



Angelo State University
Operating Policy and Procedure

OP 14.14: Disposal of Surplus and Obsolete Property

DATE: February 3, 2021

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish policy and procedures for the disposal of surplus and obsolete property. Departments should contact Environmental Health, Safety and Risk Management for disposal of carcinogens and radioactive materials.

REVIEW: This OP will be reviewed in September every five years, or as needed, by the property manager and executive director of materials management with recommended revisions forwarded through the vice president for finance and administration to the president by October 15.

POLICY/PROCEDURE

1. Background

Surplus property is any personal property which is in excess of the needs of any state agency and which is not required for its foreseeable need. Surplus property may be new or used but must have additional useful life.

Proceeds from Sales of Surplus Property will be deposited in accordance with Fiscal Policies and Procedures (FPP) A.032.

2. Disposal of Surplus Property

a. General Procedure for Disposal of Surplus Property

- (1) Departments must follow the guidelines set forth in [OP 14.12](#) for property transfers and trade-in of equipment or vehicles.
- (2) Property that becomes surplus, obsolete, or uneconomically repairable will be disposed of under the control of the property manager. This includes all types of property, except carcinogens and radioactive materials, and devices that are covered by other ASU operating policies. Departments must complete the Request for Equipment Transfer (Attachment) to transfer property to the Surplus warehouse.
- (3) Surplus property may be made available to other Texas state agencies, political subdivisions, and assistance organizations, unless ASU demonstrates that it can dispose of the property in another way that saves the state money, such as auctioning property.

- (4) All requests for deletion of property shall be submitted to the property manager by e-mail or memo from the department chair. The property manager will inspect the property and make the necessary arrangements to remove it from the inventory records. University property may not be disposed of without permission from the property manager.
- (5) Disposal of technology equipment and software will be in accordance with [OP 44.01](#).

b. Sales Procedures and Disposition of Proceeds

- (1) At no time will computers or related equipment be available for sale. All computers will either be sent to Texas Department of Criminal Justice (TDCJ) or donated to a state agency, school district, or other qualified entity. Printers, faxes, and scanners are allowable items to sell.
- (2) Auctions will be conducted when enough merchandise is available, as determined by the property manager. The property manager will determine whether or not to hire an auctioneer and if advertisement is necessary. Items not sold will be destroyed or disposed of by the property manager.
 - (a) The property manager will develop a descriptive listing of all items available for auction.
 - (b) Pre-arranged individual sales are not allowed. The property manager may remove any item from an auction prior to its disposal if a university department expresses a need for the item.

(3) Disposition of Receipts

- (a) Receipts from the sale of surplus property will be allocated in the following order:
 - 1) All receipts from sale of surplus property purchased using state appropriated funds and sold will be deposited to Educational and General Miscellaneous Income;
 - 2) Direct costs of the sale, such as advertising and auctioneer costs, shall first be deducted from the sale of property before funds are credited to Educational and General Miscellaneous Income;
 - 3) The sale receipts of buildings will be credited to the Educational and General Miscellaneous Income.
 - 4) The sale of surplus property purchased with funds from a federally sponsored project shall be subject to the applicable federal property management standard (OMB Circular A-110 or equivalent), which generally requires that the proceeds be returned to the sponsoring agency. Prior approval by the managing director of sponsored projects must be obtained before equipment purchased with funds from federally sponsored projects is offered for sale.

- 5) All sales tax collected will be submitted according to [OP 14.08](#) Sales Tax Collection.
- 6) All deposits will be made in accordance with [OP 14.04](#).

c. Scrap Metal and Other Surplus

- (1) All scrap metal should be placed in the scrap metal container controlled by the property manager. The scrap metal shall be sold to the company supplying the container.
- (2) Environmental Health, Risk and Safety will dispose of tires, batteries, paint, chemicals, and hazardous materials.
- (3) Refrigeration equipment may be placed in the scrap metal container only after an authorized person has removed the refrigerant using the approved process. Used refrigerators and freezers may be transferred to another department only after Environment Health and Safety has verified that no hazardous materials were stored in it. The property manager must approve all transfers and be provided with documentation certifying no hazardous materials were present at inspection.

d. Exceptions and Disclaimer

- (1) Instances may arise when it is not economically feasible to move surplus property from the department to the surplus warehouse or when it becomes necessary to dispose of surplus property without waiting to advertise formally for bids. In such cases, the property manager may sell the property in the manner most advantageous for ASU.
- (2) When bids are solicited for sale of surplus property, ASU shall reserve the right in all instances to reject any and all bids and to waive any or all formalities.

3. Disposal of Abandoned Personal Property

[See OP 74.04](#)

Once abandoned personal property is turned over to the property manager, it will become surplus and disposed of according to OP 14.14.

4. Disposal of Final Federal Property Inventory

a. Grant and Cooperative Agreements

Title to all property purchased under a project that has been funded by a federal grant transfers to ASU at the end of the funding period unless the award specifies otherwise.

b. Contract

If property is not transferred to ASU per the federal contract instructions, ASU may negotiate with the funding agency at end of the contract to transfer said equipment to support another federal project.

[No Changes: February 3, 2021]

Attachment: [*Request for Equipment Transfer*](#)