1. **Policy Statement**

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.

Rutgers University owns and controls all equipment and assets purchased with University funds, unless otherwise stipulated by the funding source. Vice presidents, chancellors, 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 (http://policies.rutgers.edu/40210-currentpdf) 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 Policy Library.

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.

2. **Reason for Policy**

This policy 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. The policy also assigns authority and responsibilities related to implementing, maintaining, and monitoring internal control over University assets.

3. **Who Should Read this Policy**

All members of the Rutgers University community.

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.

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4. Resources
   Equipment Inventory and Property Management Section 40.2.10 (http://policies.rutgers.edu/40210-currentpdf)
   Grant and Contract Accounting Section 40.2.11 (http://policies.rutgers.edu/40211-currentpdf)
   State of New Jersey Office of Management and Budget circular A-110 (http://www.whitehouse.gov/omb/circulars_a110)
   Federal Acquisition Regulations § 845.6 (https://acquisition.gov/far/current/html/Subpart%2045_6.html#wp1129364)

5. The Policy

30.4.3 SURPLUS PROPERTY

I. Assigned Roles and Responsibilities for Surplus Property Process

Surplus Operations, a unit of Business and Administrative Services and Material Services within University Procurement Services, administers property matters and is responsible for the centralized accounting and reporting of University surplus property. **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 Surplus and Material Services for disposal. University assets include equipment, materials, supplies, objects of art, antiques, or used furniture, library volumes, and museum pieces.**

Authority to sell/dispose of surplus University assets is assigned through the executive director of University Procurement Services to the:

1. University Librarian for books;
2. Director of Rutgers Environmental Health & Safety (REHS) for hazardous waste and radioactive materials;
3. Registrar for the Jane Voorhees Zimmerli Art Museum for artwork and museum pieces; and
4. Manager of Material Services for all other surplus University assets excluding buildings and real estate.

The Material Services manager **Supervisor of Surplus Operations** 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 **considered** the responsibility of the Physical Plant Division **University Facilities & Capital Planning to declare them as surplus.** The transfer or relocation of any radioactive materials, radiation producing machinery, bio-hazardous agents, or other hazardous materials must be approved by REHS.

II. 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 assumes ownership of** 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.
Grant and Contract Accounting

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 risk forfeiture of the right to use the property. The University cannot unilaterally dispose of these assets. As a result,

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.

III. Property Disposal Procedures:

As a general practice, vice presidents, chancellors, provosts, deans, directors, and department heads should regularly, and at least annually, review all University assets in their custody to determine if there is a surplus of 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 departments should establish an internal policy to control assets below the value tagged and tracked by Property Management. Any such internal policy should reference the University Policy Section: 40.2.10 Equipment Inventory and Property Management (http://policies.rutgers.edu/40210-currentpdf).

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

To declare property as surplus and initiate disposition, the department must complete and submit a Material Services Work Order Request Form. This on-line request through the Rutgers Surplus Property Management System. This online form can be downloaded accessed from the Material Services following web site material.rutgers.edu (http://www.material.rutgers.edu/surpluspickup.php). Upon receipt of the form, Material Services Surplus will contact the requestor and schedule pick-up a date for the removal.

A. In instances of the item(s) and formally transfer the item from a large quantity of surplus or in the department's inventory event of a room or building cleanout it will be billed as a move by the Material Services Department.

B. If there are any costs incurred by Surplus Operations to the surplus property warehouse facilitate the removal of the Surplus; these charges will be billed back to the originating department.

1. Some examples are-
   a. Electrician for electrical disconnects
   b. Plumbers for water or gas disconnects
   c. Needing to hire outside labor for large clean outs
C. PROPERTY SALES PROCEDURES

IV. Property Sale Procedures

A. Public Sales
Surplus equipment may be offered for sale individually or in lots on a first come first served basis. Property will be available for inspection sale at the Surplus Property warehouse located on Warehouse Road, Livingston campus to be sold to the general public with first consideration given to the reuse within the University community. The warehouse is located on 31 Postal Plaza, 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). The Material Services Surplus department will apply a 20% fee for this service.

B. Auctions
Items with a perceived value of $200 or greater may be placed for sealed bid or online for public auction. Bid policy is listed on the Surplus and Material Services Bid Form (Revision 4/17/06). Exemption from this process may be requested by the owning department in writing from the appropriate vice president, provost, dean, director or department head.

C. 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 Surplus and Material Services Department. When arranging for surplus pickup, the department must state if the equipment works or does not work. Rutgers Surplus Property Management System which can be completed on-line at the Surplus Disposal Request Form (form can be downloaded from the Material Services website) website Rutgers University Surplus. 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 Surplus Material Services.

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

Departments are responsible to ensure that data and software that reside on any computer, non-computer devices, disk or data storage medium is wiped clean prior to transfer or disposal as per Office of Information Technology guidelines which can be found at:

https://rusecure.rutgers.edu/content/removing-data-discarded-computers-and-media-disk-wiping

In the event that an item is inoperable such that wiping is not reliably possible that item must be destroyed in an approved manner. The department may request that hard drives be destroyed rather than wiped clean for resale. Surplus will apply a fee for this service.

D. Scrap Sales
Surplus 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, and Lithium) must be disposed by REHS. DO NOT send these recyclables to Surplus 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.
Scrap metal and other salvage materials related to construction jobs are University property and disposal of and revenue from this material will be in accordance with contracts or agreements for the specific project. University Facilities may use scrap metals and recyclables to offset the cost of solid waste disposal. A record must be kept of all scrap and recyclable materials.

E. Vehicles
University-owned vehicles may be disposed of as a trade-in when purchasing a new vehicle or transferred to Surplus Material Services for sale or disposal.

V. 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, chancellor, 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(s) must be transferred to Surplus Material Services who will complete the transaction. To facilitate the 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. The approver may assist in assigning value in conjunction with Surplus. The requesting department may be assessed an administrative fee for items in which a valuation is requested and are not turned in as surplus but revert back to departmental inventory. This fee is to cover the cost of the valuation processes, which are typically recovered upon sale of the property. Faculty moving to another institution may purchase or have their new institution purchase the equipment for them with written permission from the appropriate vice president, provost, dean, director or department head. The Division of Grant and Contract Accounting must be contacted before selling any sponsored program’s equipment. The item(s) must be transferred to Surplus who will complete the transaction.

VI. Donations
Surplus property given to an organization outside the University must be processed through Surplus 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 Surplus 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.

VII. Abandoned and Unclaimed Property
Material Services Surplus has the authority to dispose of abandoned and/or unclaimed property (excluding files and documents and antiques). When the ownership of an item cannot be determined, Surplus Material Services will sell or dispose of the item as surplus. Items delivered to Surplus and Material Services Central Receiving that remains in the warehouse without disposition from either the purchasing department or the vendor for a period of 1 year from date of receipt will be disposed of as surplus. Departments vacating facilities are responsible for disposing of surplus equipment and furnishings in accordance with this policy. Failure to do so shall result in forfeiture of the property to Surplus and Material Services without compensation to the owning department. Any cost associated with the removal of the abandoned equipment will be assessed back to the vacated department.

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.

VIII. Transfers

All policies are subject to amendment. Please refer to the Rutgers University Policy Library website (policies.rutgers.edu) for the official, most recent version.
Department to Department Transfers
Tagged University assets going directly from one department to another must be reported to the Property Accounting Management Accounting Department via a Property Transfer form and a record of transfer must be maintained by the originating department.

External Transfers record of Sponsored Programs Equipment: The Division of Grant and Contract Accounting (DGCA) transfer 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.