RATIONAL: To identify responsibility for disposition of surplus University Property in a consistent, timely and fiscally sound manner. Management of Surplus Property and its storage at the Grizzly University Storage (GUS) building requires continuous attention in order to minimize overall expense to the University. A well-managed Disposal process is a basic and necessary internal control for any organization.

POLICY: The University is the sole owner of Property purchased with any University funds or accepted as a donation. The Property Management Office (PMO) has been delegated the authority to dispose of any University Surplus Property. Disposal options include redistribution within the University, Cannibalization, public sale, scrap or approved donation to another non-profit organization. This authority includes permission to incur expense for Disposal by an outside trash or recycling vendor.

All Property, as defined in this document, that is transferred, sold or otherwise disposed of, must be processed through the PMO regardless of perceived current value. Operating departments or individuals may not directly dispose of Property in lieu of the PMO.

SCOPE AND APPLICABILITY: This policy applies to all administrators, faculty, staff and students who are in possession of University Property of any kind, and the PMO in its interaction with outside consumers or vendors.

DEFINITIONS:
**Biohazardous Waste:** Hazardous biological materials which can impact the environment, agriculture, and cause disease to living organisms, including humans, animals and plants.

**Cannibalization:** The removal of parts or portions of equipment in order to use them in another – make one serviceable item out of two or more non-serviceable units.

**Disposal:** Disposal of Property refers to any one of the following actions by a Responsible Department and the PMO:

- Surplus/re-use within the University
- Trade-In to vendor as part of purchase of replacement Property
- Sale or donation to an individual or organization outside of the University, including employees and students
- Junk / Scrap / Recycle -- if Property not usable/operational

**Electronic Waste ("E-waste"):** Any unwanted electronic device likely to contain hazardous materials, such as lead and mercury. A partial list includes: CRT devices, LCD screens, computers and peripherals, printers, copy machines, telephones and microwaves.

**Federally Funded Property:** Includes all Property purchased with grant funds from a Federal agency in conjunction with the Office of Research Administration. Examples: Department of Defense, National Science Foundation, National Institute of Health.

**GUS – Grizzly University Storage:** A Property Management Office facility located near the P35 parking lot used for storage and Disposal of material, furniture, and equipment released as surplus by Responsible Departments.

**Notice of Computer Release:** Form used by a system administrator to acknowledge that all data and software has been removed from a computer prior to release to PMO. It is available on the UTS website.

**Property:** As used in the context of this policy is defined as a tangible item owned by, or in possession of, the University which is nonexpendable - that is, not consumed in use and retains its original identity during the period of use. This typically includes vehicles, furniture, electronics and other equipment. It does not include real Property (land or buildings) nor expendable supplies.

**Property Management Office (PMO):** The Property Management Office is a department of the Finance and Administration Division.

**Property Release Form (PRF):** An official Oakland University form used to reassign or release University Property. A digital copy of this form can be found on the PMO website or by email request to the PMO office.
**Responsible Department:** The operating department responsible for, or having custody of, University Property.

**Surplus Property:** Items -- including furniture, vehicles and equipment -- that no longer have useful value to the Responsible Department.

**PROCEDURES:**

**A. General:** All Property that is transferred, sold or otherwise disposed of, must be processed through the PMO regardless of perceived current value.

Expendable items which do not need processing through PMO include:
1. Office supplies -- such as binders, paper trays, hanging folders, ink cartridges
2. Laboratory supplies -- such as hot plates, beakers, filters
3. Maintenance supplies and replaced parts from a piece of equipment
4. Apparel – athletic clothing, staff uniforms, costumes

**B. Disposition of Surplus Property:** If a Responsible Department deems an item or pieces of University Property to be surplus, a Property Release Form (PRF) must be used to dispose of such items, regardless of the original cost or current value or usefulness of the Property. The PMO will work with the department to determine the initial disposition -- which normally will be to GUS.

The PMO has the authority to immediately further dispose of Property which still might have utility but otherwise is not suitable for storage at GUS. An example is furniture which might attract habitation by non-domestic animals.

To facilitate re-use or sale, the releasing department should specify on the PRF the condition of the piece of equipment -- whether it is operational or not operational. A department may not transfer Property for re-use without involving the PMO.

The Responsible Department must remove the contents of all furniture being released to GUS or to another department. Keys should be sent to the PMO for any office desk or cabinet having a lock.

The PMO will maintain a “watch list” of items for which departments have communicated a need to the PMO (either by phone or by email). If such an item is subsequently released to storage, the PMO will notify the department on the watch list of the item’s availability.

While priority will be given to internal requests to transfer Property to another University department, the PMO has the authority and responsibility for final disposition of all Property.
If released Property is still covered by a manufacturer's warranty, the PMO will retain the item in storage for re-use within the University rather than make the item available for sale. Exceptions to this practice require approval from the Vice President for Finance and Administration or designee.

C. Asset Accounting upon Disposal: When Property that was previously recorded as a capitalized fixed asset in Banner is taken out of service, the PMO will use the Property Release Form (PRF) as authority to retire the Property using the appropriate Disposal code and Disposal date. To accomplish this, the University tag number must be on the PRF and be accurate, since it is the key for PMO to access the item in the fixed asset system and delete it from active inventory. Once an item has gone through the Disposal process and been retired from fixed assets accounting, it will not be reinstated if it is claimed from surplus for use by a new department within the University.

D. Disposal and Recycling of Laboratory, Computer and Electronic Waste: Laboratory Property must be decontaminated before it can be released to the PMO. The Environmental Health & Safety department must be notified of all laboratory Property, including electronics, and hazardous waste containers prior to Disposal. A certificate of decontamination (Laboratory Equipment Safety Release Form), signed by an Environmental Health and Safety staff member, must be completed and accompany the item(s). (See OU AP&P #620 Environmental Health and Fire Safety).

University policy and software license terms and conditions require that all data and software licensed to Oakland University be removed from any device (desktop computers, laptop computers, readers, netbooks, multifunction printers, tablets, etc.) prior to Disposal. The form “Notice of Computer Release” must be completed and submitted with the PRF to the PMO (see OU AP&P #880 System Administration Responsibilities).

Copiers and multifunction devices with hard drives or other features which store digital images must also have their document images purged prior to release to the PMO (or for trade-in) in order to be compliant with privacy and security requirements.

Electronic Waste (E-Waste) must be recycled in accordance with federal and state recycling guidelines. Departments do not have the option of disposing of E-Waste in interior waste cans, exterior trash cans or dumpsters. All E-Waste should be considered surplus and released to the PMO. The PMO will contract with recycling firms to properly dispose of Electronic Waste. If the PMO incurs expense in the process of recycling and Disposal of E-Waste, it will recover this cost by allocating the appropriate expense to the Responsible Department which released the equipment.

E. Redistribution within the University: Surplus items stored at GUS are available to any department within the University. The PMO does not charge for such redistribution; however, the acquiring department must submit a work order to Facilities Management (FM) to relocate the Property within a reasonable time period and accept the associated FM moving charges.
F. **Sale of Property:** Once Surplus Property has been released to the PMO and transferred to the GUS facility, PMO may sell such items to individuals or organizations either within or outside of the University. All net proceeds from such sales will be deposited in the PMO Property Sales fund as an offset to Disposal expenses. In conjunction with this, the PMO is authorized to hold periodic public sale events or by appointment.

If a department has knowledge of a potential buyer in advance of releasing Property for transfer to GUS, it still must notify and work with the PMO to facilitate the most cost effective process to accomplish the Disposal. The Director of Property Management and the Responsible Department will agree on an appropriate allocation between the two areas for the net, if any, sale revenue (cost recovery). The PMO is responsible for documenting the sale and will deposit the total sale amount at the University Cashier’s Office before transferring any funds to the Responsible Department via journal voucher.

All Property sold is done so on an “as is” basis and the University will not be held responsible for its condition or warranty. The University through the PMO reserves the right to decline buyers and to waive any or all formalities.

Michigan sales tax must be collected and reported for sales to individuals and to organizations not holding a certificate of tax exempt status.

Due to software license restrictions, personal computers may only be sold after removal of any operating system, applications software and any data or stored information.

G. **Donations of University Property to Third Parties:** In general, the donation of University Property is discouraged. On an exception basis, written requests to donate Property with little or no value may be submitted to the PMO. The request must include a copy of the requesting organization’s IRS Determination Letter to prove eligibility as a charity. Final approval rests with the Vice President of Finance and Administration or designee.

H. **Exceptions to Standard Disposition of Surplus Property**

1. **University (Student) Housing Furniture:** Because of its unique nature, residential furniture used in student housing may be treated as an exception to standard Disposal procedure. The Director of University Housing or his/her delegate must consult with the PMO when disposing of such furniture to ensure that the process (direct scrap, donation, sale, transfer or trade-in) serves the best interests of the University.

2. **Trade-In:** With the approval of the Purchasing Department, Property may be traded-in against another purchase. The purchase requisition for the new Property must indicate the Oakland University Property tag, description, and serial number for all items being traded. In addition, the requisitioning department must complete an PRF and submit it to the PMO.
3. Extraordinary Value: Items that are perceived to have a potential extraordinary value (antiquities, artwork, or memorabilia) may be handled in a manner separate from this policy. However, the means of disposition will be at the discretion of the Vice President for Finance and Administration, and the PMO must be notified and involved in the Disposal.

4. Donations to Oakland University: Items that have been donated to the University and processed as a gift through Development, Alumni and Community Engagement may only be disposed of consistent with IRS directives for documentation and minimum time in the possession of the University. Therefore, these items may only be disposed of by the PMO in accordance with the rest of this policy.

5. Federally Funded Property: Surplus Federally Funded Property will be disposed of in accordance with applicable Federal law and Federal grant terms. Special attention must be paid to Property when, by the terms of the grant, items are owned by a Federal agency. The PMO and the Office of Research Administration will collaborate on such Disposals.

**RELATED POLICIES AND FORMS:**

OU AP&P #360 Property Management  
OU AP&P #620 Environmental Health and Fire Safety  
OU AP&P #880 System Administration Responsibilities

**APPENDIX:**

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