

## UC Davis Policy and Procedure Manual

### Chapter 350, Supplies and Equipment

#### Section 80, Disposition of Excess Property

Date: 6/21/11

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Responsible Department: Materiel Management

Source Document: Business and Finance Bulletin BUS-38, Disposition of Excess Property and Transfer of University-Owned Property

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#### I. Purpose

This section provides the policy and procedures for the disposal of property, including furniture, equipment, and supplies, that is unserviceable or no longer needed.

#### II. Definitions

Additional information and definitions of terms used in this policy can be found in UC Business and Finance Bulletin (BFB) BUS-38 (<http://www.ucop.edu/ucophome/policies/bfb/bus38.pdf>).

- A. Active inventory—items currently active in the Capital Asset Management System (CAMS) regardless of original acquisition price.
- B. Excess property—property, including inventorial equipment and supplies, no longer needed by the department to which it was assigned or to any unit within the University of California system.
- C. Government property—all property, equipment, and expendable supplies, which may be made available to the University for use under specific contracts or grants, but title is vested in a Federal government agency.
- D. Inventorial equipment—equipment with an acquisition value of \$5,000 or more, that is non-expendable, tangible, free standing, and has a normal life expectancy of one year or more.
- E. Supply item—non-inventorial items including, but not limited to, furniture, office and laboratory supplies, and building materials.

#### III. Policy

- A. Supply items and active inventory that are excess to department needs may be disposed of by one of the following methods:
  - 1. Trade-in on new equipment (see V.B, below).
  - 2. Direct transfer to another department (see V.C, below).
  - 3. Sale through or transfer to Bargain Barn (see V.D, below)
  - 4. Parting out or cannibalizing parts to construct a new asset or make existing asset serviceable (see V.E, below).
- B. Government property that becomes excess to the contract or grant for which it was provided must be screened against the needs of other government contracts or grants prior to being declared excess.
- C. Departments are not authorized to give away excess property to individuals or external sources, including vendors or non-profit organizations; or to throw away active inventory or useable items.
- D. Restrictions on sales to employees

1. Employees of the department releasing the property; and their near relatives (defined in Section 380-13), are prohibited from purchasing excess University property.
2. Employees of Materiel Management, Equipment Management, or UCDCM Plant Operations and Maintenance (POM), and their near relatives, are prohibited from purchasing excess University property.
3. The sale of a University-owned motor vehicle, to its principal driver, or any near relative, is prohibited.
4. The aforementioned employees shall not have anyone else acquire excess property on their behalf.

#### **IV. Roles and Responsibilities**

##### **A. Director—Materiel Management**

1. Serves as the Surplus Administrator for UC Davis.
2. Determines, in consultation with departmental staff, when University property is excess to the needs of the UC system, and what method of sale or disposal provides the best return to the University.

##### **B. Department head**

1. Determines that items of University property assigned to their custody are excess to department needs.
2. Requests written permission from the sponsoring agency to declare government owned property as excess and to have title transferred to the University if the asset will be sold, salvaged, or transferred to another department.

##### **C. Bargain Barn**

1. Determines the marketability for an item determined to be excess property.
2. Arranges transportation of marketable items to Bargain Barn, when necessary, at no charge to the selling department.
3. Advertises the availability and price of publicly available items to the general public through advertising at <http://bargainbarn.ucdavis.edu> or other announcements.
4. Initiates Asset Retirement or Asset Transfer document in CAMS as appropriate, for sales of inventorial equipment.
5. Credits the releasing department the sale price, less a surcharge, when the item was sold on behalf of the releasing department.
6. Determines when an item's value is below the costs associated with handling, record keeping, storage, and sale.

##### **D. Equipment Management**

1. Reviews the asset for UCD ownership and sponsor restrictions.
2. Approves the DaFIS CAMS documents, as appropriate, for transfers of ownership or retirement.

#### **V. Procedures**

##### **A. Preparing items for sale/disposal**

1. Departments (Davis campus) or Information Services (UCDMC) shall ensure data security, including clearing electronic storage components, such as hard drives for computers, digital copiers, and fax machines, of all data and commercial software before disposal (see Sections 250-03 and 310-22a).
  2. Departments shall work with Facilities to request a work order for decommissioning items containing refrigerant or oil (e.g., refrigerators, a/c units).
  3. Departments shall contact Environmental Health and Safety and complete appropriate forms for items containing hazardous, chemical, or radioactive waste.
- B. Trade-in of active inventory
1. Davis campus departments initiate a DaFIS Requisition (PR) for new equipment or Departmental Purchase Order (DPO) for supplies; UCDMC departments initiate supply transactions in Eclipsys, or an Area Form and Purchase Requisition for equipment.
    - a. For each inventorial equipment item available for trade-in, a separate line on a DaFIS requisition is inserted citing the TRADEEQ commodity code; the asset number is specified on the corresponding Equipment Certification Screen.
    - b. For supply items available for trade-in, a separate line on the DaFIS Requisition or DPO is inserted citing the TRADESU commodity code; sufficient detail is provided in the description field to describe what is included and an Asset Retirement document is completed if the non-equipment item is recorded in CAMS.
  2. The Purchasing Department processes the purchase order (for PR).
  3. Equipment Management reviews the purchase order and approves the Asset Retirement document in CAMS for active inventory.
- C. Direct interdepartmental transfer
1. The releasing department:
    - a. Arranges for physical transfer of excess equipment item to the new department.
    - b. Initiates an Asset Transfer document in CAMS.
    - c. Initiates a Restricted Error Correction (REC) document in DaFIS for the amount that was mutually agreed upon by the departments (if cash compensation is involved).
    - d. Sends a copy of governmental agency approval to Equipment Management (if applicable).
  2. Equipment Management approves the Asset Transfer document and ad hoc routes to the acquiring department for approval.
- D. Disposition of items through Bargain Barn
1. UCDMC departments
    - a. The department initiates an Asset Transfer document in CAMS for active inventory, indicating the Excess Property Warehouse as the receiving custodial code (9993) and ad-hoc routes the form to the department manager.
    - b. Equipment Management approves the Asset Transfer in CAMS.
    - c. The department contacts UCDHS POM to transport the items to the Excess Property Warehouse.

- d. The Excess Property Warehouse completes the department steps described in 2, below.
2. Davis campus departments
    - a. Department submits a Bargain Barn Service Request Form, including active or retired asset numbers of all items, and a brief description and condition of each item.
    - b. Bargain Barn determines if the item has market value.
      - 1) If the proceeds for the item are to be credited to the department, the department completes the Bargain Barn Excess/Surplus Property form (Calcode 71461-230) for each item (or one form with an itemized list if items are to be sold as a lot), and submits the completed form and copy of agency approval (for sponsor-restricted items) to Bargain Barn.
      - 2) Bargain Barn completes the paperwork for items transferred from the department to Bargain Barn.
    - c. Bargain Barn sends the Excess/Surplus Property form to Equipment Management if the item is in active inventory.
    - d. If no ownership restrictions are found, Equipment Management signs and returns the form to Bargain Barn.
    - e. If the item's value is below the costs associated with handling, record keeping, storage, and sale:
      - 1) Bargain Barn arranges for pick-up by Salvage Operations for disposal through giveaway program, donation to an approved nonprofit organization, transfer to recycle vendor, or disposal at landfill.
      - 2) The department is responsible for any transportation costs or hazardous waste fees incurred to dispose of property.
  3. Special one-time alternatives to the usual Bargain Barn sales process may be considered provided such arrangements are financially advantageous to the University and are compliant with BFB BUS-38.
    - a. Special arrangements must be approved in advance by the Director—Materiel Management (or designee).
    - b. All expenses incurred by the Bargain Barn to process the sale must be recouped.
- E. Cannibalization of inventorial equipment
1. Department
    - a. Identifies active inventory with cannibalization potential.
    - b. Submits the Bargain Barn Service Request form, including the asset(s), asset number(s), and part(s) to be cannibalized; and the asset number(s) of the item(s) to which the cannibalized parts will be added; or if the parts will be stored for future use.
  2. If item is active inventory:
    - a. Bargain Barn sends cannibalization/salvage request to Equipment Management.
    - b. Equipment Management reviews request, verifies UCD ownership and sponsor restrictions, and notifies Bargain Barn.

3. Bargain Barn advises department of approval or disapproval of request and marketability of remaining parts.

#### **VI. Further Information**

- A. Additional information, including prohibition of sales to certain employees and their near relatives; transfers between campuses; and foreign sales/donations, is available in BFB BUS-38 (<http://www.ucop.edu/ucophome/policies/bfb/bus38.pdf>).
- B. Questions should be directed to the Bargain Barn; <http://bargainbarn.ucdavis.edu>.

#### **VII. References and Related Policies**

- A. UC Business & Finance Bulletins:
  1. A-51, Application of Proceeds from the Sale, Trade-In, or Transfer of University Property, 11/1/74, <http://www.ucop.com/ucophome/policies/bfb/a51.html>.
  2. BUS-29, Management and Control of University Equipment, 7/1/2007, <http://www.ucop.edu/ucophome/policies/bfb/bus29.pdf>.
  3. BUS-38, Disposal of Excess Materiel and Transfer of Federally Funded University-Owned Materiel, 2/1/2011, <http://www.ucop.edu/ucophome/policies/bfb/bus38.pdf>.
- B. UCD Policy and Procedure Manual:
  1. Section 250-03, Use of Copyrighted Materials.
  2. Section 310-22, UC Davis Cyber-Safety Program.
  3. Section 340-09, Sales and Reimbursement of University Supplies and Services.
  4. Section 350-50, Classification of Inventorial Equipment.
  5. Section 350-75, Fabrication and Modification of Equipment.
  6. Section 380-13, Near Relatives.