items shall be forwarded to the AHS IT Department for review and confirmation as eligible items.
  - a) All IT related surplus equipment shall be inspected to ensure electronic storage mediums (hard drives, flash memory, optical disks, etc.) are purged of information or removed in accordance with disposition requirements in the AHS *Surplus Equipment Management* Policy.
- 2.5 **Medical equipment** shall not be donated to entities other than AHS wholly-owned subsidiaries or AHS affiliates unless the medical equipment is an eligible item and:
  - a) is defined in the *Medical Device Regulations* (Canada) as unregulated or as a Health Canada Class I Medical Device; or
  - b) is for the provision of veterinary services or animal research and subsequently labelled as "Not for Human Use/Patient Care;" or

- c) is for use by Alberta post-secondary institutions for teaching/training purposes only and subsequently labelled as "Not for Human Use/Patient Care."

2.6 Any requests for medical equipment donations that are an exception to Section 2.5 shall be subject to review by CPSM Equipment Sourcing and Contracting and AHS Clinical Engineering prior to routing for review and approval.

### 3. Eligible Donation Approvals

3.1 CPSM Surplus Management shall forward all requests with confirmed donation eligibility for routing of review and approvals to the:

- a) AHS Finance Asset Ledger team to confirm the **book value** of the item(s) (if applicable);
- b) CPSM Equipment Sourcing and Contracting team to confirm compliance with existing vendor contracts (if applicable);
- c) CPSM Chief Program Officer for review and approval of all eligible donation requests;
- d) AHS Chief Financial Officer for review and approval of all eligible donation requests that include eligible items that are Health Canada Class II, III, or IV Medical Devices; and/or
- e) AHS President and Chief Executive Officer for all donation requests that are exceptions to the eligibility requirements outlined in this Policy.

3.2 If a donation request is approved pursuant to Section 3.1, an eligible donee shall:

- a) at their cost, make all necessary arrangements for transport and handling of donated items;
- b) sign all required waivers, asset transfer agreements, or bills of sale and other documentation; and
- c) verify that the requested donated surplus equipment shall not be:
  - (i) re-donated;
  - (ii) sold for subsequent profit; and
  - (iii) that it shall be disposed of according to applicable legislative requirements at the end of its lifecycle without recourse to AHS.

3.3 AHS shall not donate surplus equipment directly to individual **AHS representatives** to avoid any potential conflict of interest.

- 3.4 AHS may decline requests for donation of surplus equipment if deemed to not be within the mandate of AHS; non-compliant with legislation, Policy, or procedure; or for any other reason that is not within the best interests or capabilities of AHS.
- 3.5 Information collected by CPSM Surplus Management as part of this Policy shall be maintained in accordance with the AHS *Records Management* Policy and the associated *Records Retention* Schedule.
- 3.6 AHS Finance team(s) shall confirm that items' residual/book value, transfer/donation value, and ensure subsequent accounting for items deemed **capital equipment** is in accordance with AHS policies and legislation.

## DEFINITIONS

**AHS affiliates** means those parties who are legally distinct from AHS or its incorporated subsidiaries provide public healthcare services in Alberta as part of funding received from AHS.

**AHS representative** means AHS employees, members of the medical and midwifery staffs, students, volunteers, and other persons acting on behalf of AHS (including contracted service providers, as necessary).

**AHS settings** means any environment where treatment/procedures and other health services are delivered by, on behalf of or in conjunction with, AHS.

**Book value** means the documented value of an item within the AHS capital asset ledger at the time a piece of equipment becomes surplus equipment.

**Capital equipment** means any item purchased or otherwise obtained by AHS that had an original purchase price exceeding \$5,000 (CDN) per item.

**Eligible donees** means donees as defined as "qualified donees" by the *Income Tax Act* (Canada).

**Eligible items** means items that have been declared as surplus equipment and which can be used by an eligible donee for a formally documented, prospective priority that will derive a health related benefit for the intended recipient users.

**Equipment** means AHS-owned item(s) used to fulfill a specific purpose, including but not limited to furnishings, electronic items, medical items, and vehicles, but does not include consumable medical-surgical supplies, pharmaceuticals, land, buildings, and items permanently attached to buildings.

**Medical equipment** means equipment that are "medical devices" as defined by the *Medical Device Regulations* (Canada) and serviced/maintained by AHS Clinical Engineering as the servicing department.

**Surplus equipment** means equipment that has been identified by an item custodian as surplus and has been accepted as surplus by surplus management services. Generally speaking, surplus equipment means equipment for which there is no known requirement in AHS. Equipment may become surplus equipment because it is obsolete, uneconomical to repair, in

excess of forecast requirements, or is no longer in compliance with health and safety or legislative requirements.

**Surplus management services** means services provided by CPSM Surplus Management to AHS settings and AHS affiliates including the pickup, processing, disposition, and reporting of surplus equipment activities.

## REFERENCES

- Alberta Health Services Governance Documents:
  - *Journal Entry Standard* (#FR-01)
  - *Records Management Policy* (#1133)
  - *Record Retention Schedule* (#1133-01)
  - *Removable Electronic Media Management Standard* (#ITSC-10-00710)
  - *Secure Disposal or Re-Use of Electronic Media Standard* (#ITSC-09-00200 )
  - *Surplus Equipment Management Policy* (#1192)
  - *Tangible Capital Assets Accounting Policy* (#FR-002)
- Alberta Health Services Forms:
  - *Asset Management Equipment Transfer between Sites/Units Form* (#09645)
  - *Asset Management Surplus Declaration Form* (#09649)
- Non-Alberta Health Services Documents:
  - *Alberta Health Financial Directive 10*
  - *Food and Drug Act* (Canada)
  - *Medical Device Regulations* (Canada)
  - *Property and Assets (Transitional) Regulation* (Alberta)

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