



Applies to: Faculty, staff, students, and visitors.

Responsible Office

Office of Business and Finance

POLICY

Issued: 07/01/1985
Revised: 07/01/2009
Edited: 08/01/2018

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.

Purpose of the Policy

To ensure that surplus property is first used 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.

Definitions

Table with 2 columns: Term and Definition. Rows include Capital assets, Federal and sponsor owned assets, Non-capital assets, and Surplus property.

Policy Details

- I. 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. II. 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. 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.



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3. Motor vehicles are the responsibility of Transportation and Traffic Management.
 4. 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.
 5. Regional campuses may implement local procedures for the disposal of surplus property with the approval of the manager of surplus materials disposal.
 6. Policy exceptions for extraordinary situations may be approved with the prior permission of the manager of surplus materials disposal.
- III. Ownership of assets.
- A. Units are responsible and accountable for asset use and to determine when assets are no longer of value or use.
 - B. University property which is taken out of service by the unit must be transferred to another unit, donated to a 501(c)(3) charitable organization, or released to Surplus Materials Disposal by the dean or vice president or her/his designee.
 - C. When items are released and delivered to Surplus Materials Disposal, responsibility and accountability for the property is transferred from the unit 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 [BuckeyeLearn](#) and is required for new users.

PROCEDURE

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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. Capital assets.
 1. Capital assets are accounted for at the unit level by owner organization and location.
 2. Capital assets are identified in the SPMS by the asset tag number.
 3. When a determination is made by the unit 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.
 4. For capital 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-capital assets.**
 1. Non-capital assets may be accounted for in the university financial system or any other tracking method deemed appropriate.
 - a. The unit makes the decision whether to track non-capital assets in the university financial system.
 - b. Disposal requests for non-capital assets may be initiated from any valid organization.
 - c. Asset tag numbers are not required to be entered into the SPMS disposal request.
 - d. Units are responsible for retiring non-capital assets tracked in the university financial system.
 - D. **Federal and sponsor owned assets.**
 1. Federal and sponsor owned assets, both capital and non-capital assets are accounted for at the project level by The Ohio State University Office of Sponsored Programs (OSP).
 2. Disposal requests for these assets are initiated and approved in the SPMS, and must receive approval by OSP before release to Surplus Materials Disposal.

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- 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 unit must document the trade-in on the purchase order for the replacement item and retire the asset in the asset management system.
 2. The unit retains the full value received on the trade-in item.
 3. The unit is responsible for all costs of moving and storing the item.
- F. 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 units 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. Units may place items on hold for one week to make arrangements for pick-ups.
 - d. An authorized eRequest is required when transferring items to units 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 unit only with prior approval from Surplus Materials Disposal. These onsite sale requests are assessed on a case-by-case basis.
 - b. Units 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. Units 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 unit.
 - e. For items that are sold outside the SPMS, units must complete the Asset Maintenance Form. The form and a copy of the documented approval of the sale obtained from Surplus are to be forwarded to Asset Management when the items are taken out of service.
 4. Donating university property.
 - a. University property may be donated by the unit to IRS designated 501(c)(3) charitable organizations such as schools, churches, etc.
 - b. Prior to making the donation, the unit must obtain a copy of the IRS letter granting the organization 501(c)(3) tax exempt status.
 - c. All donations must be authorized by the dean or vice president and documented in accordance with unit procedures.



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- d. An Asset Maintenance Form must be completed for donated capital assets.
5. Recycling and scrapping surplus property.
 - a. Surplus Materials Disposal uses 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.
 - b. Surplus Materials Disposal assesses all surplus property received, and determines its appropriate disposal for maximum benefit to the university.
 - c. 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 units.
 1. Surplus property may be delivered by units 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 unit.
 3. Disposal requests for self-delivery of surplus property are initiated and approved in the SPMS by units, and a self-delivery manifest is printed by the unit. 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 unit, 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 unit in the SPMS, and Surplus Materials Disposal will generate the manifest from the unit 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 units 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 unit 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 unit. Once these corrections are made, the disposal request must be re-approved by the unit and, when applicable, OSP.
 - B. Evaluation and pricing of surplus property.
 1. When Surplus Materials Disposal receives a delivery of surplus property from the unit, 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 in 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.

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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 units, unit 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 unit 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.

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.

Responsibilities

Position or Office	Responsibilities
Dean or VP	Authorize donations.
Environmental Health and Safety	Publish specific procedures for disposal of hazardous materials.
Individuals	Do not personally benefit from the sale of university or contractor-owned material or equipment.
Office of Sponsored Programs (OSP)	<ol style="list-style-type: none"> 1. Authorize disposal of sponsored project acquired surplus property. 2. Account for capital and non-capital assets at the project level. 3. Retire federal and sponsor owned assets from the university financial system.
Regional campuses	Implement local procedures for the disposal of surplus property with the approval of the manager of surplus materials disposal.
Surplus Materials Disposal	<ol style="list-style-type: none"> 1. Dispose of property through auction, recycling, sale, scrapping, or other prescribed methods. 2. Offer data destruction services to comply with federal regulations and university policy. 3. Approve local procedures for the disposal of surplus property at regional campuses. 4. Approve policy exceptions in extraordinary situations (manager of surplus materials disposal). 5. Assess and approve on-site sale requests from units. 6. Approve trade-ins, sales back to the manufacturer, and sales to equipment resellers or recyclers. 7. Complete an Asset Maintenance form as needed. 8. Assess and determine the value of all surplus property received for maximum benefit to the university. 9. Schedule delivery of surplus property when asked by the unit. 10. Receive and match invoices for surplus property deliveries and recoup the cost from units through interdepartmental billing within the next general ledger billing cycle; copy the invoice and journal entry to the requesting unit. 11. Verify surplus property received; correct any errors with the initiating unit. 12. Determine surplus property to be sold, recycled, or trashed; record on the manifest in the SPMS; and affix inventory labels.

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Position or Office	Responsibilities
	13. Conduct a monthly physical inventory of the surplus warehouse. 14. Prepare deposits according to the procedure. 15. Conduct monthly account reconciliations.
Transportation and Traffic Management	Handle the disposal of vehicles.
Units	1. Account for capital assets as required. 2. Determine when assets are no longer of value or use. 3. Complete disposal requests in the SPMS. 4. Account for non-capital assets as desired. 5. Retire non-capital assets tracked in the university financial system. 6. Initiate requests for disposal of capital OSP assets through the SPMS. 7. Document trade-ins on the purchase order for replacement and retire the asset in SPMS. 8. Pay costs for moving and storing trade in items. 9. Complete eRequest when transferring items from the warehouse to the unit. 10. Solicit approval for unit sale of technical or specialized equipment from Surplus Materials Disposal. 11. Obtain a copy of the IRS letter granting the organization 501(c)(3) tax exempt status prior to making a donation; complete an Asset Maintenance form as needed. 12. Complete a self-delivery of surplus property with SPMS and print its manifest to accompany the delivery.

Resources

University Policies, policies.osu.edu/

Asset Management, busfin.osu.edu/sites/default/files/421_assetmanagement.pdf

Asset Management Tools, Resources, and Processes, busfin.osu.edu/asset-management

Disposal Request, surplusproperty.osu.edu/

Surplus Property Management Training, buckeyelearn.osu.edu

Training, BuckeyeLearn, buckeyelearn.osu.edu/

Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	Surplus Materials Disposal, Office of the Controller, Office of Business and Finance		surplus@osu.edu busfin.osu.edu/surplus
Motor vehicles	Transportation and Traffic Management, Office of Administration and Planning	614-292-7433	ttminfo@osu.edu ttm.osu.edu/
Recycling, reuse, disposal of chemicals and hazardous waste	Environmental Health and Safety, Office of Administration and Planning	614-292-1284	ehs@osu.edu ehs.osu.edu/
Retiring assets from the financial system	Asset Management, Office of the Controller, Office of Business and Finance	614-292-6048	assetmanagement@osu.edu busfin.osu.edu/asset-management
Sponsored project equipment, materials, supplies	Office of Sponsored Programs (OSP), Office of Research		osp.osu.edu/

History

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