



## Board Governance Policy Manual

**POLICY CATEGORY: EXECUTIVE LIMITATIONS**

**POLICY NUMBER: D06**

**POLICY TITLE: ASSET PROTECTION**

**EFFECTIVE: JAN.10/07**

**REFERENCE (MOTION): 387.O.7.7 (EST. OCT. 2005)**

### 1.0 PURPOSE

The Board of Governors is responsible for the overall financial integrity of the College consistent with the College's vision, mission and strategic plan. In addition, the board of Governors is responsible for all college assets. Limitations regarding acquisition or disposition of real property have been established by the Ministry and guide the Board and the President in handling these assets. (Reference Policy D05 – statement #2.) This policy establishes other limitations regarding college assets and outlines appropriate measures to mitigate risk.

### 2.0 Application and Scope

This policy applies to the President of Mohawk College.

### 3.0 PRINCIPLES

1. The President may not knowingly allow the College's capital assets to be unprotected, inadequately maintained or subject to unnecessary risk.
2. Capital assets are all identifiable tangible properties, such as land, buildings, furniture and equipment, and intangible properties, such as patents, copyrights, franchises and trademarks that meet all of the following criteria:
  - They are held for use in the provision of services, for administrative purposes, for production of goods or for the maintenance, repair, development or construction of other capital assets;
  - They have been acquired, constructed, or developed with the intention of being used on a continuing basis;
  - They are not intended for sale in the ordinary course of business;
  - They have a useful life greater than one year, with a minimum pre-tax cost of \$3,000; and
  - They are not held as part of a collection.
3. Specifically, the President will not permit the College to operate without:
  - a) ensuring the implementation of appropriate controls and procedures to dispose of College assets and to maximize the proceeds from the disposal of College assets;

- b) ensuring that purchases, including services, are made in accordance with sound and established purchasing practices that meet provincial policy standards;
- c) ensuring that the College's physical plant and equipment are appropriately serviced and maintained to extend equipment life and ensure safe and reliable operation;
- d) ensuring prior approval of the Board of Governors for the acquisition, sale or disposal of real property; and, ensuring compliance with the *MTCU CAAT Policy Framework* regarding proceeds from sale or encumbrance of college property;
- e) ensuring that funds not required for immediate use are invested in a manner that does not violate regulations and policy directives issued under the *OCAAT Act*, minimize the College's investment risk exposure, and provides a reasonable rate of investment return for the College;
- f) ensuring that the College has appropriate insurance coverage that provides comprehensive protection at competitive rates for College property and appropriately insures the College against claims of loss or liability by Board members, staff, students, clients, volunteers and/or the general public.

#### **4.0 MONITORING**

The President and the Vice President, Corporate Services will verify in writing at the Annual General Meeting that no practice, activity, decision or organizational circumstance related to the protection of College assets that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics has been caused or knowingly permitted.

#### **5.0 POLICY REVIEW DATE**

February 11, 2015

Annual

Next Review – February 2016