

PROCEDURE NAME:	Surplus Property Procedures
STATUS:	Active
CONTACT OFFICE:	Procurement Services / Central Stores / Surplus Department
OVERSIGHT EXECUTIVE:	Vice President for Administration and Finance & CFO
APPLIES TO:	All Staff and Faculty, which includes all University divisions, departments, offices, and employees; as well as all property meeting the definition of surplus property, <i>regardless of funding source</i> .
PURPOSE:	This procedure provides information to effectively establish requirements and procedures for the reporting and management of Surplus Property, as defined; including but not limited to the sale, transfer, disposal, and/or recycling of such property.
DEFINITIONS:	<p><u>Asset:</u> For the purposes of this policy, any tangible personal property owned by the University, either with or without value, excluding real property.</p> <p><u>Tagged Asset:</u> An asset that meets University criteria for tracking purposes either as a capitalized or a controlled asset. Such assets are assigned a unique identification number so that the asset can be maintained and tracked in the Banner Fixed Asset Module by the Financial Reporting Office.</p> <p><u>Banner Fixed Asset Module:</u> The University's system of record for capitalized and controlled assets to meet federal, state, and university requirements.</p> <p><u>Disposal/Disposition:</u> The sale, transfer, scrap, recycling, or any other means of disposing (removal from Surplus Operations) of University-owned assets.</p> <p><u>Fixed Asset Custodian:</u> The person designated by each department who is responsible for accurately monitoring all asset activity within that department. Fixed Asset Custodians are University employees whose regular duties consist of managing the department's assets and acting as the point of contact concerning status changes of assets.</p> <p><u>Higher Education Equipment Trust Fund (HEETF):</u> A program administered by the State Council of Higher Education for Virginia (SCHEV) that provides an additional funding source that allows higher education institutions to purchase equipment for instructional use through leasing agreements with the Virginia College Building Authority. Equipment purchased with HEETF monies is not owned by the University until the leasing agreement for a particular allocation has been satisfied. In addition to general rules applicable to all equipment, specific guidelines apply to the acquisition, maintenance, and disposal of HEETF equipment.</p>

	<p>Information Technology (IT) Equipment: IT equipment includes, but is not limited to; servers, personal computers, laptops, tablets, monitors, keyboards, and printers, or any other equipment that has the capability of storing images or data on magnetic or electronic storage media (e.g. copiers, fax machines, scanners, digital cameras, external storage devices, etc.).</p> <p>Immediate Family: An employee's immediate family includes the employee's spouse and any other person living in the employee's household who is a dependent of the employee or on whom the employee is dependent.</p> <p>Surplus Property: Tangible personal property of the University that exceeds or no longer meets the needs of a department, such as duplicated, or obsolete furniture or equipment, or is damaged to the extent that it is no longer functional and cannot be repaired or improved in a cost-effective manner. Surplus property may also include abandoned items left on state property and unclaimed. Examples of surplus property include, but are not limited to; materials, supplies, equipment, and recyclable items but <i>does not include real property that is determined to be surplus</i>. Surplus property also includes scrap, which is material that is damaged, defective, or deteriorated to the extent that it has no value except for its basic material content if any.</p> <p>Surplus Property Officer: The University official that is assigned oversight responsibility for the administration of the Surplus Department; which includes but is not limited to: coordinating, reporting, and disposing of all property meeting the definition of surplus property in compliance with all pertinent laws, regulations, policies, and procedures. The University of Mary Washington has designated the Warehouse Manager as the Surplus Property Officer.</p> <p>Surplus Department: The administrative unit in UMW Facilities Services that administers the day to day requirements for surplus property management.</p> <p>Ownership of Assets: All fixed assets (land, buildings, fixed and moveable equipment, and infrastructure) are owned by the university and not by a specific individual, department or other operating unit. Generally, the university has sole ownership of all equipment acquired regardless of source of funding or method of acquisition with the following exceptions:</p> <ul style="list-style-type: none"> • Equipment acquired through sponsored projects* where the federal government or other sponsor retains title to the equipment or where the sponsor furnishes equipment merely for the duration of the project. • Equipment on short-term loan from another institution • Leased or rented equipment (MUST check with Procurement Services, and Fixed Asset prior to declaration of <i>any equipment</i> as surplus.) • Federal property: per grant or federal awarding agency stipulations. • (HE)ETF tagged items** <p>*For any assets purchased with grant or sponsored program funds, the department must first contact the Office of Sponsored Programs and Grants Management (Office of the Provost) for advance approval to surplus the assets. This approval must be documented in writing (e.g. via email, memo, etc.) and retained by the department for three (3) years plus the current fiscal year for auditing purposes.</p>
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****Higher Education Equipment Trust Fund (HEETF) equipment may not be treated as surplus property until these assets have met specific time requirements as specified by the State Council for Higher Education in Virginia (SCHEV). Contact the Fixed Asset Office for more information and determination of eligibility prior to surplus of HEETF equipment. +**
+Please Note: Grant/Equipment Trust Fund (ETF) computer equipment require pre-approval from *IT Support Services and from Fixed Assets* before they are eligible to be declared surplus items.

TYPES OF SURPLUS PROPERTY AT UMW:

1. **Computer/Technology Surplus:** The Surplus Department does not accept software or any type of data storage devices. Please reference the following link to access the IT Electronic Data Procedure.
<http://technology.umw.edu/it-policies/electronic-data-removal-procedure/>
 Technology surplus also includes all AV Equipment, TV's, DVD players, Speakers, Printers, etc.
 These items can only be declared surplus by the IT Support Services Department (aka UMW Help Desk). Departments should contact the UMW Help Desk for assistance with the surplus of the following items.
 - a. Desktop computers
 - b. Laptops
 - c. Servers
 - d. Technology hardware appliances (which may include, but is not limited to; tablet computers or external hard drives)
 - e. Printers, fax machines, scanners
 - f. Software
2. **General Surplus:** Includes furniture, appliances, vehicles, athletic equipment, clothes, etc.
3. **Vehicles (Disposal of Vehicles):** To dispose of a vehicle, submit a [Surplus and Property Relocation Form](#) to the Surplus Property Office. The Surplus Property Manager will obtain the vehicle title and determine the appropriate method of disposal.
4. **Exception: Firearms** - *UMW Surplus Property Office will NOT manage the surplus of Firearms or ammunition. All such equipment will be managed by the UMW Police Department in accordance with appropriate Virginia laws, regulations and UMW procedures*

(If there is any question as to the type of surplus being considered for disposal, please contact the Surplus Department, 540/654-5972)

CLASSIFICATION OF UNIVERSITY-OWNED SURPLUS PROPERTY

University-owned surplus property may be classified as:

- A. Items of value for transfer, trade-in, or sale.
- B. Scrap items which have sale value for material content only (may be recycled).
- C. Items assessed to have little or no commercial value, and are

	<p>acceptable to be placed in an appropriate disposal bin.</p> <p><u>SPECIAL SUBCLASSIFICATIONS:</u></p> <p><u>Hazardous Waste:</u> The UMW Surplus Department <i>does not accept</i> hazardous wastes* or any surplus materials generally regarded as hazardous. However, certain products may be accepted that are still reusable that may contain hazardous ingredients; for example, janitorial cleaning supplies. Hazardous materials must be disposed of through contractors qualified in the proper identification, packaging/labeling, and transporting of materials to EPA-authorized storage sites.</p> <p><i>*Departments needing to dispose of hazardous materials should contact the UMW Department of Emergency Management.</i></p> <p><u>Abandoned Property:</u> On occasion the UMW Surplus Department will receive abandoned property, which <i>will not</i> include items collected by the University Police Department as part of a law enforcement effort (i.e., evidence) and should not contain private or highly sensitive personal identifying information or compromise personal security (i.e., wallet, keys). As this class of abandoned property does not fall under the definition of Surplus property in Virginia Code, (§23.1-104), the UMW Police Department will manage the process. Please contact 540/654-1025 to speak with the UMWPD Business Manager. Individual departments, however, are responsible for collecting and managing abandoned property within their respective areas (“Lost and Found” items) that do not fall into the category above. These items should not be forwarded to the UMWPD for management. Questions about whether found items should be taken to the UMWPD may be addressed to the number above.</p> <p>Abandoned Property May Include:</p> <ol style="list-style-type: none"> a. Under certain circumstances, prior to construction and building renovations, the previous tenants of a building, office, or classroom will leave behind unwanted university-owned materials and property. Under these circumstances the Surplus Property Department may take possession of these unwanted items without the previous owners’ declaration of the property as surplus. b. Similarly, onsite (or otherwise) contractor-abandoned property, perhaps at contract end, may also be declared surplus and managed by the Surplus Property Department. Disposal will follow standard University Surplus Property Procedures based upon the type of surplus property.
<p>POLICY STATEMENT:</p>	<p>Established by: Code of Virginia § 2.2-1124 (Subsection B.14)</p> <p>In procurement planning, surplus property may be considered before initiating a purchase action. Departments may save budget dollars by purchasing surplus items, some of which are in “like new” condition, and may include federal surplus property. For more information regarding available surplus property, contact the UMW Surplus Department at 540/654-5972.</p>

<p>PROCEDURES:</p>	<p>GENERAL INFORMATION: When Department property is declared surplus, it must be reported to the Surplus Department. Surplus Property cannot be sold, loaned, given away (outside of the University), scrapped/cannibalized or disposed of by any department <i>without prior written approval of the Surplus Property Officer</i>. However, surplus property may be transferred between university departments. University departments with physical possession of transferred property assume immediate responsibility for safeguarding the property.</p> <p>Departments are responsible for the storage and continued security of surplus property until a transfer is completed or the items are picked up by Surplus Property staff for disposal. Items may be delivered to the surplus property warehouse only after submitting the online Surplus Property and Relocation Form and in coordination with Surplus warehouse staff confirming a suitable date and time of the delivery.</p> <p>To initiate removal of surplus property from a department, an online Surplus Property and Relocation Form must be completed and submitted for each item or group of similar items to be removed. All items should be clearly labeled and the electronic submission of the online form sent to the Surplus Property Department.</p> <p>Responsibilities of the Surplus Property Officer include the following:</p> <ol style="list-style-type: none"> 1. Evaluate surplus reutilization/disposal options that best serve the needs of the University for various types of surplus property. 2. The Surplus Property Officer is authorized to evaluate surplus and scrap those items determined to be uneconomical or impractical to process, manage, and/or store for resale. 3. Ensure forms and records (including University financial or other systems of record, such as Banner, for Asset maintenance) of surplus disposal are completed and maintained. 4. Efficiently and carefully manage the University's surplus property generated by all University Departments. 5. Provide information, policies, and guidance concerning disposal procedures and related surplus property information to agency staff involved in property acquisition, storage, moves, and disposal. <p><u>PROCEDURES FOR SURPLUS TYPES:</u></p> <ol style="list-style-type: none"> 1. <u>Computer/Electronic Surplus:</u> <p>When the IT Department is ready to declare items as surplus, they will contact the Surplus Department by entering a Work Order to schedule a pick up. The property will be listed in a spreadsheet format. This spreadsheet will require signatures from both the Surplus Property Department personnel and the IT Support Services personnel verifying the equipment to be picked up and declared as surplus.</p> 2. <u>All Other Surplus (General Surplus):</u> <ol style="list-style-type: none"> a. A department decides the property is no longer needed and submits a
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[Surplus Property and Relocation Form](#) found on the Facilities Services/Central Storeroom web page. Instructions are available on the web page for completion and submission of the form.

- b. The Surplus Department receives the Surplus Property and Relocation Form and schedules a pickup. Surplus is picked up as soon as possible. If there are issues with scheduling a pick-up, other arrangements may be discussed.
- c. Warehouse personnel will pick-up surplus, with the approved completed Property & Equipment Surplus Property Form, and return surplus items to the warehouse, or other predetermined location, for processing and safe storage.
- d. Upon arrival at the storage location the Surplus Property Officer will determine the proper method of disposal.
- e. Property deemed to have no value will be scrapped or recycled and listed on the UMW quarterly disposal list. The disposal list will be approved by the Surplus Property Officer's Manager and witnessed by a member of the warehouse personnel.
- f. Property deemed to be held for reuse and/or sale will be inventoried and tagged, as it arrives at the warehouse.
- g. The Surplus Property Officer will provide a [surplus property inventory list](#) for reuse by other campus departments, and maintained on the Storeroom's webpage. UMW faculty and staff should set up an appointment with the Surplus Property Officer or designee to view surplus, and to claim any available property for use by their department. *Note: Computers and other technology/electronic equipment cannot be reissued to other departments.*

SURPLUS PROPERTY EVALUATION AND DISPOSAL PROCESS

Upon arriving at the warehouse, the Surplus Property Officer will evaluate all surplus property and begin the disposition process. Surplus property is evaluated as follows:

1. **Surplus to be Reissued** -These items consist of furniture and equipment that are to be held temporarily for possible reuse by other Campus departments. These items are generally in good condition.
2. **Computer/Technology Surplus for Sale** - These items normally consist of computers, servers, switches, TVs, projectors and various other electronic devices that are in working order. *These items are not to be reissued to other campus departments.* All computers and server equipment are sold without hard drives or other data storage devices; see [University Procedure for Electronic Data Removal](#).

3. **Technology/Electronic Equipment for Recycling** - These items generally consist of printers, scanner, projectors, or TVs that are not in working condition. These items are considered scrap and will be recycled through a state or other contracted recycling vendor. These items are not to be reissued to other campus departments.
4. **Surplus Property for Sale** - The University of Mary Washington, an agency of the Commonwealth of Virginia, offers surplus property for sale to the public, other state agencies, and local governments. UMW sells surplus property to the public via two methods; online auction, and an occasional onsite sale to the public when deemed beneficial to the University.

DISPOSITION OPTIONS

1. **Internet Auction:** www.govdeals.com. Surplus property is available for purchase by the general public on the auction site, Govdeals. For listings of items available through UMW, search the website by location using "22401" for the zip code, or by seller name, "Commonwealth of Virginia", and location by "Fredericksburg". Please contact the Surplus Property Officer by calling (540) 654-5972 for further assistance. See also: [Procedure for Surplus Sales Through an Online Marketplace Auction Service](#).
 - a. University faculty and staff may purchase items through the online auction site subject to the following stipulations:
 - b. Employees of UMW may bid on the property listed for auction, so long as they do NOT bid while on duty.
 - c. Employees' bids for any single item CANNOT exceed \$500 ([Code of Virginia 2.2-3110, the Conflict of Interest Act](#)). If an employee's bid exceeds \$500, the employee will be blocked from all future bidding on Govdeals. *The \$500 limit does not apply if the surplus property is sold at uniform prices (i.e. set price sales) to the general public. *University employees and their immediate family may not purchase specific surplus property if the employee had any influence regarding the maintenance, declaration of surplus, pricing, or the method of disposal of the property.*
 - d. In accordance with [State/Local Sales and/or Use Tax](#), buyers may be subject to payment on internet sales. Generally, sales tax will be collected at the time of sale except in the case of vehicles where sales tax is collected by the Department of Motor Vehicles (DMV) at the time of registration by the purchaser. Buyers are responsible for contacting the appropriate tax office, completing any forms, and paying any applicable taxes that may be imposed.
2. **Surplus Property that is Deemed Worthless** - These items will be disposed of using the proper means of disposal; and appropriate contracts according to UMW policies and procedures. These items will

be recorded on UMW's Quarterly Disposal Report for accounting purposes. The disposal list will be approved by the Surplus Property Officer and witnessed by a member of the warehouse personnel.

3. **Trade-ins:** Trade-in items (defined as, "an item of merchandise taken as payment or usually as partial payment for the purchase of a new and similar item") are not considered surplus property. Trade-in items may only be traded in for the purchase of property of the same general three-digit commodity class code. Items are considered a trade-in item only if the supplier's removal of the item and provision of a replacement occur at substantially the same time, and if the purchase price of the replacement item has been reduced to reflect a fair allowance for the trade-in item. A trade-in should not be considered if the monetary allowance offered is substantially below the known current market value. Assistance with documenting recent sales prices may be obtained by contacting the Surplus Property Office (540/654-5972).
4. **Donations:** The UMW Surplus Officer also has the option to donate surplus property to qualified nonprofit organizations. Nonprofits must be registered with the Commonwealth of Virginia as a Nonstock Corporation to qualify (SCC.Virginia.gov). The Surplus Property Officer will report any donations to the UMW Fixed Asset Accountant Office.

Note: All proceeds from the disposition of surplus property are deposited in the general fund. Departments may request their monies returned, less auction fees, if an item or lot sells for \$1,000 or more, through their appropriate cabinet member.

PROPERTY RELOCATION

The [Surplus Property and Relocation Form](#) is also used to record the relocation of a fixed asset property within the university's financial system. Use of the form is only necessary when the item to be moved from one location to another has an attached UMW Fixed Asset number label (Tagged Fixed Asset). Please note that the completion of the form is intended only for fixed asset tracking. Please complete the section(s) of the form pertaining to relocation of an item. However, in order to physically relocate the item to another department, please complete a [Work Order form](#). The Surplus Property office does not move equipment; relocation is managed by Facilities Services or IT Support Services, (UMW Help Desk).

REFERENCES:

[Code of Virginia § 2.2-1124 \(Subsection B.14\)](#)

[SURPLUS PROPERTY AND RELOCATION FORM](#)

[WORK ORDER FORM](#)

Policy Background:	UMW Policies and Procedures: FIXED ASSETS
Policy Category:	Administration and Finance
Origination Date:	April 2009
Approved by:	<i>Paul Messplay</i>
Approval Date:	May 3, 2022
Effective Date:	May 3, 2022
Review Process: <i>(How is this policy reviewed to ensure that it is effective? By whom? How often?)</i>	This procedure is reviewed as necessary. Individuals from Fixed Asset, IT, Public Health & Safety, Procurement, and Facilities/ Storeroom should be included in the review process.
Revision History:	<p>April 14, 2009</p> <p>August 24, 2012</p> <p>July 1, 2014</p> <p>May 6, 2015</p> <p>January 21, 2022</p>