

BUSINESS POLICY

TO: All Members of the University Community 2014:01
DATE: August 2013

DISPOSAL OF SURPLUS UNIVERSITY PROPERTY (Supersedes 2006:05)

I. POLICY

Surplus university property is defined as any physical asset for which the university has no operational need in the foreseeable future. These assets will be disposed of under the direction of the Associate Vice President for Finance or designee by methods that will result in a sale for the highest price from a responsible purchaser, or by trade, destruction, or donation.

II. SCOPE

Disposals of any purchased (capitalized or expensed) or gifted equipment by any university unit. The management of acquisitions and disposals of art, wildlife and other museum collections are subject to departmental policies and not covered by this policy.

III. APPROVALS

Surplus university property is identified and approved for disposal by the responsible department manager. The disposal method and the distribution of proceeds are approved by the Associate Vice President for Finance or designee. The following methods may be considered for the disposal of surplus university property.

A. Disposal by sale:

1. The preferred method is by public sale or online via Marketplace.
2. Other methods, with the specific approval of the Associate Vice President for Finance or designee, include sale by advertised bid, invited bid, private bid, on line auction site such as eBay, or auction.

Note: The University will reserve the right to reject any and all bids or proposals. All eBay sales must take place through the university's eBay account. This account is administered by the Physical Plant Manager of Business Services.

- ##### **B. Disposal by destruction or by donation may be approved by the Associate Vice President for Finance or designee where the cost of the sale is estimated to exceed the proceeds of the sale or the recommended method is in the university's best interest.**

Disposal by disassembly for other university use (parts, consumed in instructional use, etc.) must be approved the asset custodian's dean, director or designee. Donations are restricted to approved not-for-profit institutions or agencies only.

IV. RESPONSIBILITIES:

University property assets are acquired by the university for the purpose of supporting its programs and operations. The physical care and safeguarding of such assets are the responsibility of the asset custodians. The asset custodian will contact:

- A. Accounting Office, Property Control, for direction regarding:
 - 1. Disposal by sale or donation.
 - 2. Disposal by destruction or disassembly for other university use.
 - 3. Reporting of asset impairments (defined as a significant decline in value or use of capitalized asset).
 - 4. Recording the transfer of surplus university property to Storage.
 - 5. Exchange of personal property.
 - 6. Disposals of gifts by any method within two years of their receipt by the university.
 - 7. Banner Fixed Asset records.
 - 8. Use of the Banner Fixed Asset System.
- B. Manager of Business Services for direction regarding:
 - 1. Disposal in a public sale.
 - 2. Disposal to a commercial waste or salvage facility.
 - 3. Inventory of goods stored in surplus university property storage facilities.
 - 4. Transfers of surplus university property to temporary storage prior to disposal.
 - 5. Transfers of goods from surplus university property storage facilities to university use.
- C. Purchasing for direction regarding disposal by trade-in on a purchase order.

V. PROCEDURES:

- A. Transferring assets for disposal:
 - 1. The transferring asset custodian will:
 - a. Prepare the Equipment Transactions form (see attachment) indicating a transfer for sale or disposal.
 - b. Obtain supervisory approval on the form.
 - c. Complete a customer service request in AiM for moving to retrieve the equipment. This will serve as notification to the Physical Plant Manager of Business Services that equipment for sale needs to be moved.
 - 2. The Manager of Business Services will:
 - a. Arrange for moving the surplus property from its current location to a temporary storage area.
 - b. Sign the Equipment Transactions form and return it to property control.
 - c. Record the property item in the storage location inventory record.
 - 3. Property Control will:
 - a. Record the transfer of Fixed Assets between custodians.

- b. Provide a report of the recorded transfer to the transferring custodian and to the Manager of Business Services. (**Note:** Either or both parties are to notify Property Control immediately if there are any discrepancies on the report.)
- B. Disposal of assets by public sale:
- 1. When a sufficient quantity of assets have been accumulated, the Manager of Business Services will:
 - a. Include notice if any items are available for reassignment (transfer) within the university.
 - b. Provide notice to all university departments if surplus property is available for transfer up to the day prior to the sale.
 - c. Remove tags for surplus property sale items.
 - d. Conduct a public or online sale.
 - e. Record the costs and proceeds of the sale to D11603.
 - f. Costs associated with ITS sales are recorded in G54200
 - g. Prepare a sale bill.
 - h. Advertise the items both on- and off-campus.
 - i. Relieve the storage location subsidiary inventory record accordingly.
 - j. Net proceeds from sales of Kendall equipment will be distributed to Kendall FOAPs.
 - 2. The Business Office will:
 - a. Provide a cashier for the public sale who will receipt and deposit all proceeds received from the sale.
 - b. Support the deposit with receipt forms containing the amount of the sale and/or suitable description of the assets.
 - c. Send all Miscellaneous Receipt Forms to the Accounting Office for recording in account D11603 for surplus sales or G54200 for ITS sales
 - 3. Property Control will:
 - a. Review the Equipment Transactions forms and the asset tags.
 - b. Record the appropriate asset disposal transactions in Banner.
 - c. Distribute the net proceeds of the sale when requested by the Manager of Business Services.
- C. Disposal of assets by other than public sale:
- 1. The appropriate department manager or Physical Plant Manager of Business Services will send a proposal for disposal to the Associate Vice President for Finance or designee for approval. The proposal will include:
 - a. The recommended disposal method.
 - b. An Equipment Transactions (disposal notice) form.
 - c. The estimated or known proceeds.
 - d. Justification for excluding the asset from disposal by public sale.
 - 2. Upon approval, the Associate Vice President for Finance or designee will provide the Finance office with a copy of the approved proposal and:
 - a. Forward proposals for trade or exchange to Purchasing, who will assist the unit manager in accordance with purchasing procedures.
 - b. Return proposals for donations, destruction or disassembly to the unit managers with instruction to proceed.

3. The department manager will complete the transactions, depositing all funds received by the Business Office, crediting the proceeds and charging the costs of sale to account D11603 or G54200 as appropriate, and provide Property Control with the fixed asset tags and a notice of the disposal on the Equipment Transactions form.
4. The Finance office will maintain a file of pending disposals (other than public sales) to be cleared as disposal notices are received and recorded by Property Control.
5. Property Control will record the disposal transaction in Banner and clear Finance's pending disposal file.

Jerry Scoby
Vice President for Administration and Finance

Contact: Finance Office

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