

**Section:** Business and Support Operations

**Section Number:** 3.6.2

**Subject:** Transfer/Disposal of Surplus Property

**Date of Present Issue:** 06/12/00

**Date of Previous Issues:**  
07/71, 07/72, 07/79

## POLICY:

The Purchasing Office is responsible for the orderly disposal of surplus, obsolete and worn out equipment. All items acquired by University departments, regardless of the source of funds, are considered property of the University and subject to the disposal procedures that follow.

## PROCEDURE:

### Trade-In

If an equipment item is being replaced and the supplier has quoted a trade-in allowance for the old item, the trade-in item must be listed on the purchase requisition form as a separate line item with the allowance amount. The trade-in allowance must equal or exceed its estimated resale value. The requisition must also include the LSSU tag number so the item can be removed from the equipment inventory.

### Transfer

Items that are in good, reusable condition may be transferred to another department. An Equipment Disposition and Transfer Form must be completed and sent to the Director of Purchasing indicating the item description, tag number and reassignment information. Departments are responsible for resolving any facility implications (space, dimensions, weight, electric, plumbing, etc.) with the Physical Plant Office prior to the transfer. Once both departments have agreed to the transfer, Purchasing will contact Physical Plant to arrange the move. Purchasing will forward a copy of the form to Business Operations for proper recording of fixed assets.

Computer equipment items are not transferable. Departments should contact Distributed Computing Services (DCS) to arrange the equipment removal. An Equipment Disposition and Transfer Form must be completed and sent to the Director of Purchasing indicating the item description and tag number sent to DCS. Purchasing will forward a copy of the form to Business Operations for proper recording of fixed assets.

### Sale

Items that have a redeemable value, but are no longer needed by the University will be sold. Purchasing will coordinate advertising and sale of surplus equipment as needed. All sales are final, cash & carry and with no warranty or guarantee. There will be no costs incurred by the department for the sale of these items. Contact Purchasing to coordinate pick up of the items.

Departments should contact Purchasing when capital equipment becomes available for sale. Some examples would be high value scientific and technical equipment, vehicles, furniture, etc. that are being replaced. A list of item descriptions, and tag numbers should be submitted to Purchasing. The disposing department should recommend a selling price to Purchasing. Advertisements will be placed in local newspapers and other sources as necessary, stating the selling price or requesting sealed bids with a stated minimum. The highest bid will generally be awarded the sale. LSSU reserves the right to accept or reject any or all bids. Purchasing must receive cash, a certified check or money order before the items can be removed from campus.

Proceeds from any sale of surplus property will be deposited in a general revenue fund. Requests for transfer of funds to a specific department must be submitted in writing to the Vice President of Business & Financial Operations.

### Donations

Items that are in reusable condition, but are no longer needed by the University for reassignment or due to obsolescence, may be donated to local schools, hospitals or other nonprofit organizations. Purchasing will coordinate this donation with Physical Plant and the donation site. A list of equipment with descriptions, tag numbers, and market value must be submitted to Purchasing. The Vice President for Business and Financial Operations must approve all donations. Once the donation has been approved, Purchasing will forward a copy of the list to Business Operations for proper recording of fixed assets. A list of potential donation sites will be maintained by Purchasing.

### Scrap

Items having no residual value to the University or to any donation site may be stripped for parts and/or scrapped. Purchasing must be notified when capital equipment becomes available for disposal. An Equipment Disposition and Transfer Form must be completed with item descriptions, tag numbers, and explanation of the disposal and sent to Purchasing for approval by the Vice President for Business and Financial Operations. Once approved, Purchasing will coordinate with Physical Plant for disposal to a landfill and/or recycling center. The disposing department will incur no costs. Purchasing will forward a copy of the list to Business Operations for proper recording of fixed assets.

Departments must notify Physical Plant of potential hazardous materials that may be contained in any item made available for scrap. Hazardous materials will be disposed of in accordance with MIOSHA and University policy.

### **Disposal of Computer Equipment**

In addition to the aforementioned general procedures, Purchasing is responsible for the disposal of surplus, obsolete and worn out computer equipment. Distributed Computing Services (DCS) will make every attempt to salvage equipment by repairing, upgrading other department equipment, trade-in, or stripping for parts. Equipment may also be reassigned to other appropriate University sites. If DCS advises that the equipment warrants disposal, Purchasing will coordinate these activities. A list of equipment with descriptions, tag numbers, and when applicable, resale value and suggested selling price must be submitted to Purchasing. Computer equipment having resale value will be sold at a surplus sale, public advertised sale, public sale by the State of Michigan Surplus Property Department or other appropriate sales avenue.

Unsold computer equipment may be donated to local schools, hospitals or other nonprofit organizations. A list of potential donation sites will be maintained by Purchasing. If equipment cannot be salvaged, it will be stripped

In all cases, Business Operations personnel are the only individuals authorized to remove LSSU inventory tags.