I. INTRODUCTION

All University property purchased with University funds (including unrestricted University funds, grants, sponsored research, endowments or gifts), donated to the University, or acquired for University use through other means are the property of the University.

The University is committed to managing surplus property, such as used furniture and equipment, in a manner that is fiscally responsible, reduces harmful environmental impacts, promotes alternative internal uses, and reduces the University’s storage burden.

This Policy explains the process to dispose of University surplus property. This Policy does not apply to the disposition of real property or buildings, nor does this Policy apply to Works of Art (See Policy PROV 2.30.055 – Works of Art, Collections, Acceptance & Display).

II. POLICY OVERVIEW

A. Records of University Assets

The Controller’s Office is responsible for maintaining the detailed asset records for the University (see Policy FINA 2.30.050 – Property Control).

1. The Controller’s Office will conduct an annual inventory of University assets and equipment pursuant to the Property Control Procedures.

2. University property may be designated by the Controller as “capitalized equipment” or “non-capitalized equipment” (each as defined below).

3. University property may not be sold, traded-in, salvaged, scrapped, donated or otherwise disposed of without either: (a) for capitalized equipment, the prior written approval of the Controller, or (b) for non-
capitalized equipment (designated as such by the Controller) by the department head

B. Capitalized Equipment and Assets

1. When a department-head who has control over an asset seeks to declare capitalized equipment as surplus, the department-head must contact the Controller to determine whether the removal has financial and/or operational impacts.

2. The means of disposal will be determined jointly by the department disposing of the asset and the Controller when removal has financial and/or operational impacts on facilities, fixtures, and/or the function of other assets. The Controller (and as appropriate, together with the Office of Information Technology, Office of Facilities Management and Planning, and/or the Office of Environmental Health and Safety) will assist departments in determining the appropriate method of disposal.

3. Prior to disposition, the department-head will work with the Controller’s Office to ensure that the accounting of the transaction is recorded correctly in the fixed assets system.

C. Non-Capitalized Equipment and Assets

For non-capitalized equipment and assets approval is required from the department-head over the asset. The means of disposal will be jointly determined by the department disposing of the asset with the assistance of, as appropriate, the Office of Information Technology, Office of Facilities Management and Planning, and/or the Office of Environmental Health and Safety.

D. Equipment and Materials Purchased with Special Donated Funds, Grant or Contract Funds

For equipment or materials purchased with special donated funds, or specific grant or contract funds, the department-head, and, as appropriate, the Office of Research and Sponsored Programs, will work with the appropriate department to determine if title to the items to be disposed of has passed to the University or if the grant language contains specific disposition requirements. Prior to disposition, the department-head will work with the Controller’s Office to ensure that the accounting of the transaction is recorded correctly in the fixed assets system.

E. Conflicts of Interest

A department or individual may not dispose of University surplus property unilaterally. Disposal of University surplus property for personal gain or favor is prohibited. (See University Policy AUDT 3.20.060 – Conflicts of Interest)
III. PROCESS OVERVIEW

A. The Office of Information Technology guides the disposal of surplus computers and other electronic peripheral devices that may require special handling upon disposal. (See C.5 below.)

B. The Office of Environmental Health and Safety guides the disposal of hazardous materials, including laboratory equipment.

C. Disposal of University surplus property will be at the lowest possible cost and at the highest sale price as determined by the marketability of the asset. The following methods may be considered for the disposal of surplus property:

1. Disposal by Internal Departmental Transfer
   
   (a) Priority is given to University departments in an attempt to repurpose surplus items. The cost to a department for an internal transfer of goods is the costs of moving and installing the item(s) (see Office of Facilities Management and Planning Policy FML 1.1).
   
   (b) If a University department has an interest or need, Facilities Management and Planning will assist departments with the transfer of the assets.
   
   (c) For any transfer of capitalized equipment or assets from one department to another, the transferring department-head will notify the Controller in order to record the transfer of the assets in the Controller's accounting system.

2. Disposal by Sale
   
   (a) For any sale of capitalized equipment or assets, the department disposing of the asset(s) will be responsible for: (i) the handling of bids and purchase offers, and (ii) obtaining the Controller’s approval of the sale price and terms.
   
   (b) All sales of surplus property will be on an "as is" and "where is" basis, with no warranties of any kind, express or implied, attached to the item.
   
   (c) Proceeds from any sale of surplus property will be deposited to the disposal of an asset account listed on the Fixed Asset Disposal Form.

3. Disposal by Donation
Items that cannot be reused internally or sold may be donated “as is” to approved not-for-profit institutions upon written approval from the Senior Vice Chancellor for Business and Financial Affairs or the Provost.

4. Disposal as Waste

(a) Items that cannot be sold or donated will be discarded through the University’s normal waste removal process.

(b) The department disposing of an asset as waste will contact the Controller’s Office to determine if the asset had an acquisition cost of $5,000 or greater.

5. Computers

(a) Any and all computer desktops, laptops, hard drives, portable media, and electronic peripheral devices (including, but not limited to, external drives and credit card machines) that are approved for disposal must be given to the IT Department for proper disposal in accordance with Policy IT 13.10.030 – Disposal of Hard Drive(s) and Computer Storage Media.

(b) Paper and hard copy records should be disposed of in a secure manner as authorized by the Chief Information Security Officer (CISO) and in accordance with University Policy RISK 1.10.025 – Records Management.

(c) The CISO’s analysis of secure disposal processes should include, but not be limited to, shredders and storage of records in a secure area for an authorized disposal/recycling service.

6. Vehicles

The disposal of any University-owned vehicle as surplus property must be approved in advance by the Controller’s Office and coordinated by the Physical Plant Office. The Physical Plant Office maintains the vehicle titles on file and will complete the appropriate Department of Motor Vehicles’ (DMV) paperwork and work with the Risk Management Office to convey title and/or remove the University’s name from the vehicle’s ownership records.

D. The Controller will update the University’s capital inventory to reflect the disposal of any capitalized equipment should it not be utilized elsewhere in the University.

E. The Senior Vice Chancellor of Business and Financial Affairs must be informed of any capitalized equipment disposed of by sale, donation or as waste.
IV. DEFINITIONS

A. “Surplus property” refers to property for which there is no further planned use by the department currently responsible for that asset or which is intended for replacement. It includes all tangible assets such as equipment, materials, supplies, and furniture.

B. “Capitalized equipment” refers to furniture, fixtures, and equipment with a unit acquisition cost of $5,000 or greater and a useful life in excess of one year. These assets are capitalized by the University and will be tagged and inventoried annually.

C. “Non-capitalized equipment” refers to items that are consumed or become unidentifiable with use and thus are considered expendable, non-capitalized equipment and are classified as supplies.

D. Resources:

- Policy FINA 2.30.050 – Property Control
- Property Control Procedures
- Fixed Asset Disposal Form

<table>
<thead>
<tr>
<th>Revision Effective Date</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>