

## UC Davis Policy and Procedure Manual

### Chapter 350, Supplies and Equipment

#### Section 80, Disposition of Excess Property

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Responsible Department: Accounting and Financial Services

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](#).

- A. Active inventory—items currently active in the Capital Asset Management System (CAMS) regardless of original acquisition price.
- B. De Minimis value—property where the fair value is , below the costs required for handling, record keeping, storage, removal and other costs associates with its trade, sale or disposition.
- C. 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.
- D. 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.
- E. 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.
- F. 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 Aggie Surplus (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. Transfer or sale of certain items (e.g. machinery, lab equipment, vehicles/mobile equipment)
  - 1. Between departments is permissible only when the item in question complies with or can be brought up to meet current health, safety, and environmental regulations.
  - 2. To a non-UC affiliate--can be accomplished if the item complies with environmental regulations, noticing the new owner of any known safety concerns, and by collecting a signature from the new owner that the item is transferred on an 'as is' basis.
- D. 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.
- E. 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 Distribution Services, Contracting Services, Equipment Management, or UCDMC 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—Distribution Services
  - 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.
  - 3. Ensures items transferred to Aggie Surplus or other department are in compliance with any applicable Environmental Health and Safety (EH&S) standards.
- C. Aggie Surplus
  - 1. Determines the marketability for an item determined to be excess property.
  - 2. Arranges transportation of marketable items to Aggie Surplus, 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 <https://aggiesurplus.ucdavis.edu/>, and other auction websites.

4. Initiates Asset Retirement Global or Asset Transfer Global document in KFS 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 the de minimis value is less than the effort associated with selling an item.

D. Equipment Management

1. Reviews the asset for UC Davis ownership and sponsor restrictions.
2. Approves the KFS 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) 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 Section [310-22, Exhibit A](#)).
2. Departments work with Facilities Management to request a work order for decommissioning items containing refrigerant or oil (e.g., refrigerators, a/c units).
3. Departments contact EH&S and complete appropriate forms for items containing hazardous, chemical, or radioactive waste.

B. Trade-in of active inventory

1. Davis campus departments initiate a KFS Requisition for new equipment or 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 KFS requisition is inserted citing the TRADEEQ commodity code; the UCOP tag number is specified on the corresponding Equipment Certification Screen.
  - b. For supply items available for trade-in, a separate line on the Requisition or PO is inserted citing the TRADESU commodity code; sufficient detail is provided in the description field to describe what is included and an Asset Retirement Global document is completed if the non-equipment item is recorded in CAMS.
2. The Contracting Services Department and or designee processes the purchase order.
3. Equipment Management reviews the purchase order and approves the Asset Retirement Global 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 Global document in CAMS.
  - c. Initiates a Restricted Error Correction (REC) document in KFS 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 Global document and ad hoc routes to the acquiring department for approval.
- D. Disposition of items through Aggie Surplus
  1. UCDCM departments
    - a. The department initiates an Asset Transfer Global document in CAMS for active inventory, indicating the Excess Property Warehouse as the receiving custodial code (9993) and ad-hoc routes the document to the department manager.
    - b. Equipment Management approves the Asset Transfer Global document in CAMS.
    - c. The department contacts UCDCM 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 an Aggie Surplus Service Request Form, including active or retired UCOP tag numbers of all items, and a brief description and condition of each item.
    - b. Aggie Surplus 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 Aggie Surplus 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 Aggie Surplus.
      - 2) Aggie Surplus completes the paperwork for items transferred from the department to Aggie Surplus.
    - c. Aggie Surplus 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 Aggie Surplus..
    - e. For items with a de minimis value:
      - 1) Aggie Surplus arranges for pick-up and 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 Aggie Surplus 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—Distribution Services (or designee).
    - b. All expenses incurred by the Aggie Surplus to process the sale must be recouped.

- E. Cannibalization of inventorial equipment
  - 1. Department
    - a. Identifies active inventory with cannibalization potential.
    - b. Submits the Aggie Surplus Service Request form, including the asset(s), UCOP tag number(s), and part(s) to be cannibalized; and the UCOP tag 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. Aggie Surplus sends cannibalization/salvage request to Equipment Management.
    - b. Equipment Management reviews request, verifies UC Davis ownership and sponsor restrictions, and notifies Aggie Surplus.
  - 3. Aggie Surplus 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://policy.ucop.edu/doc/3220479>).
- B. Questions should be directed to Aggie Surplus; <https://aggiesurplus.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, <http://policy.ucop.edu/doc/3420327>.
  - 2. BUS-29, Management and Control of University Equipment, <http://policy.ucop.edu/doc/3220477>.
  - 3. BUS-38, Disposition of Excess Property and Transfer of University-Owned Materiel, <http://policy.ucop.edu/doc/3220479/BFB-BUS-38>.
- B. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
  - 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.
- C. [UCD EH&S SafetyNet #113 - Release of Equipment](#).