



## Ohio Administrative Code

### Rule 3342-5-12.3 Administrative policy regarding acquisition, inventory control, and sales or other disposal of university property.

Effective: [September 14, 2020](#)

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(A) Policy purpose. The purpose of this policy is to document the responsibilities and requirements related to capital asset handling and recordkeeping of university property, including capital assets. The associate vice president for facilities planning and operations is responsible for the administration of this policy, as well as the development, implementation, and communication of the procedures necessary for the sale and/or disposition of university property as provided herein.

(B) Definitions.

(1) University property. All materials, supplies, and equipment owned or leased by Kent state university, including capital assets, regardless of the means of acquisition

(2) Capital asset. Any tangible personal property such as equipment, furniture, or other assets with a value of five thousand dollars or more, including all costs to prepare the asset for use (installation, shipping and handling, etc.), and an estimated useful life in excess of one year. 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.

(3) Surplus university property. University 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.

(4) Unit. Officially recognized administrative structures of the university such as campuses, colleges, schools, departments, offices, institutes, and centers.

(5) Campus surplus. A subdivision of university facilities management delegated by the associate vice president for facilities planning and operations to be responsible for the distribution, sale, or disposal of university property.



(C) Scope and eligibility. This policy applies to all university property purchased or leased with Kent state university funds or funds within the control of Kent state university. This scope of this policy does not include the sale and other disposal of motor vehicles owned or leased by the university for which university fleet services retains sole control and authority.

(D) Procedure and implementation.

(1) Acquisition. All university property must be procured in accordance with applicable university policies including but not limited to rules 3342-7-12 and 3342-7-12.1 of the Administrative Code.

(a) Capital asset identification. Upon delivery and/or installation and prior to being placed in service, all capital assets must be tagged and assigned an inventory control number by the controllers office in the division of finance and administration. The unit acquiring the capital asset is responsible for affixing the tag to the asset and completing the related documentation to provide to the controllers office.

(b) Inventory control. Each unit is responsible for the university property under its control, including applicable maintenance and repair. Capital asset verification. The components of inventory control include recordkeeping and maintenance of assets. Recordkeeping for capital assets shall be administered through the controllers office. The acquiring unit is responsible for maintaining the capital asset in a location and manner to avoid damage, theft, or other loss of the asset. The acquiring unit is also responsible for performing a physical inventory of all tagged capital assets every two years in order for the university to maintain compliance with applicable federal and state regulations. The bi-annual inventory is initiated by the controllers office and the acquiring unit is responsible for verifying that every capital asset listed on the report is still present in the unit and in good working order. The unit shall notify the controllers office of any changes in the capital asset status or location.

(2) Sale of university property, including capital assets. All university property must be sold or otherwise disposed of in accordance with this policy. Units are not permitted to sell or otherwise dispose of property in any other manner not provided for by this policy.

(a) Sale of university property acquired with university funds (not from grants or sponsored programs). Campus surplus is responsible for the sale of university property by one of the following



methods:

- (i) Redistribute to another unit of Kent state university as surplus university property;
  - (ii) Pursuant to competitive bidding procedures with the university property being sold to the highest bidder;
  - (iii) In an advertised public sale or auction with the applicable university property having a price assigned and sold or auctioned to the public at a stipulated time and place. Net proceeds from the sale of surplus property will be used to financially sustain the staffing and overhead costs of the campus surplus operation. For items with a resale value over two thousand five hundred dollars, a minimum of seventy-five per cent of the net proceeds will be credited to the releasing department, with the remaining per cent credited to campus surplus (with exception to regional campuses and college of podiatric medicine, where campus surplus shall only be credited with ten percent of the net proceeds or a flat twenty-five dollar fee, whichever is more); or
  - (iv) Exceptions must be approved by the associate vice president for facilities planning and operations. For all capital assets, the unit is responsible for notifying the controllers office of the sale or disposal of any capital asset, but the unit is not permitted to transact a capital asset sale or other disposal.
- (b) Disposal of surplus university property acquired with university funds (not from grants or sponsored programs). Surplus university property not redistributed within the university or sold via public sale or other methods provided for in paragraph (D)(3)(a) of this rule may be disposed of in the way most economical for the university. Campus surplus shall be responsible for all surplus university property received, and shall have the sole discretion to determine its appropriate disposal for maximum benefit to the university, including scrap.
- (c) University property, including capital assets, acquired with funds from sponsored programs. Special recordkeeping and disposal requirements often apply to university property purchased under a federal award or other sponsored program. In cases where the terms of the grant or contract are more restrictive than university policy, those terms shall govern. In cases where the requirements imposed are less restrictive, university policy shall apply. 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 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. Additional details regarding requirements specific to sponsored programs are provided for in rule 3342-10-03.1 of the Administrative Code.

(d) Donations or sales of university property, including capital assets, to private individuals, for-profit organizations, or other state employees are prohibited unless sold in accordance in with paragraph (D)(3)(a)(iii) of this rule.

(E) Prohibition. In accordance with the conflict of interest policy provided for in rule 3342-6-23 of the Administrative Code, university employees may not personally benefit from the sale of university-owned material or equipment.

(F) Reporting and records. Campus surplus shall maintain all records of sales and other disposals of university property as provided for by this policy.

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