



OBJECTIVE

To ensure that surplus property is first utilized to the fullest and most reasonable extent possible within the university; to assist and advise on the disposal of surplus property in a fair, economical and ecological manner; and to provide for appropriate retirement of financial and capital assets.

POLICY

Applies to: Faculty, staff, students, visitors
Issued: 07/1985
Revised: 07/2009
Edited: 10/2011

I. Overview

- A. Surplus Materials Disposal is responsible for the proper disposal of property, including the sale, donation, scrapping or other disposal of surplus materials in accordance with university policy, The Ohio Revised Code and applicable federal laws, regulations and guidelines.
- B. Surplus property is defined as “equipment, furniture and other materials/supplies” no longer needed or in active use by the owning department.
- C. University departments must follow prescribed procedures for the sale, transfer or disposal of surplus property.
- D. The sale, transfer or disposal of surplus property must have signature approval of the appropriate dean or vice president.

II. Responsibility

- A. The senior vice president of business and finance is charged by the Board of Trustees with authority and responsibility for the disposal of surplus property.
- B. This responsibility is further delegated to the manager of surplus materials disposal in the Office of the Controller.
- C. Only Surplus Materials Disposal is authorized to dispose of university property, through sale, donation, auction, scrapping or other prescribed methods.
- D. No individual employee may personally benefit from the sale of university or contractor-owned material or equipment. Individuals or groups who take, sell, or



benefit from the sale of such items will be subject to criminal prosecution and/or corrective action up to and including termination.

III. Application

- A. This policy is applicable to all equipment and materials purchased and/or owned by The Ohio State University with the following exceptions:
1. Chemical recycling, second use of chemicals, and the disposal of unusable chemicals, radioactive or hazardous materials, and contaminated equipment, material, and supplies are not considered surplus property. Environmental Health and Safety (1314 Kinnear Road, 292-1284) publishes specific procedures for the disposal of these hazardous materials. Disposal of refrigerators and freezers is contingent upon completion of Environmental Health and Safety protocols for the removal of the hazardous source.
 2. Equipment, material, and supplies acquired through any active or closed sponsored project administered through The Ohio State University Office of Sponsored Programs (OSP) may not be disposed of through Surplus Materials Disposal without prior documented authorization from the OSP director of purchasing.
 3. Motor vehicles are the responsibility of Transportation and Parking Services, 160 Bevis Hall, 1080 Carmack Road, 292-9341.

B. Computer Equipment

All out of service computer equipment must be released to Surplus Materials Disposal and may not be disposed of in any other way. Through use of recycling companies, Surplus Materials Disposal offers data destruction services to comply with federal regulations and university policy.

- C. Regional campuses may implement local procedures for the disposal of surplus property with the approval of the manager of surplus materials disposal.
- D. Policy exceptions for extraordinary situations may be approved with the prior permission of the manager of surplus materials disposal.

IV. Ownership of Assets

- A. Departments and colleges are responsible and accountable for asset utilization and to determine when assets are no longer of value or use.



- B. University property which is taken out of service by the department or college must be transferred to another department, donated to a 501(c)(3) charitable organization or released to Surplus Materials Disposal by the dean or vice president or his/her designee.
- C. When items are released and delivered to Surplus Materials Disposal, responsibility and accountability for the property is transferred from the department or college to Surplus Materials Disposal for final disposition.
- D. Items are released to Surplus Materials Disposal by completing a disposal request through the automated Surplus Property Management System (SPMS). Use of this system to dispose of surplus property is mandatory. System user training is provided through the Carmen on line training program and is required for new users.

PROCEDURE

Applies to: Faculty, staff, students, visitors
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I. Disposition of Surplus Property

- A. Surplus Materials Disposal deals exclusively with capital and non-capital movable assets purchased by or donated to the university.
- B. Capitalized Assets
 - 1. Capital assets -- items where the original cost is \$5,000 or more.
 - 2. Capital assets are accounted for at the department or college level by owner organization and location.
 - 3. Capital assets are identified in the SPMS by the asset tag number.
 - 4. When a determination is made by the department or college to take capital assets out of service and a disposal request is initiated and approved, the assets are retired from the university financial system as a result of an online notification to the Office of the Controller, Asset Management department.



5. For capitalized assets, disposal requests must be initiated from each asset's owner organization in the university financial system. The SPMS will not permit disposal of an asset from a different organization than its owner organization.

C. Non-capitalized Assets

1. Non-capitalized assets -- items where the original cost is less than \$5,000.
2. Non-capitalized assets may be accounted for in the university financial system or any other tracking method deemed appropriate.
 - a. The department or college makes the decision whether to track non-capitalized assets in the university financial system.
 - b. Disposal requests for non-capitalized assets may be initiated from any valid organization.
 - c. Asset tag numbers are not required to be entered into the SPMS disposal request.
 - d. Departments and colleges are responsible for retiring non-capitalized assets tracked in the university financial system.

D. Federal and Sponsor Owned Assets

1. Federal and sponsor owned assets -- items purchased from funds granted to the university by the Federal government or another granting entity, and which are not considered university property.
2. Federal and sponsor owned assets, both capital and non-capital, are accounted for at the project level by The Ohio State University Office of Sponsored Programs (OSP).
3. Disposal requests for these assets are initiated and approved in the SPMS, and must receive approval by OSP before release to Surplus Materials Disposal.
 - a. Online notification of disposal requests to OSP through the SPMS permits timely approval.
 - b. In addition to the authorization by OSP for assets deemed out of service, the SPMS disposal request for capital and non-capital assets must include the OSP contract number (tag number R0-----).



- c. Disposal of capital OSP assets through the SPMS must be initiated from the owner organization for that asset.
 - d. Upon authorization by OSP, these assets are retired from the university financial system by OSP.
- E. Equipment may be traded-in when purchasing a replacement item.
 - 1. The department must document the trade-in on the purchase order for the replacement item, and retire the asset in the asset management system.
 - 2. The department retains the full value received on the trade-in item.
 - 3. The department is responsible for all costs of moving and storing the item.
- F. Transfer to another Ohio State Organization
 - 1. Transfer of property to another Ohio State organization is covered by Asset Management policy #4.21.
- G. Transfer or Sale of Surplus Property
 - 1. Transfer from Surplus to another Ohio State Organization
 - a. Useable items received into the surplus warehouse are made available for transfer to departments and colleges every Monday from 8:00 A.M. - 3:30 P.M.
 - b. Items available for transfer from the warehouse may be viewed on the Surplus Inventory page in the SPMS.
 - c. Departments and colleges may place items on hold for one week to make arrangements for pick-ups.
 - d. An authorized eRequest is required when transferring items to departments and colleges from the surplus warehouse.
 - 2. Public Sale
 - a. Public sale of surplus property is conducted every Tuesday from 8:00 A.M. - 3:30 P.M.



- b. Items available for purchase can be viewed in the SPMS on the Surplus Inventory page. Customers may also create user accounts listing individual preferences for specific items.
 - c. Surplus property is available on a first come first serve basis and is purchased "as is, where is". All sales are final. There are no returns, refunds or exchanges.
 - d. Surplus Materials Disposal reserves the right to remove items prior to sale.
 - e. Unless exemption information is provided, all sales are subject to Ohio sales tax. Payment may be made by check or money order.
 - f. Purchasers may place an intra-day hold on items to arrange payment or to secure appropriate transportation. These holds remain in effect until 3:00 P.M. Items purchased must be removed from the surplus warehouse by the end of the business day.
3. Sale of Technical or Specialized Equipment
- a. Sale of highly technical or specialized equipment, including medical, construction, scientific, laboratory and computer equipment may be conducted by the department or college only with prior approval from Surplus Materials Disposal. These onsite sale requests are assessed on a case-by-case basis.
 - b. Departments and colleges conducting the sales may advertise in newspapers, trade publications or web sites.
 - c. Upon approval from Surplus Materials Disposal, trade-ins, sales back to the manufacturer, and sales to equipment resellers or recycling companies is permitted.
 - d. Departments and colleges may offer the items for sale through a sealed bid process. Surplus Materials Disposal has the ability to conduct online sealed bids through the SPMS at the request of the department or college.
 - e. For items that are sold outside the SPMS, departments and colleges must complete the AM0001 Application for Asset Retirement Form. The retirement form and copy of the documented approval of the sale obtained from Surplus are to be forwarded to the Asset Management department when the items are taken out of service.



H. Donating University Property

1. University property may be donated by the college or department to IRS designated 501(c)(3) charitable organizations, such as schools, churches, etc.
2. Prior to making the donation, the college or department must obtain a copy of the IRS letter granting the organization 501(c)(3) tax exempt status.
3. All donations must be authorized by the dean or vice president and documented in accordance with departmental procedures.
4. An Asset Retirement Form (AM0001) must be completed for donated capitalized assets.

I. Recycling and Scrapping Surplus Property

1. Surplus Materials Disposal utilizes university recycling services to the fullest extent. Recycling companies and used equipment dealers are also enlisted to dispose of equipment not suitable for sale or transfer.
2. Surplus Materials Disposal assesses all surplus property received, and determines its appropriate disposal for maximum benefit to the university.
3. For building relocation projects, Surplus Materials Disposal makes an assessment of the surplus property prior to the actual move.

II. Freight Options

A. Delivery of Surplus Property by Departments

1. Surplus property may be delivered by departments and colleges to the surplus warehouse. Deliveries are accepted on Monday, Wednesday, Thursday and Friday from 7:30 A.M. – 3:00 P.M.
2. University vehicles, rental trucks or moving companies may be used to transport surplus property. Any cost incurred will be paid by the department or college.
3. Disposal requests for self delivery of surplus property are initiated and approved in the SPMS by departments and colleges, and a self delivery manifest is printed by the department. A copy of this manifest must accompany the delivery of surplus property.

B. Scheduling Delivery of Surplus Property by Surplus Materials Disposal



1. At the request of the department or college, Surplus Materials Disposal will schedule delivery of surplus property by contracting with a freight vendor. Freight costs are based upon contractual rate schedules.
2. These disposal requests must be initiated and approved by the department or college in the SPMS, and Surplus Materials Disposal will generate the manifest from the department disposal request in the SPMS and schedule the delivery. The movers must have a copy of this manifest before picking up the property.
3. Surplus Materials Disposal will receive and match the invoices for these deliveries to the corresponding manifests and recoup the cost from departments and colleges through an interdepartmental billing in the university financial system within the next general ledger monthly reporting cycle.
4. A copy of the invoice and a copy of the journal entry are sent to the requesting department for reconciliation purposes

III. Receiving Surplus Property into the Warehouse

A. Verifying Surplus Property Received

1. All items received in the surplus warehouse are accounted for by comparing the number and type of items received to the manifest in the SPMS.
2. For capital or OSP assets, tag numbers are verified for each item.
3. For non-capital assets, a total count of the items received is verified.
4. Any adjustments to the manifest due to tag number errors, extra or missing items requires corrections to the original disposal request in the SPMS by the initiating department or college. Once these corrections are made, the disposal request must be re-approved by the department or college and, where applicable, OSP.

B. Evaluation and Pricing of Surplus Property

1. When Surplus Materials Disposal receives a delivery of surplus property from the department or college, the property is separated into items to be sold, recycled or sent to trash.
2. These designations are recorded on the manifest in the SPMS and the items are moved into inventory.



3. Inventory labels are printed and affixed to each item. The label contains the inventory number, price and short description of the surplus property. Prices are determined by past experience, price comparison with used equipment companies or scrap value.

C. Inventory Maintenance

1. The SPMS maintains a real time inventory system.
2. A physical inventory of items the surplus warehouse is taken monthly and compared to the inventory in the SPMS.
3. Appropriate adjustments are made to ensure the accuracy of both the SPMS and the Surplus Inventory page in the SPMS, which is frequently used by the public.

IV. Sales from the Surplus Warehouse

A. Sales Orders

1. When surplus property is transferred or sold from the warehouse a sales order and receipt is generated from the SPMS for each transaction.
2. Sales orders consist of the inventory number of items sold, general description, buyer, and method of payment, price and tax.
3. For items transferred to departments or colleges, department sales orders are generated in the SPMS. These are zero dollar transactions in the SPMS as university organizations are not charged for transfer of items.

B. Preparing Deposits

1. To prepare a bank deposit of receipts from sales, a sales report is generated from the SPMS and reconciled to the total of checks and money orders received.
2. A general ledger deposit transaction is completed in the university financial system to record the revenue and create a deposit slip.
3. A copy of the sales report, deposit slip, journal entry and copy of the check tape is maintained in Surplus Materials Disposal. A second copy of the check tape is attached to a copy of the deposit slip and put into a deposit bag.



4. The department name and location, deposit date, deposit amount and journal number are listed on the outside of the bag, and the deposit is delivered to Stores and Receiving for pick up by the bank.
5. Sales taxes collected are reported monthly to the Office of the Controller, Tax Compliance department.

C. Account Reconciliation

1. Surplus Materials Disposal conducts monthly account reconciliations.
2. Accounting reports are generated from the university financial system for transaction detail and balance sheet activity.
3. Item verification includes deposit amounts, monthly tax liability, moving costs and reimbursements and miscellaneous expenses.

RESOURCES

Ohio State, [Office of Surplus Materials Disposal](#), 614-688-3545

Surplus Property Management System: <https://www.ctrl.ohio-state.edu/su/public.aspx>

For forms: <http://www.ctrl.ohio-state.edu/forms/forms.shtm>