

Davis Technical College:

Property and Fixed Asset Disposal Procedure

Effective Date: 3 June 2024
Administrative Policy

1. Purpose

To define the procedure by which the institution may dispose of property and other items, ensuring that the College maximizes the return or benefit from such items and in accordance with State laws governing asset disposition. The College Property and Fixed Asset Accounting Policy section 4.4 authorizes this procedure.

2. References

- 2.1. Utah Procurement Code, 1953 Utah Code annotated, 63A-2-4 Surplus Property Service
- 2.2. Utah Department of Administrative Services Rule R33-26-200 Disposition of State-Owned Surplus Property Items.

3. Definitions

- 3.1. Property- means all tangible assets such as equipment, vehicles, instructional materials, supplies, furniture, textbooks, computers, software, construction, etc. no longer needed by a department.
- 3.2. Excess Property- generally means surplus property no longer in use or needed by a specific department and, in all likelihood, the condition or nature of such can be used to satisfy an existing need within the College.
- 3.3. Surplus Property- generally means property no longer in use or needed by a department, no longer functions or is unable to fulfill the purpose for which it was acquired.

4. Policy

- 4.1. **All Property is College Property** - Property acquired by the College, excluding leased or loaned, regardless of funding source; whether by transfer, gift, grant, or by donation is College property. The Fiscal Office determines the disposition of all excess and surplus properties.
- 4.2. **Authority of College Departments or Employees in the Disposition of Property** - No College Department or Employee may give, donate, sell, barter, trade, advertise or post for sale College property, regardless of condition, to any person, group, organization, employee or family member except as may be authorized by the College Fiscal Office. All proceeds acquired as a result of sale or disposal belong to the College Designated Fund.
- 4.3. **Expenses Associated With Disposal** - In the event that there are expenses associated with the disposal of property the Fiscal Office is authorized to charge those costs to the College Department where the asset was retired from in the event that no other funding is readily available.
- 4.4. **Inspection of Excess Property Prior to Request for New** - College Departments are strongly encouraged to first inspect available excess property and utilize that which would satisfy College Department needs before submitting a requisition to purchase new.

4.5. Disposal of Surplus Property - The Fiscal Office shall dispose of the excess or surplus properties in the most cost effective and efficient manner attempting to recoup the maximum value or goodwill. Whenever possible and practical, attempts to dispose of the surplus might include the following before disposing as trash or refuse:

- 4.5.1.** return the excess or surplus property to the original supplier for credit;
- 4.5.2.** issue a competitive request for offers;
- 4.5.3.** hold a public or electronic auction or surplus sale;
- 4.5.4.** sell or donate to another educational, governmental, charity, non-profit, or other community-based organization; or
- 4.5.5.** sell as recyclable or scrap material.

4.6. College Employee Preference - College employees or family members may not acquire excess or surplus personal properties for personal use unless offered to the general public. College employees or family members shall not be afforded special privileges or preferences in acquiring personal property. Employees may acquire property by responding to a competitive bid solicitation or by participating in a public sale or auction.

5. Procedures

5.1. The department fills out and submits an equipment retirement request form signed by the employee and supervisor to purchasing.

5.2. Purchasing determines best method to dispose of College property maximizing return and goodwill or minimizing disposal cost and holding cost.

5.3. Internal Transfers - Before excess College property is offered for public sale they must be offered to other departments as available for Internal Transfers. In the event a College Department can utilize an item, the retirement form is resubmitted as an asset transfer form and sent to accounting for any departmental funds to be transferred. Any moving charges or additional costs associated with the moving of the equipment may be charged to the acquiring department. Once the time period of Internal Transfer has passed, excess property will be made available for public sale.

5.4. Sales tax will be collected on all sales unless the purchaser produces the proper sales tax exemption form.

5.5. Negotiations for the sale and disposal of surplus items must be done through the Purchasing/ Fiscal Services department to ensure compliance with State law and College policy.

5.6. Used classroom textbooks that still have a marketable value may be sold to the public through the College Bookstore. Textbooks that have no market value should be recycled appropriately.

A bill of sale will be issued for all items sold as surplus. The bill of sale must state that items are sold as is and with no warranty.

5.7. In the event that assets or other property of the College must be disposed of in an expedited manner, the disposal method and compensation, if any, must be approved by the Vice President and Chief Financial Officer or President prior to the asset transfer.

6. Approval and Notes

Non-substantive changes: 3 June 2024
Revised President's Council Approval: 15 April 2019
Revised: 10 April 2019
Revised Expanded President's Council Approval: 13 February 2017
President's Council Approval: 28 February 2011