

## **LHU Surplus Property Policy**

### **Purpose:**

The purpose of the Surplus Property Policy and Procedure is to provide a guideline for the disbursement/disposal of all Lock Haven University surplus property. This policy provides the University with a clear understanding that as a state institution the University uses property to its best advantage and realizes the maximum value possible for equipment and furniture at the end of its useful life. By following surplus disbursement/disposal procedures we ensure that University property provides value to the full extent of its worth and that its disbursement/disposal will be conducted in an equitable, efficient, and cost-effective manner.

**Please remember that each department is responsible for all departmental assets and should use assets only for University business.** If assets become missing (lost or stolen), please contact Public Safety (x2278) immediately and provide them with detailed information.

### **Policy:**

It is the University's policy to receive the maximum amount of value from a piece of equipment or furniture. When it has been determined that no further value is to be realized by the University through utilization of a particular piece of equipment or furniture, said item shall be declared surplus. Once declared surplus, items will be disposed of as set forth in the following procedures.

### **Procedure:**

#### **1. Surplus Declaration Process**

When it is determined by the using department that an item has served its original purpose and has no further productive use in the original department, this item will be considered for designation within the surplus disbursement/disposal program. [Note: For computer equipment, see Section 2.h. below.]

The decision to designate an item for the surplus program will be made by the person with purchasing authority for the department in which the furniture/equipment is located.

Should a circumstance present itself where no one is in a position to make a surplus determination please contact the University's Surplus Property Officer, Colleen Meyer, in the Purchasing Department at (x2949).

#### **2. Surplus Disbursement/Disposal Program**

##### ***a. Campus Notification Process***

If the decision has been made that an item will be designated as surplus, the using department is encouraged to advertise, through e-mail, the availability of the item for campus use. The item may be transferred to another department at the discretion of the head of the former user's department. However, if there is a "University Property Inventory Sticker" affixed to the asset you must complete a Form 100 M – MOVING REQUEST, and forward it the Facilities Department who will schedule the item(s) to be transferred to the new department.

**Note: Pending removal, surplus items should not be placed in hallways, stairwells, or otherwise hinder emergency egress in buildings. Items noticed in these areas should be reported and secured immediately.**

***b. Surplus Property Holding Area***

If there is a large volume of items to be surplus, upon receipt of this notification, the Facilities Department will arrange to have the surplus property picked up and moved to the surplus property holding area until arrangements can be made for disposal, recycling, bidding, etc.

***c. Scrapped Items***

If the condition of an item can be described as poor, broken beyond repair, inoperable, obsolete, or cannibalized, or if the estimated sales value of the item cannot justify going through the bidding process then, at the discretion of the department head, mark the appropriate box on the Form 100 D - EQUIPMENT DISPOSAL REQUEST – that states "Junk No Longer Of Use To The University." At that point the items will be labeled as such and disposed of as waste or recyclable material.

***d. Offer To Other PASSHE Universities***

All surplus items are initially offered to the other PASSHE universities, the PASSHE universities are notified of the availability of the item(s) and given 10 days to respond. The receiving university is responsible for transporting the item(s) at its expense.

***e. Sale Process***

Surplus property may be offered for public sale by going through the sealed bid process (see below). All net proceeds from such sales will be deposited in the University's Surplus Property Fund, unless otherwise authorized by the Vice President for Finance and Administration.

Under all circumstances the University reserves the right to accept or reject any or all bids for the disbursement of surplus property. The University may also cancel a bid at any time if it is in the best interest of the University to do so.

The State Adverse Interest Law prohibits the sale of surplus property to any University employee. Accordingly, University employees, either directly or indirectly, are not permitted to bid on items made available through publicly-advertised surplus property sales.

***Sealed Bid Process***

The University's intent to sell surplus items through a sealed bid will be accomplished by the appropriate department providing the Procurement Office with at least three (3) possible vendors that bid packages can be sent to. Relevant dates, applicable terms and conditions, and a description of the materials available for sale will be included in the bid package. The sealed bids will be opened and awarded by the University's Surplus Property Officer. The highest qualified bid received will be the awardee. Should two or more persons submit the same high bid; the award will be made to the earliest bid received. Anyone 18 years of age or older (except University employees) is eligible to submit a bid for surplus items. If items are not removed within the time limits allowed, the affected items may be re-awarded to the next highest bidder.

***f. Removal Of Unclaimed Items***

If the University is not successful in removing the items from campus by public sale, the items will be declared as scrap and disposed of accordingly. In order to save the University hauling charges and to reduce landfill fees, scrap or recycling dealers may be contacted to haul the materials away at minimal or no expense.

***g. Asset Management Notification***

For items received for disposition, the Surplus Property Officer will notify Asset Management personnel of the removal of or relocation of said items. The Property Sticker Number will be recorded and reported to Asset Management.

***h. Computer-Related Equipment***

The Computer Center must be contacted prior to the transfer/surplus declaration of any computer or other network-related equipment. To initiate this process, email ([helpdesk@lhup.edu](mailto:helpdesk@lhup.edu)). The equipment will be removed and taken to the surplus property holding area within the Computer Center. If applicable, the hard drive will be cleaned and all user data files will be erased. If the Computer Center determines that the item(s) are outdated, they will make arrangements with the Procurement Office to have the equipment surplus using the procedures in 2. c, d, or e (above). Once computer equipment is taken to the surplus property holding area, it cannot be redistributed back to campus users.

***i. Hazardous Material***

A University department may not declare surplus for any materials that have hazardous compounds contained therein. Materials that exhibit the characteristics of ignitability, corrosiveness, reactivity, toxicity, radioactivity, biological waste, or are on any Federal or State hazardous waste lists, are considered to be hazardous. When it is determined that a product which contains hazardous chemical compounds is no longer needed or no longer of use, the item must be immediately reported to Public Safety Office (x2278). The Public Safety Office will then determine the appropriate and safe disposal method for the product.

### **3. Exceptions to the Surplus Disposal Program**

Experience, foresight, product knowledge and other factors will lead one to understand that a particular item, which is no longer useful to the University, may have significant residual value which can be gained through other avenues. Examples which may lend themselves to this would be, but are not limited to: vehicles, computer equipment, microscopes, lighting systems, lab equipment, dormitory furniture, one-of-a-kind items, etc. At the discretion of the Surplus Property Officer or other designated University official, disposal of these items, which are considered to have value over and above the surplus program yet are no longer useful for campus utilization, may be accomplished in one of the following ways:

#### ***a. Trade-in***

Often a manufacturer will provide a trade-in value for old equipment when a new purchase of similar equipment is considered. The traded equipment's model and serial numbers will be listed on the purchase order designated for acquisition of the replacement items. Credit for these items will be an integral part of the overall purchase price of the new equipment order. From the receiving copy of the purchase order, Asset Management personnel will then remove the item from their records.

#### ***b. Goodwill Offerings***

At the discretion of the Surplus Property Officer it may be decided that a goodwill offering will be made as a donation to a local public procurement unit within our geographic region, as defined in the Procurement Code. These include: municipalities, counties, school districts, public authorities, tax exempt non-profit educational or public health institutions or organizations, and non-profit fire companies and rescue/EMS companies. Notice of the availability will be made to the appropriate organizations. An important goal in the award of goodwill offerings is to advance the University's educational mission.

#### ***c. Cannibalization***

For some items it may be considered advantageous to use components of one unit to help reconstruct other similar units. This process may leave nothing more than an empty shell of no value. The remaining remnants of the item may then be disposed of as waste.

The decision to use this process belongs to the supervisor of those involved in the reconstruction process. The Surplus Property Officer must be notified when equipment is cannibalized, and before it is discarded. In all instances, if the item has a bar code tag number, it is necessary to report the status of the item to Asset Management in order to remove the item from its records.

**d. *Sentimentality Sale***

The Vice President for Finance and Administration and/or the University President may choose to recognize meritorious and exceptional service by providing the possibility for a retiree, or individuals who have distinguished themselves in service to the University, to purchase at fair market value an item deemed to have more sentimental worth to the individual than value to the University.

**e. *Extraordinary Value***

Items that are perceived to have a potential extraordinary value (i.e. antiques, artwork, and memorabilia) will be handled separately. At the discretion of the Vice President for Finance and Administration and/or the President, the items will be auctioned to the highest bidder. Said auction may be held locally, via an on-line internet auction site, or items may be sent to a regional or national auction house when appropriate.