



RUTGERS POLICY

Section: 20.1.12

Section Title: Administrative Policies Procedures & Services

Policy Name: Surplus Property

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Policy:

20.1.12 SURPLUS PROPERTY

- A. Policy: Surplus assets are those items at the University, which are either no longer in use, or for which there are no further plans for use, whether they are located within an operating unit of the University or have been transferred to Material Services for disposal. This document provides guidelines for the transfer, storage, disposal, or sale of surplus University assets in order to ensure compliance with all grant/contract sponsors' and/or the University's requirements. University assets include equipment, materials, supplies, art objects, antique or used furniture, library volumes, and museum pieces.
- This policy does not cover assets where the grant/contract sponsor retains ownership. These assets must be treated in accordance with the specific sponsor's requirements.
- B. Responsibilities: The University owns and controls all equipment and assets purchased with University funds, unless stipulated otherwise by the funding source. Vice presidents, provosts, deans, directors, and department heads are responsible for the custody and use of University assets in their operating units. This responsibility includes physical control, maintenance, security of assets and the authority to declare University property as surplus in accordance with Section 40.2.10 of the University Regulations and Procedures Manual. Although these individuals are not authorized to sell or dispose of equipment, they do have the authority to approve equipment transfers to other institutions and assign/negotiate value in conjunction with Material Services.
1. Material Services, within University Procurement Services, administers property matters and is responsible for the centralized accounting and reporting of University surplus property. Authority to sell/dispose of surplus University assets is assigned through the executive director of University Procurement Services to the:

- (a) University Librarian for books
- (b) Director of Rutgers Environmental Health & Safety (REHS) for hazardous waste and radioactive materials
- (c) Registrar for the Jane Voorhees Zimmerli Art Museum for artwork and museum pieces
- (d) Manager of Material Services for all other surplus University assets excluding buildings and real estate

The Material Services manager ensures compliance with prudent business and artistic sales practices and reviews and approves the sale or disposal of artwork and/or museum pieces. Equipment and materials of a general nature, such as window air conditioners, classroom furnishings and custodial equipment and supplies are not assigned to a specific division or department and are the responsibility of the Physical Plant Division. The transfer or relocation of any radioactive materials, radiation producing machinery, biohazardous agents, or other hazardous materials must be approved by REHS.

2. Sponsored Programs Surplus Property: Unless instructed otherwise by the sponsoring agency, the title to most property purchased on sponsored programs passes to the University upon completion of the project rather than when the University pays for the property. As a result, it could be one to five or more years before the University owns the property. After clear and unrestricted title passes to the University, the above policies and procedures apply when an item becomes a surplus University asset.

Some sponsors may require that the title to the property remains with them and some sponsors may attach restrictions when the title is passed to the University. The Federal government is a sponsor that does both. The State of New Jersey Department of Transportation also retains title to property. If the sponsor retains title to the property, the University must comply with their requirements for safeguarding, maintaining, using, storing and/or disposing of the property. Otherwise, the University risks forfeiture of the right to use the property. The University cannot unilaterally dispose of these assets.

As a result, property that is funded by the federal government and by the State of New Jersey Department of Transportation may not be disposed of or removed from a University facility without the review and approval of the Division of Grant and Contract Accounting.

3. Property Disposal Procedures: As a general practice, vice presidents, provosts, deans, directors and department heads should regularly, and at least annually, review all University assets in their custody to determine as surplus those items that are no longer of use to the unit. Surplus items may include redundant, obsolete and damaged property, as well as items in usable condition that are no longer in current use because of changed circumstances, (e.g., an expired contract, outdated computer equipment, old furniture). In most cases, timely disposal of such property will ensure the condition of the item is maintained and the University obtains maximum disposal value.

All surplus property must be transferred to Material Services promptly unless the department uses the item as a trade-in on a new purchase. When not practical or possible due to size or installation constraints, a piece of equipment that cannot be moved from its location to the Material Services department's surplus property warehouse must still be sold or disposed of by Material Services.

- (a) To declare property as surplus and initiate disposition, the department must complete and submit a Material Services Work Order Request Form. This form can be downloaded from the Material Services web site <http://www.rci.rutgers.edu/~material>. Upon receipt of the form, Material Services will contact the requestor, schedule pick-up of the item(s) and formally transfer the item from the department's inventory to the surplus property warehouse.

C. PROPERTY SALE PROCEDURES

1. Public Sales: Surplus equipment may be offered for sale individually or in lots. Property will be available for inspection at the Surplus Property warehouse located on Warehouse Road, Livingston campus. Income from the sale of surplus item(s) in excess of \$200 may be credited, if requested, to the original department that purchased the item(s). Material Services will apply a fee for this service.
2. Computer Equipment: Surplus computer equipment, whether sold, donated or discarded is considered recyclable material by the New Jersey Department of Environmental Protection (NJ DEP). To ensure compliance with NJ DEP regulations, all computer equipment must be disposed of through the Material Services Department. When arranging for surplus pickup, the department must state if the equipment Aworks@ or Adoes not work@ on the Surplus Disposal Request Form (form can be downloaded from the Material Services web site). Depending on the equipment's condition, there are different disposal regulations and documentation that apply. Due to the possible environmental liability issues, all disposal, sales and donations of computer equipment must be processed through Material Services.

All departments are also reminded to completely erase all memory drives from computer and telecommunication equipment.

3. Scrap Sales: Material Services must dispose of recyclable materials, such as precious metals, photographic film and X-ray film. Used photographic processing chemicals, used oils and batteries (Nickel/Cadmium, Lead/Acid, Lithium) must be disposed by REHS. DO NOT send these recyclables to Material Services. Contact REHS to arrange for removal of these materials. If you are unsure as to whether or not your recyclable materials are also considered "Hazardous Waste," contact REHS for assistance.
4. Vehicles: University-owned vehicles may be disposed of as a trade-in when purchasing a new vehicle or transferred to Material Services for sale or disposal.
5. Sales to Faculty and Staff: Faculty or staff wishing to purchase equipment within their area for personal use must receive written permission from the appropriate vice president, provost, dean, director or department head. The approver is responsible to determine the sale price (sales tax must be paid). Material Services will assist in the valuation process. If approved, the item must be transferred to Material Services who will complete the transaction. To facilitate this process in Newark and Camden, the Newark director of Purchasing and the Camden purchasing officer have the authority to process the Material Services Work Order Request Form.

6. Donations: Surplus property given to an organization outside the University must be processed through Material Services. Donations are permitted when the market value of the surplus property is below the costs for handling, record keeping, storage, and any charges associated with trade-in or sale. In all cases in which a donation is proposed, a justification letter signed by the appropriate dean or director must be attached to the Material Services Work Order Request Form. To facilitate this process in Newark and Camden, the Newark director of Purchasing and the Camden purchasing officer have the authority to process the Material Services Work Order Request Form.
7. Abandoned and Unclaimed Property: Material Services has the authority to dispose of abandoned and/or unclaimed property (excluding files, documents, and antiques). When the ownership of an item cannot be determined, Material Services will sell or dispose of the item.

D. TRANSFERS

1. Internal Transfers from Surplus: After property is transferred to the Surplus Property Warehouse, academic departments and other units of the University will have thirty days to select items for their areas before the surplus assets will be made available for public sale. The Surplus Property Warehouse will notify the Property Management Department of the tagged equipment returning to service.
2. Department to Department Transfers: Tagged University assets going directly from one department to another must be reported to the Property Accounting Department via a Property Transfer form.
3. External Transfers of Sponsored Programs Equipment: The Division of Grant and Contract Accounting (DGCA) must be contacted before transferring any sponsored program's equipment. In addition to any specific agency requirements, the University's requirements for transferring sponsored program equipment to another institution are listed below:
 - (a) Equipment purchased with grant or contract funds may be moved to another institution if the grant/contract award is moved to the same institution.
 - (b) Equipment purchased on ongoing grants or contracts remaining at the University cannot be transferred.
 - (c) Equipment purchased on a grant or contract that is now closed cannot be transferred unless related to a longitudinal study paid by the agency sponsoring the transferred grant(s) or contract(s).
 - (d) The dean or director who approves the transfer of the grant(s) or contract(s) must also approve any equipment transfers and/or any exceptions to these rules.
 - (e) If a dean or director moves to another institution, the dean or director's supervisor must make the approval.

E. STORAGE

1. Temporary Storage: Material Services provides temporary storage space on a first come, first served basis via a request on a Material Services Work Order. Limited controlled access space also may be made available. Material Services will charge the requesting department a monthly storage fee based on the total space occupied by the item(s) being stored. At the end of the first year, Material Services will contact the department with regard to disposal of the item(s). Upon receipt of a Material Services Work Order Request Form, Material Services will contact the requestor to make storage arrangements.

2. Long-Term Storage: Long-term storage space is provided under the same guidelines stated in Temporary Storage. The only difference is that long-term storage is held for a period of two years before the department receives notification.

For information relative to state and federal requirements on this subject, please refer to the State of New Jersey Office of Management and Budget circulars A-21 and A-110; and to Federal Acquisition Regulations § 845.6.