



Ohio Administrative Code

Rule 3342-5-12.301 Operational policy regarding disposal of university property.

Effective: September 14, 2020

(A) Policy purpose. The purpose of this policy is to document the responsibilities and requirements related to the disposal and sale of Kent state university (KSU) surplus property by university facilities management (UFM) campus surplus. UFM campus surplus has been delegated sole authority to dispose of surplus property for KSU. UFM campus surplus ensures that surplus property is used to the fullest and most reasonable extent possible within the university and will dispose of surplus property in an economical and sustainable manner.

(B) Definitions.

(1) Capital asset. Any tangible item such as equipment, furniture, or other assets with an original cost of five thousand dollars or more and an estimated useful life in excess of one year. Deemed an inventory asset by the controllers office and tagged with unique number. This definition excludes library books and real property. Real property is land and any assets attached directly to land such as buildings and building improvements.

(2) Surplus property. KSU property that is in excess of department needs, no longer in use by the department, technically or mechanically obsolete, no longer functional, or has no intrinsic value. Includes all capital and non-capital asset(s).

(3) State property. All KSU materials, supplies, and equipment, regardless of value.

(4) Campus surplus. Function of university facilities management responsible for the distribution, sale, and disposal of university property.

(C) Scope and eligibility. This policy applies to any surplus property purchased or leased with KSU funds or funds within the control of KSU.

(1) Regional campuses (non-Kent campus branches) and college of podiatric medicine are



considered out of scope and must follow procedure provided in paragraph (I)(3) of this rule.

(2) Only campus surplus is authorized to dispose of university property, through sale, auction, scrapping, or other prescribed methods.

(3) No individual employee may personally benefit from the sale of university-owned material or equipment.

(4) Motor vehicle disposal is the sole responsibility of UFM fleet services. Including regional campuses and college of podiatric medicine.

(5) Disposal of surplus equipment that contains, or was used with or near hazardous substances, must be approved by the department of occupational health and safety to ensure both the safety of personnel and compliance with government regulations.

(D) Procedure and implementation.

(1) Surplus property. Enter a work order listing the surplus items to be picked up by UFM. Includes electronic and non-electronic items.

(a) If deemed a capital asset, attach a signed copy of the inventory control form. The department is responsible for notifying the controllers office of disposal of any asset.

(b) UFM personnel will pick up the surplus property directly from the department and store at campus surplus.

(c) When items are released by either pick-up or delivery to campus surplus, responsibility, ownership and accountability for the property is transferred from the unit to campus surplus for final disposition.

(d) Upon transfer of property, campus surplus will assess item functionality; determining work and considerations of ecological sustainability.



(E) Redistribution of surplus property.

(1) If item has a determined worth and functionality, by means of the KSU redistribution website, UFM will make the surplus property available to other KSU departments at no cost to receiving department.

(2) Items available for redistribution may be viewed at campus surplus located at the administrative services building (ASB) based on schedule availability.

(3) Units may place items on hold for one week to make arrangement for pick-up.

(4) Surplus property will be made available to KSU departments for a minimum of thirty days.

(5) A work order for transferring items from the surplus warehouse to the unit is required.

(6) Items on the redistribution website are for business usage within the campus community and may not be take home for personal use.

(F) Public sale or auction.

(1) After minimum posting of thirty days on the KSU redistribution website, campus surplus will coordinate the listing of the item on the online auction website for at least two posting cycles or other alternative method of public sale.

(a) Pursuant to competitive bidding procedures with the asset being sold to the highest bidder (buyer).

(i) Ineligible bidders or buyers: University employees may bid or purchase items offered for auction or public sale as long as these conditions do not apply:

(a) Employee participated in the decision to remove item from its funding department or location;

(b) Employee participated in the fair market assessment of surplus item;



- (c) Employee has acquired information not otherwise available to the general public regarding usage, condition, quality, or value of item;
- (d) Employee intends to personally profit or gain from resale of usage of item.
- (b) To qualify as a purchaser of item, an employee of the university must pay a price higher than any other viable offer including value received from scrapping or recycling the item.
- (2) Campus surplus assumes responsibility of assessing fair market value of all surplus items.
- (3) Posting cycles of auctions are not required to be consecutive.
- (4) Surplus property is purchased as is, where is. All sales are final. There are no returns, refunds, or exchanges.
- (5) Campus surplus reserves the right to remove items prior or from sale.
- (6) The buyer is required to secure appropriate arrangements within ten business days after payment is received for the removal of item and perform all work necessary, including packing, loading and transportation of the property; no assistance will be provided.
- (7) Transportation arrangements and correspondences will be completed during normal business operating hours of UFM campus surplus and/or the university.
- (8) Failure to pick up within the ten business days results in the item being released back to the university for sale or re-auction.
 - (a) Buyer will be placed into default and not permitted to buy or bid on future KSU surplus items.
 - (b) Credit may be provided on defaulted items at the discretion of campus surplus.
- (9) Unsold items may be released back to the university community for redistribution or later public sale if market value is determined. If no market value is assessed, item may be released for disposal



(G) Sales proceeds and fees.

(1) Net proceeds from the sale of surplus property will be used to financially sustain the staffing and overhead costs of the campus surplus operation.

(a) For items with a resale value over two thousand five hundred dollars, a minimum of seventy-five percent of the net proceeds will be credited to the releasing department, with the remaining percent credited to campus surplus.

(b) Exceptions will require approval from associate vice president of facilities planning and operations.

(c) County-mandated sales tax will be charged on all sales unless a valid sales tax exemption certificate is presented by the buyer.

(H) Disposal.

(1) Surplus property not redistributed within the university or sold via public sale may be disposed of in the way most economical for the university.

(2) Campus surplus assesses all surplus property received, and determines its appropriate disposal for maximum benefit to the university, including scrap.

(3) Capital assets acquired with funds from sponsored programs. Special recordkeeping and disposal requirements often apply to capital assets purchased under a federal award or other sponsored program. In cases where the terms of the grant or contract are more restrictive than the university's policy, those terms shall govern. In cases where the requirements imposed are less restrictive, the university's policy shall apply.

(a) Disposition of sponsored program assets must meet all university and sponsor requirements and be coordinated through the office of sponsored programs to ensure appropriate approval before the university controllers office and procurement department will give final approval. In the event of



relocation of a principal investigator (PI) to another institution, the PI may be permitted to transfer the equipment from the PIs ongoing grant(s) or contract(s) with prior approval of the appropriate university authority in conjunction with the terms of the grant(s) or contract(s). Additionally, it is the PIs responsibility to work with the university controllers office and the procurement department to ensure that all university asset disposition requirements have been met prior to physically transferring the equipment.

(b) Additional details regarding requirements specific to sponsored programs are provided for in rule 3342-10-03.1 of the Administrative Code.

(I) Exceptions to the surplus disposal program

(1) Experience, foresight, product knowledge and other factors will lead one to understand that a particular item which is no longer useful to the university may have further value to other nonprofit organizations.

(2) Examples of situations which may lend themselves to this idea would be, but are not limited to, cleansed computer equipment, microscopes, lighting systems, lab furniture, dormitory furniture, etc. Disposal of these items, which are considered too valuable for the surplus program yet outdated for campus use, may be accomplished in one of several ways.

(a) Trade-in. Often a manufacturer will provide a trade-in value for old equipment when a new purchase of similar equipment is considered. The value of the trade-in offer may be questioned by those in the field and if it is determined by the involved parties and the director of procurement, that equitable value is being provided then an agreement may be reached. The traded equipments model, serial numbers and bar coded numbers will be listed on the purchase order designated for acquisition of the replacement items. Credit for these items will be an integral part of the overall purchase price of the new equipment order. From the receiving copy of the purchase order, inventory property control personnel from the controllers office will then slate the traded equipment for removal within the property control system.

(b) Goodwill offerings. At the discretion of UFM campus surplus, it may be decided that a goodwill offering will be made to another state educational or nonprofit (501c3) organization as simply a



donation. Notice of the availability will be made to the organizations that have expressed an interest and can offer tax identification by letter, e-mail, or fax. Awards will be made on a first interested, first claimed basis. First preference will be given to other nonprofit educational institutions in our local geographic region (contiguous counties). These goodwill offerings are meant to enhance and further the university's commitment to organizational stewardship through education, research, community services and sustainability.

Donations may not be made for partisan political purposes, for-profit organizations and/or not-for-profit organizations.

(c) Cannibalization. For some items it may be considered advantageous to use components of one unit to help reconstruct another. This process may leave nothing more than an empty shell of absolutely no value. Disposing of an item that has been cannibalized in a university dumpster is the most cost-effective method of disposal. The decision to use this process belongs to the supervisor of those involved in the reconstruction process. In all instances, if the item has a tag number, it is necessary to report the status of the item to inventory property control personnel in the controllers office for the recording of the transfer of disposal.

(d) Sentimentality sale. The senior associate vice president for finance and administration and/or the associate vice president of facilities, planning and operations may choose to recognize meritorious and exceptional service by providing the possibility for an individual who is/has retired to purchase at fair market value an item deemed to have more sentimental worth to the individual than value to the university. The individual may be given the opportunity to provide a fair market price, determined through communications with dealers in the same field, for said item. Campus surplus will also provide their determined fair market value. Upon the agreement price, the individual will be permitted to purchase and remove the item from the university. This procedure is not to be used indiscriminately and will only be invoked after careful attention has been given to the circumstances.

(e) Special value Items that are perceived to have a potential special value (i.e., antiques, artwork, memorabilia) will be handled separately. At the discretion and determination of campus surplus and the associate vice president of facilities, planning and operations, the item(s) will be stored, handled, redistributed or sold on a case-by-case basis.



(3) Regional campuses and college of podiatric medicine. Regional campuses and college of podiatric medicine must follow all working procedures within this policy; however, will be exempt from the transferring of property.

(a) Campus surplus will officiate the sale, public auction, or redistribution of regional campus and college of podiatric medicine surplus property. Including final recommendation of disposal as needed.

(b) Campus surplus shall receive a thirty-five dollar flat fee for posting, tracking and coordination of surplus property.

(c) UFM fleet services continues to assume sole responsibility of regional and college of podiatric medicine motor vehicle disposal.

(J) Reporting and records. Campus surplus will maintain and report required records in accordance with office of internal audit and controllers policies.

(K) Violation. Any violation of this policy may result in the department being subject to supervised inventory control measures and any person or group who violates this policy may be subject to disciplinary actions up to and including termination.

(1) Campus surplus must approve all disposals of state property.

(2) Donations or sales of state property to private individuals, for-profit organization, or state employees are prohibited unless the items are sold at announced public sales or auctions.