

Title: Surplus Property Disposal

Initial Action: 1/23/80
Board Resolution: 80-002, 96-126, 17-036, 23-040A

Last Revised

Policy: 09/05/2023
Procedure: 09/05/2023
Last Reviewed: 09/13/2023
Effective: 09/21/2023
Next Review: 09/21/2026
Responsibility: Finance and Administration

Policy:

Pursuant to Md. EDUCATION Code Ann. §16-103, it is the policy of the Board of Trustees to obtain maximum utilization from all of its tangible property and dispose of surplus property, other than real estate, using the following methods. Listed in order of preference, surplus property may be disposed of by:

1. Trade-In: The issuance of purchase orders which include trade-ins for items such as computers, electronics, business machines, and motor vehicles are acceptable.
2. Intra-College Transfer: Item is used for parts.
3. Direct Sale: Employees and/or general public
4. Indirect Sale: Use of third-party organization such as auction houses
5. Donation to tax-exempt organizations
6. Disposal without sale in publicly owned dump

The disposal of surplus property must be authorized by: The Board of Trustees when the original asset value exceeds \$25,000 (\$50,000 for assets purchased as of 10/1/2017, \$100,000 for assets purchased as of 7/1/23); by the President when the original asset value exceeds \$15,000 or the item is to be donated to a tax-exempt organization, and by the Vice President of Finance and Administration when the original asset value is less than \$15,000.

The Purchasing Office is responsible for coordinating the disposal of assets and submitting an annual report to the Board of Trustees which includes the description of the property, quantity, method of disposal, date of disposal, recorded value and amount received by the College.

Surplus Property Disposal

Procedure:

1. Authorization is required when the original recorded value of the item or group of items is:
 - Greater than or equal to \$25,000 - Board of Trustees - Category 1
 - Greater than or equal to \$50,000 – Board of Trustees – Category 1 (for purchases made as of 10/1/17)
 - Greater than or equal to \$100,000 – Board of Trustees – Category 1 (for purchases made as of 7/1/23)
 - Greater than or equal to \$15,000 - President of the College - Category 2 (Also includes donated items)
 - Less than \$15,000 - Vice President of Finance and Administration - Category 3

Cecil College’s “Control of College Property” policy, approved June 29, 2023, established an asset value greater than or equal to \$10,000 with the exceptions of grant funded assets which may have lower capitalization limits.
2. Surplus property may be identified by any College employee. The employee must submit a written Request for Asset Disposal or other tangible property to the appropriate Budget Head for approval.
3. The following minimum information must be supplied in the Request for Asset Disposal:
 - a. Item Description - name and physical description
 - b. Inventory Tag Number
 - c. Serial Number
 - d. Condition of property
 - e. Location of property
 - f. Division or department
4. Upon approval by the Budget Head, the request for the disposal of surplus property must be sent to the Vice President of Finance and Administration for final approval. The Purchasing Office will select and oversee the best disposal method in cooperation with the requesting division. College staff and commercial representatives may be called upon to assess property value or provide other information necessary for disposal.
5. Surplus property may be disposed through the following methods:
 - a. Direct Sale
 1. Advanced sealed bid
 2. Spot bid
 3. Pre-established price
 4. Best reasonable offer

5. Third party vendor/auction
 - b. Trade-in to reduce cost of replacement or upgraded equipment
 - c. Donation to tax exempt organizations
 - d. Intra-College Transfer - Item is used for parts.
 - e. Disposal in a publicly owned dump, if the item contains no value.
6. Notification of the availability of surplus items may be publicized internally or externally by the Purchasing Department when appropriate and in the best interest of the College.
7. The Vice President of Finance and Administration will approve the recommendation for the disposal of assets, insure proper accounting and submit recommendations to the President and Board of Trustees as required.
8. Income from the sale of fixed assets will be recorded in the appropriate fund and income derived from the sale of items purchased by restricted, capital or construction funds will be recorded in the fund as specified by the grant, local or state agency.
9. The Purchasing Office will be responsible for preparing an annual report, to be submitted to the College Management Team each October, containing a summary of all items disposed of during the prior fiscal year. This report shall include the item description, quantity, method of disposal, recorded value and amount received.

Process:

1. Complete Request for Asset Disposal form (see attached sample)
2. DO NOT REMOVE INVENTORY TAG OR ANY OTHER IDENTIFICATION.
3. Forward request to Budget Head for approval and then to the Purchasing Department.
4. The Vice President of Finance and Administration will determine if additional information or approval is necessary before forwarding to the purchasing office.
5. Purchasing will notify you as to what action will be taken with the asset. If possible, please hold on to asset until notified. Please note or call if item needs to be relocated immediately.