ITEM 3.B

Surplus Property Policy

Purpose

The purpose of this policy is to ensure the protection of College assets and to provide a guideline for the San Carlos Apache College (SCAC) community when considering surplus/disposal of College property. All property and equipment (known as fixed assets) purchased with College funds (including unrestricted College funds, grants, endowments or gifts), donated to the College, or acquired for College use through other means are the property of the College, and title remains with the College at all times until asset disposal. The following describes the procedures individuals must follow to dispose of any College property.

Definition of Surplus Property

Surplus property is defined as any property owned by SCAC that is no longer needed for its operations, is obsolete, or is in excess of current requirements. This includes office equipment, vehicles, furniture, and other assets.

Governing Regulation: 2 CFR 200

2 CFR 200, also known as the Uniform Guidance, provides standards for the management and disposal of property purchased with federal funds. The following sections specifically relate to surplus property:

- **200.313 Equipment**
  This section governs equipment purchased with federal funds. When equipment is no longer needed, it can be sold or disposed of, with the proceeds returned to the federal agency or reused for other federally funded projects, based on their current market value. If the equipment's current market value is less than $5,000, it may be retained, sold, or otherwise disposed of, and SCAC retains any proceeds.

200.314 Supplies
Governs the handling of supplies purchased with federal funds. If there is a residual inventory of unused supplies exceeding $5,000 in value at the end of the federal project, SCAC must compensate the federal government for its share in the acquisition

Roles and Responsibilities

1. ***Purchasing Manager***
   The Purchasing Manager is responsible for tracking all property at SCAC, including surplus property. They will maintain detailed records of all assets, evaluate whether property should be designated as surplus, and coordinate disposal actions in compliance with 2 CFR 200.

2. **Business Affairs Office**
   The Business Affairs Office works closely with the Purchasing Manager to ensure all disposal

transactions are properly documented and meet the standards set by federal regulations. The Business Affairs also handles the collection and allocation of any proceeds from sales or transfers.

3. **Departments**
   SCAC departments must notify the Purchasing Manager when property is no longer required. They will work with the Purchasing Manager to initiate the surplus property process.

Disposal Policy

College property may not be sold, traded-in, salvaged, scrapped, donated, or otherwise disposed of without prior approval from the appropriate department head and the Director of Business Affairs, acting on behalf of the President of the College and with concurrence from Vice President. Special standing arrangements exist for hazardous substances, computers and furniture as outlined below.

Hazardous Substances
Surplus/disposal of hazardous substances (chemical, biological, etc.) requires the prior approval of the department head or Director of Business Affairs with concurrence of the President.

> Regulated waste [Code 29 of Federal Regulations (29CFR 1910.1030)] is defined as contaminated items with liquid, semi-liquid, dried blood or other potentially infectious materials that are capable of releasing these materials during handling.
>
> Hazardous waste (40 Code of Federal Regulations) is defined as waste that is dangerous or potentially harmful to health or the environment (examples may include, but are not limited to, chemicals, lamps, batteries, pesticides, aerosols, etc.).
>
> Electronic waste is defined as electronic products that have become unwanted; non-working or obsolete, and have essentially reached the end of their useful lives.

Computers
All College computers and computer-related items require the best disposal method on an as-needed basis. Please contact the Director of Business Affairs for approval.

Furniture
All requests for the removal of surplus furniture should be made by submitting a work order to Management. Items will be reviewed by Director of Business Affairs to determine if there are opportunities for reuse on campus and to ensure compliance with the College's furniture standards. All items deemed reusable are returned to the College's general inventory stock for use on campus.

Operating Procedures

Effective asset management encourages recycling within the College community. Recycling limits liability and costs associated with disposal and provides continued use of the property to other departments within the College, while supporting the College's commitment to sustainable purchasing and reuse.

When a department seeks to declare property as surplus, the department head should contact the Director of Business Affairs for advice and determination of proper disposal procedures. The SCAC Declaration of Surplus Property form must be completed in order to provide the College with information necessary to properly account for the disposal and determine if any restrictions exist on disposing of property (i.e. restrictions on property purchased through an external grant).

Documentation and Record-Keeping

Detailed records are kept for all surplus property transactions, including:

- Description of the item.
- Original purchase price and date.
- Method of disposal.
- Date of disposal.
- Sale proceeds, if applicable.
- Documentation required under 2 CFR 200 for federally funded property.

Review records annually as part of the financial audit process to ensure compliance with federal regulations and SCAC policies.

The following methods of disposal are listed in order of preference, with additional consideration given to any incremental costs (transportation, storage, etc.) which may be incurred to dispose of the assets:

Disposal by internal departmental transfer

Priority is given to College departments to repurpose surplus items in accordance with College standards (i.e. furniture standards). The only cost to a department for an internal transfer of goods is the cost of moving and installing the item(s).

Transferred equipment is defined as any equipment or furniture transferred from one college department, location and/or classroom to another.

Disposal by trade or exchange of property

If the item is deemed to have fair market value, it can be traded or exchanged at fair value with College suppliers.

Disposal by sale

Director of Business Affairs will work with departments to establish a sales price based on comparable sales in external markets and to offer goods to the entire community as opposed to selling to employees within a specific department. Sales of assets are not intended for reuse on campus and must be removed from campus within a reasonable timeframe.

The allocation of sales proceeds over $5,000 requires the approval of the Director of Business Affairs and will generally be allocated to a deferred maintenance fund with consideration given to the needs of the division that funded the original property purchase.

Sales proceeds for small dollar items (under $5,000) will generally be allocated back to departments, subject to the following restrictions:

- Proceeds allocated to departments will be reduced by any costs associated with the sale/disposal of the property.
- Departments are only eligible for proceeds if property was originally purchased with departmental (not general institutional) funds.
- Net proceeds will be allocated to the current operating budget.

The College may be required to collect state/local sales or use tax at the time of sale, depending on the type of goods sold. The Director of Business Affairs will work with departments to charge and remit sales/use tax to the appropriate authorities when applicable.

The following disclosures must be made in writing to potential buyers before selling College property:

Sales Tax Disclaimer

In accordance with state/local sales and use tax, buyers may be subject to payment of state and/or local sales and use tax. Generally, sales tax will be collected at the time of sale except in the case of vehicles where sales tax is collected by the Department of Motor Vehicles (DMV) at the time of registration. Buyers are responsible for contacting the appropriate tax office, completing any forms, and paying any taxes that may be imposed.

Disclaimer of Warranties and Limitation of Liability

All items sold through the SCAC Surplus Property Program are provided on an "as is", "as available" basis without warranties of any kind, expressed or implied, including without limitation the warranties of merchantability and/or fitness for a particular purpose. SCAC is not responsible for any special, indirect or consequential damages whatsoever resulting from or arising out of the sale of surplus items. SCAC does not warrant that any item sold through the College surplus property program is free from defects and/or shall function as intended. All sales are considered final.

Disposal by donation

Items that cannot be reused internally or sold may be donated to approved not-for-profit institutions upon written approval from the appropriate department head and the Director of Business Affairs.

Donation requests from various sources will be considered. Items may be donated if they are not sold after two (2) attempted surplus sales or if the donation may result in intangible (i.e. good will) benefits to the College. Donations to for-profit entities are not permitted.

A waiver should be signed by the recipient organization before the goods are donated, to include the following terms and conditions:

> *This item(s) is used and is available "as is" without warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement.*

Disposal as Waste

Items that cannot be reused internally, sold or donated will be discarded through the College's normal waste removal process. Once the disposal request is approved by the Business Affairs, a work order request will need to be submitted by the department involved.

Damaged or Stolen Property

Damaged or stolen property should also be reported on the SCAC Declaration of Surplus Property form. The department must also notify Public Safety upon discovery of a theft or destruction.

Responsible Office/Division: Business Affairs

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