

**Original Approval Date: June 17, 2005**
**Most Recent Approval Date: September 26, 2014**

## Real Property Proceeds Policy

<b>Office of Accountability:</b>	Vice-President (Facilities and Operations) and Vice-President (Finance and Administration)
<b>Office of Administrative Responsibility:</b>	Vice-President (Facilities and Operations)
<b>Approver:</b>	Board of Governors (Board Finance and Property Committee)
<b>Scope:</b>	Compliance with this University policy extends to the Office of the Vice-President (Facilities and Operations), Office of the Vice-President (Finance and Administration) and the Board of Governors.

### Overview

The University of Alberta may, from time to time, sell, lease or exchange an interest in real property. *The Post-Secondary Learning Act* outlines the authority by which the University manages its real property.

### Purpose

To ensure that all **net** benefits, received by the University from the sale and/or exchange of **real property**, inclusive of **long term leases**, are managed separately from **operating funds**, and designated for **capital** asset and/or physical or enduring purposes for the benefit of the University.

### POLICY

That the net benefit from the sale, long term lease, and/or exchange of real property, excluding real property in the endowment fund, and held under trust conditions by the University, of less than \$5 million is as follows:

- accounted for separately from operating funds;
- held in a reserve fund, where the reserve does not exceed \$10 million; and
- designated for capital asset and/or physical or enduring purposes for the benefit of the University.

Capital expenditures from the reserve must be reviewed and approved by the Vice-President (Facilities and Operations), and adhere to the Real Property Proceeds Request Procedure. Capital expenditures must also follow the approved Capital Expenditure Authorization Request (CEAR) procedure, identifying the Real Property Proceeds Reserve as the funding source. Approved requests will be forwarded to BFPC for information purposes.

Expenditures of a non-capital nature, from the reserve must be recommended by President's Executive Committee (PEC) and be forwarded to BFPC for approval.

The Real Property Proceeds Reserve will be reviewed annually by the Vice-President (Finance and Administration) and PEC. Projects planned in advance will be incorporated into the University's Capital Plan.

### DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [▲Top](#)

<b>Net</b>	The residual after all debits and credits are combined.
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<b>Real property</b>	Refers to land, which may have above surface structures such as buildings and below surface items such as minerals.
<b>Long term lease</b>	A lease in excess of 25 years.
<b>Operating fund</b>	Used to manage the core activities of the University. The budget is primarily funded by provincial operating grants, tuition fees, investment income as well as revenue received from sales of goods and services.
<b>Capital</b>	All monies received by the University of Alberta, regardless of the sources, for purposes of undertaking capital projects such as construction, renovation, restoration, infrastructure upgrading and the installation of capital equipment. Such funds are applied also to landscaping, paving, grounds and utilities improvements or changes.

## **RELATED LINKS**

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[Capital Expenditure Authorization Request \(CEAR\) Procedure](#) (UAPPOL)

[Real Property Acquisition Procedure](#) (UAPPOL)

[Real Property Compliance Policy](#) (UAPPOL)

[Real Property Disposition Procedure](#) (UAPPOL)

## **PUBLISHED PROCEDURES OF THIS POLICY**

[Real Property Proceeds Procedure](#)