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**ADMINISTRATIVE PROCEDURES**

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| **30.11 Surplus Property** | **Revised: April 13, 2023** |

1. GOVERNING REGULATIONS

The management of surplus property is governed by System Regulation [21.01.10](http://policies.tamus.edu/21-01-10.pdf) *Surplus or Salvage Property*, the [System Asset Management Manual](http://assets.system.tamus.edu/files/budgets-acct/pdf/asset_mgmt_manual.pdf), and Administrative Procedure [30.02](http://tfsfinance.tamu.edu/modules/finance/admin/admin_procedures/3002%20Equipment%20Management.docx) *Equipment Management*.

1. DEFINITIONS
	1. Surplus Equipment – Equipment in excess of the current or foreseeable needs. Surplus equipment may be new or used, but must have additional useful life.
	2. Salvage Equipment – Equipment that, through use, time or accident, is so depleted, worn out, damaged, consumed or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended.
	3. Trade-in – Surplus or salvage equipment that is exchanged for new equipment of the same general type.
	4. Surplus Property Coordinator – Program Coordinator in the Hudson Capacity Building office who is responsible for managing the agency’s surplus property.
	5. Surplus Property – Surplus and salvage equipment.
2. GENERAL

3.1 These procedures cover the disposal of salvage or surplus equipment. Procedures related to trade-ins and transfers are covered in Administrative Procedure [30.02](https://tfsfinance.tamu.edu/modules/finance/admin/admin_procedures/3002%20Equipment%20Management.docx) *Equipment Management*.

3.2 Disposal of surplus or salvage equipment must be approved in advance by the Director.

3.3 All equipment deemed to be salvage or surplus should be promptly disposed of in accordance with these procedures. Note: If a turn-in vehicle is not operable or safe to drive, it should be turned in to Surplus Property immediately and not held until the replacement vehicle is received.

3.4 If surplus or salvage equipment can be used for instructional purposes by a public school, the Surplus Property Coordinator will work with the Property Manager to publicize and dispose of it in accordance with System Regulation 21.01.10.

1. DISPOSAL OF SALVAGE

Salvage equipment not transferred to a public school, should be disposed of as follows:

4.1 The Accountable Property Officer (APO) for the unit should prepare a [Property Deletion Request](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Property%20Deletion%20Request.docx) form listing the salvage equipment items and route it (e-mail is acceptable) through their chain of command to the Property Manager for approval. Note: Both inventoried and non-inventoried salvage equipment items can be included on this form.

4.2 The Property Manager will review the request for compliance and obtain the Director’s approval. A copy of the approved request will be provided to the requesting unit with notification to proceed with disposal.

4.3 Salvage metal should be sold as scrap, if there is sufficient quantity to make it cost effective to take it to the nearest scrap metal company. All income from the sale of salvage property is deposited into the Surplus Property account (142140), unless the equipment was purchased by a grant that restricts the disposition of the proceeds.

4.4 All other salvage equipment should be properly disposed as trash.

4.5 Salvage equipment should not be taken to the Hudson office for disposal

1. DISPOSAL OF SURPLUS EQUIPMENT

5.1 If a unit determines that it has surplus equipment, the unit head should notify the department head. If the department head does not have another use for the equipment, then the APO for the unit should send an email containing a list of the surplus equipment to all agency offices. If no office requests the items listed, then the items should be transferred to the Surplus Property facility in Hudson. The unit must contact the Surplus Property Coordinator to make arrangements for the transfer and to properly complete a [Property Transfer Request](http://tfsfinance.tamu.edu/modules/finance/admin/procedures/Property%20Transfer%20Record.docx) (PTR).

5.2 The Surplus Property Coordinator will notify departments of surplus equipment on hand and give them a final opportunity to claim anything useful to them, before the equipment is sold at a public auction.

5.3 To obtain a vehicle from Surplus Property, the requesting department must contact the Surplus Property Coordinator to ensure the vehicle has not been sold or claimed by another department. The requesting department must identify another turn-in vehicle to exchange. In addition, prior approval by the Associate Director for Finance and Administration is required. See Section 8 for complete vehicle exchange procedures.

5.4 Computer equipment may not be disposed of by sale. All computer equipment must be disposed of in accordance with Section 21 of Administration Procedure 30.02 *Equipment Management*.

5.5 FEPP equipment may not be disposed of by a sale. Departments need to contact the agency’s FEPP Coordinator for instructions on disposal.

1. SALE OF SURPLUS PROPERTY
	1. The Surplus Property Coordinator will send the Property Manager a request for permission to hold a surplus property sale. A list containing the asset number, description, date of acquisition, condition and inventory value for each equipment item to be sold will accompany the request.
	2. The Property Manager will verify the equipment list and obtain approval from the Director to conduct a sale. Upon approval by the Director, the Property Manager will provide a signed copy to the Surplus Property Coordinator.
	3. All surplus property sales will be performed through on-line auction under a contract issued by the Purchasing Department. The use of any other form of public sale will be handled as an exception and approved in advance by the Associate Director for Finance and Administration.
	4. The Surplus Property Coordinator provides the on-line auction company with pictures and required information for the items to be sold. The posting date and closing date are agreed upon.
	5. The agency name and/or insignia, property tag and vehicle license plates will be removed after approval of the sale but prior to delivery to buyer.
	6. Upon completion of the auction sale, the on-line auction company will provide to the Surplus Property Coordinator a list containing the buyers’ names and addresses and the amount paid for each item sold. The Surplus Property Coordinator will verify that all items sold are on the list and submit a copy of the listing to the Property Manager for the items sold.

6.7 All income from the sale of surplus property is deposited into the Surplus Property account (142140), unless the equipment was purchased by a grant that restricts the disposition of the proceeds.

1. SALES TO OTHER GOVERNMENTAL AGENCIES

 The agency’s standard procedure is to sell equipment through the on-line auction website; however, exceptions are made for negotiated sales to other governmental agencies (including fire departments). The following process is followed:

7.1 The governmental agency will notify the Surplus Property Coordinator regarding equipment (e.g., dozer or truck) in surplus property they want to purchase.

7.2 The Surplus Property Coordinator will notify the Property Manager. The Property Manager will determine the fair value of the equipment based on recent surplus property sales or other comparable sources, and provide it to the Surplus Property Coordinator.

7.3 The Surplus Property Coordinator will notify the requesting governmental agency contact regarding the calculated fair value. If the fair value is acceptable, the Surplus Property Coordinator will notify the Property Manager.  The Property Manager will contact the Contracts Officer to prepare the sales agreement and obtain the Director’s approval.

* 1. The requesting governmental agency will sign the agreement and provide payment. The Surplus Property Coordinator will release the equipment along with the title to the purchasing agency.  The Surplus Property Coordinator will return the signed sales agreement to the Contracts Officer, have the payment deposited into the surplus property income account, and provide copies to the Property Manager for updating of the inventory records.

8. SURPLUS VEHICLE EXCHANGES

Any exchanges of agency vehicles from the active fleet for a vehicle in surplus must be approved in advance by the Associate Director of Finance and Administration.

8.1 In coordination with the Surplus Property Coordinator, the employee will locate a suitable vehicle for exchange from the surplus fleet. The vehicle custodian, their supervisor or the Surplus Property Coordinator will e-mail the Associate Director of Finance and Administration requesting approval to exchange vehicles. The request must include the following:

* 1. Property asset number of each vehicle;
	2. Description of each vehicle;
	3. Current mileage;
	4. Reason for exchange (i.e., blown motor, wrecked, high repair cost, etc.)

 8.2 Once written approval from the Associate Director of Finance and Administration is received, the APO/AAPO for the vehicles will complete the appropriate PTR per Administrative Procedures 30.02, *Equipment Management*.

CONTACT: Surplus Property Coordinator, (936) 639-8100