

Surplus Property Disposal Procedures

Effective Date: July 1, 2023

This Operating Procedure establishes the process for identifying and disposing of the College's surplus property and shall be administered and interpreted by the Vice President of Finance and Administrative and the College's Business Services department.

Surplus property is non-real estate property owned by the College that is obsolete, damaged, worn out or no longer needed for use by the College.

When equipment, furniture, supplies or other property of the College is no longer needed by any department of the College, the property shall be deemed surplus property. Prior to designating property as surplus, reasonable efforts shall be made to redistribute the property for use within the College. Disposition of surplus property should focus on stewardship of public property, support the mission of the College, promote sustainability, fairness and transparency, and be conducted in compliance with all applicable laws and regulations.

Furniture or equipment purchased with federal monies are to be disposed of in accordance with federal regulations or the specific requirements of that grant/agency that the items were purchased under.

Once a determination is made that a piece of personal property is surplus, it may be disposed of in any of the following manners:

1. Advertised public sale (by fixed price, sealed bid or public auction)
2. Trade-in (supplier credit)
3. Transfer to eligible public entities with Yavapai County (e.g. public school districts)
4. Negotiated sale
5. Recycling or salvage
6. Cannibalization
7. Trash/waste

In determining the method of disposal, the Vice President of Finance and Administrative Services or their designee shall use best efforts to maximize the value and benefit to the College considering all circumstances, including anticipated proceeds as well as costs associated with each method of disposition.

Any employee of the College seeking to redistribute or dispose of College property shall first contact the Facilities designee or ITS designee. The College will exhaust all reasonable uses of the property internally prior to declaring it as surplus property and disposing of it. In order to facilitate internal redistribution of property, the College maintains storage for internal redistribution of certain property. Additionally, the Facilities designee maintains a list of other, non-ITS property (typically furniture and equipment) that is available for reuse internally.

A. Identifying Surplus Property:

Items that are deemed irreparably damaged, obsolete or otherwise not appropriate for internal redistribution may be disposed of by the Facilities designee or ITS designee without being posted on the internal redistribution list.

B. Disposition of Surplus Approval:

The following levels of approvals are required before disposition of College property may occur:

<u>Original Cost</u>	<u>Required Approval</u>
\$0 - \$49,999.99	Department Dean/Director
\$50,000 and above	Vice President and Vice President of Finance and Administration

C. Property Responsibilities:

The Dean/Director shall be responsible for all property items used within their department(s). Individual instructors/employees shall be accountable to the Dean/Director for property assigned by their use. A physical inventory shall be taken every two years.

D. Disposition of Surplus Property:

Business Services has established and maintains the following appropriate method(s) of disposal for surplus property. The method(s) of disposal for a particular item shall be determined in a manner that maximizes net benefit to the College. The appropriate method(s) of disposal will vary by item and depend on the circumstances including value of item (both monetary and non-monetary), nature and extent of demand for the item, usefulness, recyclability of materials and cost of storage.

All property items in the Fixed Asset System are shown at original cost. In the event an item is disposed of, the item will be removed from the Fixed Asset System by the senior accountant and the proper accounting done.

The Facilities designee or ITS designee shall facilitate the donation of excess or surplus property to eligible public elementary and secondary schools located within Yavapai county. These excesses or surplus materials must be offered to the College departments prior to offering them to eligible public entities. Eligible public entities must sign the College's External Equipment Transfer Form stating they will not sell, dispose, or transfer this equipment for the period of one year.

Surplus materials not donated to public educational institutions shall be offered through the following methods.

- Trade-in: Certain items may be used as a trade-in for vendor credit with College suppliers if economically feasible and approved by the Director of Purchasing & Contracting.
- Advertised public sale (by fixed price, sealed bid or public auction): If an item is deemed to have some value, it may be sold on a first come, first serve basis at a set price or open for best offer through public advertisement. Facilities will handle all non-technology related items (currently through Harris Auction) and ITS will handle all technological items (currently through Sierra Auction). Items will be sold "as is" for pickup. To preserve an appropriate segregation of duties, proceeds from property disposals are directed to general institutional funds. Individuals responsible for management of operating budgets should

not dispose of equipment/supplies/materials to influence and benefit their own operating budget.

From time to time, community-wide events may be coordinated by Facilities designee as surplus inventories of equipment and furnishing are evaluated for disposal by the college. Public notice of these events will be provided to the Yavapai County community. Funds collected from the sale of surplus items will be deposited into the Plant fund. This process ensures that no one person receives preferential pricing or treatment.

An employee of the owning or disposing department shall not directly or indirectly purchase or agree with another person to purchase surplus property if said employee is, or has been, directly or indirectly involved in the purchase, disposal, maintenance, or preparation for sale of the surplus material.

- Negotiated sale: Allowable when other options fail to produce a fair and reasonable return, pursuant to ARS 41-2602.
- Recycling or salvage: All reasonable efforts must occur to recycle or salvage surplus property before considering disposal as trash/waste.
- Cannibalization: When cannibalized parts, components, assemblies, attachments, etc., meet the criteria for "capital", they shall be maintained in the Fixed Asset System at a reasonable value. The difference between the original cost as listed in the Fixed Asset System and the value established for the remaining portion must be subtracted from both the Fixed Asset System and the Financial Business System.

If the cannibalized parts (as individual entities) do not meet the criteria for "capital," the Fixed Asset System must be reduced by the amount of the original cost so as to totally remove the line item from the system. No further Fixed Asset System involvements then exists.

If the cannibalized parts are merged into another property item and substantially increase the value of the second item, the stated value of the second item shall be increased by the amount added. The Fixed Asset System must be changed to reflect the increase.

When the residual of the cannibalized property is turned into Surplus Property for final disposition, attach the [Request for Authorization to Dispose of Property form](#).

- Trash/waste: Items that cannot be recycled or donated to other public entities will be discarded through the College's normal waste removal process. A work order request to Facilities should be submitted by the department. A Facilities designee will coordinate disposal of these items in a centralized manner.

To deter theft and address safety issues, items that have been deposited into waste removal containers, including dumpsters, should not to be removed.

If unusual circumstances render the above methods impractical, the Facilities designee or ITS designee may employ other disposition methods under approval of the Controller when such procedure is advantageous to the College.

E. Disposal of Federally Funded Equipment:

Additional approvals may be required from the Federal awarding agencies prior to disposal of equipment in addition to the above outlined approvals. The Principal Investigator shall contact the awarding agency for applicable disposition instructions.

F. Surplus Materials Acquisition Program:

The College may acquire surplus materials from the United States government, State of Arizona as well as any other government entities allowing the transfer or sale of surplus to similar organizations, and may distribute surplus materials as may be usable and necessary for public purposes to the College.

The Facilities designee or ITS designee may confer on any employee, authority to secure the transfer of surplus materials from the above listed agencies or organizations. Prior authorization must be granted for each transaction.

G. Proceeds:

All monies coming into the College derived from surplus materials shall be deposited into the Plant fund, higher level Org (011041).

H. Hazardous Materials:

Hazardous and other special materials and equipment may be restricted as to disposition method and source. Facilities designee is responsible for storage and disposition of hazardous materials.