Purpose

To appropriately dispose of all University owned tagged assets and surplus property.

Background

Pursuant to § 23-38.88, *Eligibility for Restructured Financial and Administrative Operational Authority*, subdivision A1 states that public institutions of higher education shall be eligible “to dispose of their surplus materials at the locations where the surplus materials are held and to retain any proceeds from such disposal as provided in subdivision B 14 of §2.2-1124," provided that the Board of Visitors adopts policies and procedures for handling surplus property. These policies and procedures must incorporate Code requirements regarding donations, and the reporting of proceeds from the sale of recycling of surplus materials, and a copy of such policies and procedures must be made available to the Department of General Services upon request.

I. **Board of Visitors Policy**

In an effort to optimize the University’s “return-on-investment” in assets, while maximizing the useful life of same, the *Asset and Surplus Property Disposition Policy* (BOV Policy 1621) establishes guidelines and procedures for the centralized control for the disposition of excess, obsolete, salvageable or damaged University assets, to include (i) capitalized inventory, (ii) equipment trust fund (ETF) inventory, (iii) non-capitalized inventory with salvage value, (iv) non-capitalized inventory without salvage value, and (v) donated equipment or inventory.

II. **Authority and responsibility:**

Pursuant to the University’s Policies and Procedures 1500, *Authority for Signing Contracts*, as delegated by the Vice President for Administration and Finance, the Executive Director of Construction and Procurement Services shall have the authority and be responsible for executing formal contracts for (i) goods and services, (ii) both capital and non-capital construction, and (iii) blanket and term contracts for goods and services that do not exceed $500,000, including those type contracts associated with disposal of surplus assets.

III. **Definitions:**

1. **Asset** is any tangible personal property owned by the University, either with or without value, excluding real property.
2. **Budget Unit** is a University agency, college, department, office or school to which a budget unit number has been assigned by the University’s Budget Office.

3. **Capitalized Assets** include all assets carried on the University’s inventory, which is managed and controlled by the Office of Finance, General Accounting, with a dollar limit for purchases currently defined at $5,000.00.

4. **Disposal/Disposition** includes the sale, replacement, trade-in, transfer, loan, scrap, discard or any other means of disposing of assets. **Equipment Trust Fund (ETF)** shall mean those assets purchased with annual Commonwealth provided ETF monies, having a minimum purchase value of $500. ETF equipment cannot be disposed of during the first seven years of ownership with the exception of computers, which is four years.

5. **Non-Capitalized Assets with Salvage Value** are those assets which are no longer serve a functional purpose for the **Owner Agency**, but which may be of use to another budget unit, or may be auctioned, sold, transferred, or otherwise exchanged for value.

6. **Non-Capitalized Assets without Salvage Value** are those assets which no longer serve a functional purpose for the **Owner Agency**, and have no market or resale value, or have no value for any other University Budget Units.

7. **Owner Agency** is those University budget units having care, control, custody and maintenance of responsibilities for capitalized or non-capitalized assets.

8. **Surplus Assets** include any excess, obsolete, salvageable or non-salvageable capitalized or non-capitalized assets which are sold, replaced through the budget process, traded-in, transferred or loaned to another budget unit, scrapped, discarded or otherwise removed from service by any other means of disposal.

IV. **Specific Requirements:**

1. **Asset Disposition Authority:**
   The Department of Procurement Services shall be responsible for the disposition of all surplus assets and inventory. Owner agency budget units shall not dispose of any surplus assets and/or inventory, regardless of salvage value.

2. **Owner Agency Responsibilities:**
   The owner agency and their budget unit directors shall be responsible for the care, control, custody and maintenance of University assets purchased for and/or assigned to their respective budget units, and, except as otherwise set forth herein, written authorization from the Department of Procurement Services shall be obtained prior to the disposition of University assets and inventory, as described herein.

3. **Disposal Methods:**
   The Department of Procurement Services may use any of the following methods to dispose of surplus assets:
   
   a. **Auction** – Primarily will be used for the disposal of large pieces of equipment, vehicles, and rolling stock, and will include both on-site and electronic auctioning;
   
   b. **Competitive Bids** – Both sealed and unsealed, to be determined based on the surplus asset value;
c. Donations – The University may donate surplus assets for:
   i. Emergencies declared in accordance with Code of Virginia, § 44-146.18.2 or § 44-146.28; or
   ii. As set forth in the budget bill as defined by Code of Virginia, § 2.2-1509, provided the conditions therein are met.

d. Loan – Temporary use of the surplus asset is granted to a Budget Unit other than the Owner Agency, or, with prior written approval from the Executive Director of Construction and Procurement Services, another public entity or not-for-profit organization;

e. Negotiated Sale – Primarily for circumstances when, despite efforts at public auctions, competitive bids or set price sales, asset has not been sold.

f. Set Price Sales – Surplus Assets are offered to the public at predetermined “set prices”.

g. Trade-In – Used when the Executive Director of Construction and Procurement Services deems the “trade-in allowance” of surplus asset to be more cost effective than by using other means of disposal.

h. Transfer – Used to transfer to another public agency for a negotiated price or, with written justification, at no cost.

4. Determination of Surplus Asset Value:
The determination of the salvage value of all surplus assets and inventory shall be the sole responsibility of the Department of Procurement Services.

5. Surplus Asset Disposition Forms:
Owner Agencies shall record the disposition of all surplus assets on the Property Control Equipment Turn-In Form. A copy of this form may be obtained from the Department of Procurement Services' website.

6. Recycling of Surplus Assets or Materials:
The University strongly encourages, when appropriate the recycling of surplus assets and materials. The Department of Procurement Services will coordinate these type efforts with the University's Office of Environmental Health & Safety, and other state and federal agencies as required.

7. Proceeds from Surplus Asset Disposition or Recycling of Surplus Materials:
When applicable, all proceeds from the disposition or recycling of surplus assets and inventory, with the exception of associated costs for surplus disposal preparation and transfer, will be collected and recorded by the Department of Procurement Services, and then deposited into the appropriate University account(s).

8. Reporting:
The Department of Procurement Services will prepare for review and records retention, an annual report at the end of every fiscal year that specifies the total values for surplus assets:
   a. donated in accordance with Code of Virginia, § 2.2-1509;
   b. transferred or sold to other public agencies; and
   c. sold to the public