BAYLOR UNIVERSITY

Disposal of Surplus University Property

Policy Statement

The purpose of this policy is to set forth requirements for the disposition of any movable property located on the Baylor University campus. For the provisions of this policy, movable property includes vehicles, furniture, fixtures, and equipment except for technology equipment such as computers, monitors, and related peripherals. This technology equipment is treated differently because of the process of removing any sensitive data and environmental issues related to their disposal.

General Guidelines

A. Declaration of Property as Surplus and Establishing Fair Market Value:

1. Department heads have the authority to declare University property assigned to their custody as obsolete or excess to departmental needs.
2. The Procurement Services department is delegated the authority to declare property as surplus to the University. Upon declaration of property being surplus to the University, a surplus property inventory is maintained by Facility Services.
3. Property with an original value of $5,000 or more is tracked within the University’s fixed asset tracking system. For property containing the following asset tag, departments are responsible for notifying the Controller’s Office Fixed Assets Accounting upon designation of the property as surplus to the University.

4. The Procurement Services department is delegated the authority to establish fair market value for surplus property or to advise department heads of the appropriate procedures or methods for establishing fair market value.

B. Disposal Methods and Authorities:

When it has been determined that the surplus property is of no immediate use to the department, it may be disposed of in one of the following methods so as to bring the highest net return or benefit to the University:

1. Trade-in on new equipment. Property to be traded in on new equipment shall be listed on the purchase requisition submitted to Procurement Services.
2. Redeployment to another University department. University departments receive preference to acquire surplus property before it is put on public sale or otherwise disposed of outside the University.
3. Public sale to the highest bidder, potentially using a third party auction service.
4. Sale on a first-come first-served basis. This can be done only if a fair market value has been established by Procurement Services and the availability and price of the item(s) are made known to the general public through appropriate means.

5. Private sale to an individual or surplus property dealer. This can be done when sale by the above methods is either not feasible or the cost and effort of those methods would be disproportionate to the return expected, and Procurement Services has determined that the sale price is reasonable.

6. Donation of surplus property to an organization outside the University. This can be done if the market value of the surplus property is below the costs required for handling, record keeping, storage, and other costs associated with trade-in or sale. In all cases in which a donation is proposed, department heads must submit a written request to Procurement Services for review and approval prior to initiating a donation. Additionally, Procurement Services and/or Facility Services may initiate a donation of surplus property that has been delivered to the surplus warehouse for disposal.

C. Disposal Requirements & Parameters:

1. Sales of University property require the prior approval of Procurement Services.

2. Property containing University asset tags must be coordinated with the Controller’s Office Fixed Assets Accounting to determine if such property was purchased with extramural funds.

3. Sales or trade-in of property originally purchased with extramural funds must also comply with the specific terms of the relevant contract or grant. Selling departments are responsible for contacting Controller’s Office Fixed Assets Accounting to ensure that the University has ownership of property originally purchased with extramural funds prior to initiating a sale. Often, prior approval for sale or trade-in of such property must be obtained, in writing, from the funding agency, and may be obtained through the Office of Sponsored Programs.

4. The limitation of sales to certain employees and their near relatives is as follows:
   a. No one employed in Procurement Services or Facility Services, or a near relative of such employee, may buy surplus property being sold by Facility Services either directly or through a public sale.
   b. No one employed in a department originating surplus property, or a near relative of such employee, may buy surplus property originating in that department either directly or through a public sale.
   c. The principal driver of a University-owned motor vehicle, or a near relative of such employee, may not buy such motor vehicle either directly or through a public sale.
   d. Near relative is defined as husband, wife, mother, father, daughter, son, sister, brother, step-relatives and in-laws in the same relationship.

5. Recording of the sale proceeds when surplus property is traded-in or sold is as follows:
   a. When University property is traded-in, the department releasing the property will be credited with the trade-in allowance on the purchase of new property. The credit for the trade-in allowance will be recorded to the department’s revenue code 5872.
   b. Funds from the sale of University surplus property shall be recorded as income to Plant Fund Department No. 600.4001.5872.
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<th>Responsibility</th>
<th>Action</th>
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| Department Disposing of Surplus Property | If property is to be traded-in on new equipment:  
- If property contains an asset tag, coordinate with Controller’s Office Fixed Assets Accounting to determine if property was purchased with extramural funds and obtain approvals, as necessary.  
- Include following information on purchase requisition: manufacturer’s name and model number, serial number, Baylor asset tag number, location of item, and original Purchase Order number, if known. |
| | If property is to be sold:  
- If property contains an asset tag, coordinate with Controller’s Office Fixed Assets Accounting to determine if property was purchased with extramural funds, and obtain approvals, as necessary.  
- Department head must submit a written request to Procurement Services for approval prior to initiating the sale.  
- Procurement Services establishes fair market value, determines the appropriate market for sale, and coordinates the sale process.  
- Contact Facility Services for removal and warehousing.  
- Upon receipt of payment, proceeds are deposited into Plant Fund Department No. 600.4001.5872. |
| | If property is to be donated to an educational institution, governmental body, or non-profit organization:  
- Market value of surplus property must be below costs required for handling, record keeping, storage, and other costs associated with trade-in or sale.  
- Obtain appropriate approvals if property purchased with extramural funds.  
- Department head must submit a written request to Procurement Services for review and approval prior to initiating the donation. |
| | If property has no resale value:  
- Contact Facility Services for pick-up and disposal. |
Acquisition Procedures

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<th>Responsibility</th>
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<td>Department Acquiring Surplus Property</td>
<td>• Contact Procurement Services for approval to acquire surplus property.</td>
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<td>• Contact department interested in disposing of the surplus property.</td>
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<td>• Transfers of property containing asset tags must be coordinated with Controller’s Office Fixed Assets Accounting.</td>
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<td>• Coordinate moving arrangements with disposing department.</td>
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Exceptions to Policy

Requests for any exceptions to this policy should be directed, in writing, to the Associate Vice President for Financial Services & Treasurer for administrative approval prior to initiating a sale.