
Subject: Management of Surplus Material

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1. Purpose

This procedure provides information to help effectively handle the removal of surplus material within the University.

2. Guidelines

The Purchasing Department initiates the process for redistribution or final disposition of surplus material. Surplus material, including equipment and other fixed assets cannot be sold, loaned, given away (outside of the university) scrapped/cannibalized or disposed of by any department without prior written approval of the University Surplus Officer. The exception is that surplus material may be transferred between University departments. University departments assume immediate physical responsibility for safeguarding property in its possession. Departments notify the University Surplus Property Officer that an item is surplus. Information about the item is recorded on a Surplus Property Report form, which is returned to the Surplus Property Office to be added to the list of surplus items. Departments may contact the University Surplus Property Officer to determine that surplus property is available for purchase.

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 if accompanied by a completed Surplus Property Report form.

Departments may be responsible for moving or the expense of moving surplus items to the surplus property warehouse facility. Departments are also responsible for moving or the expense of moving surplus items purchased from other departments.

3. Procedures

University departments may dispose of equipment at any time, according to the methods outlined in Policy 3950, "Fixed Asset Accounting." To initiate removal of equipment from a department, a Surplus Property Report form must be completed for each item or group of similar items to be removed. All items should be labeled and the completed forms sent to the Surplus Property Office, mail code 0359. Labels are available from the Surplus Property Office, phone (540) 231-5660. The Surplus Property report form is available on-line in the forms section of the Purchasing website (<http://www.purch.vt.edu>).

The preferred method of disposal of surplus material is through a public auction. Other methods available include on-line auction, sealed bid, transfer or sale to public schools or city and county governments and Domestic Institutions, or a negotiated sale as may be determined to be most appropriate to the circumstances. The University Surplus Property Officer is authorized to scrap items determined to be uneconomical or impractical to process, handle and store for resale.

Departments may contact the University Surplus Property Officer to determine what surplus property is available for purchase. If a department wishes to purchase an item that is in the surplus property storage facility, the University Surplus Property Officer will prepare a Surplus Property Internal Transfer Authorization form (SPITA), and obtain the buying department's budget account code and an authorized signature. The form will be sent to the Controller's Office (General Accounting), which will charge the buying department. Surplus Property will notify the Fixed Assets unit within the Controller's Office regarding any item of equipment transferred from surplus inventory into a department.

If a department is storing an item, the department interested in buying the item should contact the owner of the equipment directly. If an item is transferred, the buying department submits an Expenditure Transfer form to the Controller's Office (Accounting) to transfer payment and notifies Fixed Assets when the transfer is complete.

3.1 Disposal of Vehicles

To DISPOSE OF a vehicle, submit a completed Surplus Property Report form to the Surplus Property Office. The University Surplus Property Officer will obtain the vehicle title and determine the method of disposal.

4. Definitions

Surplus material is defined as personal property, including but not limited to, materials, supplies, equipment and recyclable items, that are determined to be surplus by the university. Surplus material does not include real property, animals or crops. Real property, animals or crops that are determined to be in excess of the needs of the university should be sold by use of a competitive and advertised process that is open to the public.

5. References

Policy 3950, "Fixed Asset Accounting."

Policy 3051, Transfer of Equipment from the University to Other Domestic Institutions

6. Approval and Revisions

- Revision 2

Entire document reviewed and revised by the Purchasing Department.

Approved October 30, 1995, by the Purchase and Stores Director, M. Damanpour.

- Revision 3

Entire document reviewed and revised.

Approved August 22, 1997, by Director of Materials Management, W. Thomas Kaloupek.

- Revision 4

Section 3.0, clarification of department notification.

Section 3.1, change in procedure for disposal of vehicles.

Approved January 28, 1999, by Director of Materials Management, W. Thomas Kaloupek.

- Revision 5

Entire document reviewed and revised.

Approved October 13, 2000 by Director of Materials Management, W. Thomas Kaloupek.

- Revision 6

Minor changes for clarification.

Approved April 1, 2002 by Vice President for Budget and Financial Management, M. Dwight Shelton, Jr.

- Revision 7

Minor changes for clarification.

Approved June 30, 2006 by Vice President for Budget and Financial Management, M. Dwight Shelton, Jr.