

<b>PROCEDURE TITLE</b>	<b>RESEARCH ASSET MANAGEMENT PROCEDURE</b>
<b>Executive Sponsor</b>	Vice-President (Administration and Finance) Vice-President (Research and Innovation)
<b>Initial Approval Date</b>	February 13, 2018
<b>Date of Last Review</b>	April 23, 2018

<b>Related Documents</b>	<ul style="list-style-type: none"> <li>• Asset Declaration or Change Form</li> <li>• Authorization Form for the Management of Used or End of Life (U/EoL) Research Assets</li> <li>• Criteria for the Tracking of Research Assets</li> <li>• U/EoL Research Asset Management Funding Request Form</li> </ul>
--------------------------	--

## **PART I – PURPOSE AND SCOPE**

The McGill University Research Asset Management Procedure (“Procedure”) is a secondary document to the Procurement Policy, and is established, approved and issued under the authority granted thereunder to the Vice-President (Administration and Finance).

The aim of the McGill University Research Asset Management Procedure (“Procedure”) is to adopt and implement best practices for the management of Research Assets at the University in order to monitor and optimize the material and financial flows associated with the Research Asset lifecycle.

This Procedure identifies, establishes and defines the activities, roles, and responsibilities for the proper management of Research Assets at the University along their lifecycle. This involves the ongoing maintenance of asset records, which enables inventorying activities, facilitates equipment sharing, allows for the regular updating of insurance information, and sets the conditions for transactions such as sales, transfers and donations.

This Procedure applies to and governs the relocation, transfer, sale, or donation of all Research Assets owned or co-owned by the University, notwithstanding their location. This includes all Research Assets acquired by the University through purchase, leasing, transfer, donation, or fabrication.

The management of Research Assets in accordance with this Procedure ensures the University's compliance with governmental and granting agency requirements. It also brings the lifecycle management of Research Assets in alignment with the following University policies:

- ✓ *McGill University's Procurement Policy (effective April 2013)*
- ✓ *McGill University's Sustainability Policy (effective May 2010)*
- ✓ *McGill University's Environmental Policy (effective October 2002)*

This Procedure does not apply to animals, intellectual property and consumables such as lab supplies, chemicals, reagents etc.

## **PART II – PROCEDURAL CONTENT**

### **1. Definitions**

See Appendix 1: "DEFINITIONS"

### **2. Ownership**

Research Assets are either fully owned by the University, leased on behalf of the University, or co-owned as defined by inter-institutional agreements. Research Assets shall not be given away, or taken away for personal benefit under any condition.

### **3. Research Asset Identification**

All Research Assets meeting any of the Criteria for the Tracking of Research Assets must be identified by affixing a tag with bar coding that links to the Central Asset Management System. The Asset Coordinator is responsible to ensure that all such Research Assets are tracked and tagged.

### **4. Central Asset Management System**

The Central Asset Management System is used for the central collection and maintenance of asset information for Research Assets meeting any of the Criteria for the Tracking of Research Assets, including all information as prescribed in the Appendix 2: "RESEARCH ASSET INFORMATION REQUIREMENTS". The Asset Coordinator is responsible for data entry and upkeep.

### **5. Research Asset Lifecycle Stages**

This Procedure prescribes asset management activities for Research Assets along the following lifecycle stages:

#### **5.1 Acquisition**

##### **5.1.1 Acquisition through Purchases and Leases**

Research Assets may be acquired through purchase, or leasing, from external organizations by entering into a supply contract (and/or issuing a purchase order).

##### **5.1.2 Acquisition through Incoming Transfers and/or Donations**

Research Assets may be acquired through incoming transfers and/or donations from third parties, including other institutions.

### **5.1.3 Acquisition through Fabrication**

Research Assets may be acquired when University community members create Research Assets by assembling various components (themselves purchased, transferred, donated or fabricated). When completed and ready for use, and when they meet any of the Criteria for the Tracking of Research Assets, these fabricated Research Assets must be declared and recorded in the Central Asset Management System, by using the Asset Declaration or Change Form. Reconciliation may need to be performed if the components used to build the Research Asset were themselves already recorded in the system. Buyers from Procurement Services may be consulted in relation to the financial evaluation of fabricated Research Assets.

## **5.2 Use, Maintenance and General Stewardship Changes**

The University empowers Asset Stewards to ensure that the University's research community maintains and optimizes the useful life of all Research Assets.

### **5.2.1 Location Changes**

Whenever a change is brought to the location or stewardship of the Research Asset, the Asset Steward is responsible to ensure that a "Asset Declaration or Change Form" is filed in order for the change to be recorded in the Central Asset Management system.

### **5.2.2 Major Upgrades and Overhauls**

In addition, the Asset Steward is responsible to ensure that any major upgrades/overhauls resulting in the Research Asset's meeting any of the Criteria for the Tracking of Research Assets are documented in the Central Asset Management System by filing an "Asset Declaration or Change Form". Buyers from Procurement Services may be consulted for assessing the revised value.

## **5.3 Management of Used or End-of-Life (U/EoL) Research Assets**

The University deems it part of its duty to promote and facilitate the continued utilization of Used Research Assets, whether by a new Asset Steward or external parties. This Procedure must govern all activities pertaining to the management of Used or End-of-Life Research Assets, including reuse at McGill University, as well as sales, transfers, or donations involving external parties.

The management of U/EoL Research Assets must comply with granting agencies' and governmental requirements. It must also follow the University's 4-R hierarchy (Rethink, Reduce, Reuse, and Recycle) as per the University's Environmental Policy (2002).

The University's Research Assets can be reused but cannot be sold across the University's Departments, Faculties or Units.

All Research Asset information and relevant authorizations must be consigned in the Authorization Form for the Management of U/EoL Research Assets (“U/EoL Form”). Unless it is determined that a Research Asset is ineligible to U/EoL Management, or that it can be fully transferred to another institution, 7 pre-identified optimization scenarios can apply to the management of a U/EoL Research Assets. These scenarios are listed in the Appendix 3: “U/EOL MANAGEMENT SCENARIOS FOR RESEARCH ASSETS.”

### **5.3.1 Criteria for Decision Making**

All decisions pertaining to the management of U/EoL Research Assets must be taken in consideration of the following criteria:

- Strategic value of the Research Asset
- The Sponsor’s requirements
- The health and safety profile of the Research Asset
- The Research Asset’s potential for reuse at the University
- The potential costs
- The Research Asset’s residual value
- The Impact on University researchers and partners

### **5.3.2 Mandatory Steps for the Management of U/EoL Research Assets (see visual flow chart in Appendix 4)**

#### **Step A: Request to initiate U/EoL Management**

The U/EoL Management procedure is initiated by the Research Asset’s Steward. To do so, the Asset Steward must complete Part “A” of the U/EoL Form and submit it to the Dean for signature (an email confirmation will also suffice). The U/EoL Form is then sent to the Office of the Vice-President , Research and Innovation (OVP-R&I), for assessment.

#### **Step B: Initial Assessment by OVP-R&I**

Administrators from the OVP-R&I determine what can or cannot be done with the identified Research Asset, according to relevant granting agency rules and regulations, by reviewing Part “A” of the U/EoL Form and assess:

- The Strategic value of the Research Asset
- The granting agency’s or donor’s requirements
- The Impact on University researchers and partners

**Three outcomes to the OVP-R&I assessment are possible:**

**B.1 U/EoL Ineligibility**

The Research Asset is not eligible for U/EoL Management and the request to initiate the U/EoL Procedure is denied.

- I. OVP-R&I completes Part “B.1” of the U/EoL Form outlining the reasons for the ineligibility and sends the U/EoL Form back to the Asset Steward by email.

**B.2 Unconditional Approval to Transfer to another University**

The Research Asset is eligible for transfer.

- I. OVP-R&I, completes Part “B.2” of the U/EoL Form, notifies the Asset Steward and/or the Faculty of the approval.
- II. OVP-R&I forwards the Form to the Asset Coordinator, who updates the Central Asset Management System.

**B.3 Scenario Optimization by Procurement Services**

The U/EoL Research Asset is eligible to U/EoL Management but Scenario Optimization is required.

- I. OVP-R&I, completes Part “B.3” of the U/EoL Form, and forwards the U/EoL Form to Procurement Services
- II. Procurement Services work with the Asset Steward and EHS to:
  - Establish the health and safety profile of the Research Asset;
  - Estimate The Research Asset’s residual value;
  - Clarify the Research Asset’s potential for reuse at the University;
  - Identify the potential costs associated with U/EoL scenarios and/or;
  - Select the appropriate contracted downstream processor.
- III. Procurement Services presents the optimal U/EoL Management Scenario, along with logistical steps and financials, for final authorization (see Step C) below.

**Step C: Request for Approval and Final Authorizations(s)**

The details of the chosen scenario are documented and relevant authorisation is obtained.

- I. Procurement Services prepares a request for approval and obtains final sign-off by the appropriate authorities.
- II. Procurement Services executes the appropriate transactions and updates the Central Asset Management System to reflect the U/EoL Management outcome.

### **5.3.3 U/EoL Management Expenses**

Before a U/EoL Research Asset is transferred and relocated by the new Asset Steward or is removed for Downstream Processing, the U/EoL Research Asset must go through Decommissioning. The Faculty in possession of the U/EoL Research Asset is responsible for all related costs. The Faculty may be eligible to receive funding from the U/EoL Research Asset Management Fund, depending on the Faculty's financial situation and fund availability. Funds may be requested by submitting the appropriate form to the OVP-R&I. The University maintains contracts with local, certified, recyclers for the downstream processing of EoL Research Assets, with the service fees calculated net of the monies generated from material recovery.

### **5.3.4 U/EoL Management Proceeds**

All revenues from sales of U/EoL Research Assets shall first serve to pay for U/EoL Management-related expenses. Accordingly, proceeds are always calculated net of these costs. Proceeds shall be used for Eligible Expenses as defined in section 5.3.5.

Proceeds from the sale of Research Assets will be distributed according to the following rules:

- If the Asset Steward no longer holds a primary academic appointment at the University:
  - 50% of the proceeds from the sale of the Research Asset will be transferred to the U/EoL Research Asset Management Fund.
  - 50% of the proceeds will go to a research fund, under the Faculty which was in possession of the Research Asset.
    - When/if a Faculty holds such a research fund and it has been inactive for 12 months or more, the balance will be transferred to the U/EoL Research Asset Management Fund.
- If the Research Asset's Steward still holds a primary academic appointment at the University:

- 50% of the proceeds will be deposited in a new research fund opened in the Asset Steward's name.
- 50% of the proceeds will go to a research fund, under the Faculty which was in possession of the Research Asset.
  - When/if a Faculty or an Asset Steward holds such a research fund, and it has been inactive for 12 months or more, the balance will be transferred to U/EoL Research Asset Management Fund.

Notwithstanding the above, in the event the decontamination, decommissioning or collection for Downstream Processing of an EoL Research Asset is handled by Hazardous Waste Management Services, any proceeds will be returned to Hazardous Waste Management Services.

### **5.3.5 Eligible Expenses**

In accordance with the requirements of granting agencies that proceeds from the sale of Research Assets must be reinvested in research, the “eligible expenses” for which these proceeds can be used, are:

- Relocation costs for Research Assets;
- Extended warranties for Research Assets;
- Costs associated with training staff to use Research Assets or a specialized facility;
- Maintenance and operating costs of Research Assets;
- Decommissioning costs associated with End-of-Life and Used Research Assets.

## **6. Research Asset Management Steering Committee**

A committee of representatives from Financial Services, Procurement Services, Hazardous Waste Management Services, and from the Asset Stewards, Faculties, and OVP R&I, will oversee and review the effectiveness of this Procedure and its provisions. The Committee shall thoroughly assess the successes and challenges (behavioural/technical/economical/logistical) met by the community in managing the Research Asset lifecycle in accordance with this Procedure.

Consequently to such assessment, and upon unanimity by its members on the matter, the Steering Committee may recommend amendments to this Procedure and its related forms.

## **7. Enforcement**

Compliance with this Procedure will be audited on a regular basis by the University's Internal Audit unit. Non-compliance with this Procedure will be escalated for remediation to the appropriate Faculty Dean or the Office of the Vice-President, Administration and Finance. Material violations or repetitive non-

compliance with this Procedure may result in sanctions applied in a manner consistent with the provisions relating to disciplinary measures contained in University policies, regulations or collective agreements.



## APPENDIX 1: DEFINITIONS

### *Asset Management Program*

Framework of University-wide asset management activities, processes, responsibilities, governing documents and management tools.

### *Asset Steward*

Person accountable for the custody of the Research Asset (typically the fund holder), or in the absence of this person, the Faculty that has become accountable for the custody of the Research Asset.

### *Asset Coordinator*

Person responsible for the use and upkeep of the Central Asset Management System.

### *Central Asset Management System*

Asset management tool sanctioned by the University for tracking and inventorying University Assets.

### *Decommissioning*

Physical preparation of U/EoL Research Assets (defined below) for transfer and relocation, or removal for downstream processing, including all related steps such as decontamination, data-sanitization, packaging, transportation, etc.

### *Decommissioning Costs*

All expenses related to the decommissioning of any U/EoL Research Asset.

### *Downstream Processing*

A U/EoL Research Asset is taken to a pre-approved local dismantling and/or recycling facility for material recovery.

### *End-of-Life Research Assets (EoL)*

Any Research Asset that can no longer be used in its current state, because it is worn out, damaged or otherwise unusable.

### *Research Asset*

Any asset, such as equipment, scientific instrument, vehicle, furniture, appliance, tool, IT-equipment, database or accessory that is used for research purposes.

### *Research Asset Management*

Refers to the management of the following stages of an asset's lifecycle: 1) Acquisition, 2) Use and Maintenance, 3) Management of Used or End-of-Life (U/EoL) Research Asset.

### *Proceeds from Research Asset Sales*

All revenues from the sale of U/EoL Research Assets, net of Decommissioning Costs.

### *Used Research Asset*

Any Research Asset which is still functional, but is no longer needed by its current Asset Steward (i.e. identified as surplus and eligible for U/EoL management).

### *U/EoL Research Asset Management Fund*

Fund, under the responsibility of the Office of the Vice-President, Research and Innovation ("OVP-R&I"), used to finance activities associated with the management of Used or End-of-Life Research Assets.

### *Criteria for the Tracking of Research Assets*

Criteria based on the initial acquisition value of a Research Asset, its environmental, health and safety profile, or data content, used to mandate the tracking of certain Research Assets. Research Assets meeting this Criterion must be assigned a specific asset number and entered in the Central Asset Management System.

**APPENDIX 2: RESEARCH ASSET INFORMATION REQUIREMENTS**

1. Asset Record Type
2. Asset ID
3. Asset name / description
4. Asset Steward
5. Manufacturer / Supplier
6. Model #
7. Serial #
8. Current Location
9. Faculty
10. Asset Status
11. Purchase Order
12. Asset Approximate Net Cost
13. Assigned value
14. Delivery date
15. Warranty information
16. Expected service life

### APPENDIX 3: U/EOL MANAGEMENT SCENARIOS FOR RESEARCH ASSETS (RA)

U/EoL Scenario	Definition	Conditions
1. RA trade-In	Used RA is exchanged with a supplier/distributor with additional funds to change the RA for another piece of equipment.	May depend on the source of funding, the value of the RA, as well as space/energy constraints.
2. Reuse at McGill	Asset Steward transfers Used RA to a new Asset Steward.	May depend on the source of funding, the age and the value of the equipment. Internal sales (across McGill Faculties) are not permitted.
3. External sale for reuse outside McGill	Used equipment, which is no longer needed at McGill but can still be used for research and/or teaching and learning activities, is sold to another organisation outside McGill.	May depend on the source of funding, the age and the value of the equipment. Where possible, local sales should be prioritized, then provincial, national, and international sales should be allowed.
4. Sale of RA to leaving researcher	Used RA is no longer needed at McGill and is sold to the researcher leaving for continued research in another university.	Only if RA cannot be reused at McGill. Destination location must meet granting agency requirements.
5. External donation	Used RA is no longer needed at McGill and is donated to another research or post-secondary institution for continued research or teaching and learning activities.	Only allowed if the RA cannot be reused at McGill, and if the RA cannot be sold with Procurement Services support.
6. Parts harvesting at McGill	End-of-Life RA is taken apart to extend the life, or upgrade another RA being used at McGill.	RA must be EoL
7. Downstream Processing for Material Recovery	RA is sent to Hazardous Waste Management, or picked-up by contracted service provider for local downstream processing.	RA is completely obsolete and/or broken beyond repair. Proceeds from material recovery must be used to cover decommissioning costs. Additional charges may apply, if necessary, and should be paid for by the Faculty.

APPENDIX 4

### 3 Steps for managing *Used or End-of-Life (U/EoL) Research Assets*

