

POLICY ON DISPOSAL OF EXCESS AND SURPLUS PROPERTY

I. General

The Chancellor of the University of Maryland System has delegated to the President of Frostburg State University the authority to declare an item of property in the possession of the institution to be surplus property. An item of property may be declared surplus property when it is no longer necessary for the efficient operation of the institution or has been replaced. The President's designee for disposal of surplus property is the Director of Procurement Management.

The preferential sale or gratuitous disposition of property to a State official or employee is prohibited. State ethics opinions prohibit State officials and employees from purchasing surplus property if their official duties are directly connected with the disposal process. The final approval to declare an item as surplus shall be made by the Director of Procurement Management to prevent a usable item from being purchased for personal gain.

II. Excess Property

1. Servicable excess property which could be used by another department will be listed periodically in the Excess Property Bulletin, a publication produced by the Office of Procurement Management notifying all departments of available excess property. The Office of Procurement Management shall encourage the use of excess property to satisfy the needs of the institution through inter-departmental transfers.
2. The Office of Procurement Management may use a surplus item to satisfy the requirements of a purchase requisition, provided that the item is functional, servicable, and satisfied the need of the requisitioning department.

III. Disposal Types

1. Public Sales
 - (A) Formal or informal competitive bidding

procedures shall be used to accomplish public sales following COMAR 21 and conducted by the Office of Procurement Management. A list of those items available for public bid shall be posted on a public bid board for a period of time sufficient to encourage adequate response.

- (B) Requests for formal or informal bids shall be solicited from at least three prospective bidders in the private sector. If it is not possible to obtain at least three private bids, the reason shall be documented.
- (C) In a case where specialized property requires immediate disposal by means other than competitive bidding, such as hazardous material, approval to deviate from this procedure shall be obtained from the Assistant to the Director of Public Safety or other appropriate authority.

2. Auction Sales

- (A) An auction will generally be used when a sizable accumulation of salable property and a sufficient number of buyers are available. Demand for the property, its location relative to interested buyers and the adequacy of facilities for conducting an auction shall be considered in deciding whether to conduct an auction.
- (B) The auctioneer shall be selected through the competitive bidding process in accordance with COMAR 21.
- (C) At least seven days prior to the date of the sale, adequate public notice shall be given in a newspaper of general circulation serving the area where the auction will be held by the auction house.

3. Trade-ins

- (A) When requisitions are placed through the Office of Procurement Management, a separate declaration for each item to be traded-in shall be submitted with the purchase requisition to the Office of Procurement Mgt.
- (B) The Office of Procurement Management shall note the trade-in on the purchase order for removal from inventory upon the receipt of the new equipment.
- (C) If the University trades-in an excess item for a replacement item, credit is given by the supplier in the form of a reduced invoice cost for the replacement item. The cost of the replacement item, less allowance for the trade-in, must be shown on the vendor's invoice.

4. Scrap

- (A) Items having no market value, other than scrap value, shall be sold to the highest bidder.
 - 1. If the estimated sales value of scrap to be disposed of is \$5,000 or more, formal sealed bidding procedures shall be followed to accomplish the sale.
 - 2. If the estimated sales value of scrap is less than \$5,000, telephone quotations from at least two bidders may be solicited to accomplish the sale. However, telephone quotations shall be documented and filed with the covering sale.
- (B) If the disposal amount is too small to attract bidding interest, scrap should be accumulated until the amount is sufficient, provided that storage space is available for this purpose.
- (C) The scrap accumulation may consist of property items that have been removed from inventory records and materials salvaged from maintenance operations. Until the scrap accumulation is sold, a control list of the property shall be maintained.

5. Dismantling for recovery of usable parts

- (A) The Office of Procurement Management will approve requests to dismantle equipment for spare parts.
 - (B) A salvaged component shall be controlled and accounted for as a material and supply inventory item.
 - (C) Components not salvaged, but having scrap value will be disposed of as scrap.
6. Utilization by another institution or major component within the University of Maryland System, a nonprofit organization, the State, or a local jurisdiction.
- (A) Surplus property that is no longer needed by the University may be transferred without obtaining competitive bids or donated upon the approval of the Vice President for Administration and Finance.
 - (B) Any organization receiving donated property shall be required to sign a statement certifying the intended use of the property in the recipient's program.

7. Destruction

Items having no value whatsoever will be discarded as refuse after all other methods of disposal have been exhausted upon the approval of the Director of Procurement Management.

8. Any capitalized equipment physically removed from the possession of Frostburg State University would then be deleted from the property records of the institution.

IV. Credit for Surplus Property

1. Monies received from the sale or auction of property shall be forwarded to the Business Office and deposited in a manner consistent with their procedures.
2. Monies received from property purchased with Federal funding shall be disbursed in accordance with governing Federal regulations.

Ref. BOR VIII - 1.20