

**THREE RIVERS COLLEGE
FINANCIAL REGULATION**

Section: 3000 Financial	
Sub Section: 3600 Property	
Title: FR 3620 Disposal of Surplus Property	Page 1 of 7
Primary Policy: FP 3601 College Property	
Associated Regulation: FR 3610 Capital Assets and Inventory	
References:	
Supersedes: NA	
Responsible Administrator: Chief Financial Officer	
Initial Approval: 07-14-2010	Last Revision: 04-19-2017

Three Rivers College reserves the right to define and establish said guidelines for the disposal of surplus property. The College President provides oversight to all proceedings regarding this regulation. The authority may be granted only upon the written approval by the College President or his/her designee. The records regarding college property as well as the disposal of said property shall be made available to the public through the Chief Financial Officer.

Definition of Surplus Personal Property

"Surplus personal property" is defined as personal property which has been determined to be obsolete, outmoded, unusable or no longer usable by the institution, or property for which future needs do not justify the cost of maintenance and/or storage. Such property must be declared "surplus personal property" by the College President or his/her designee; provided however, property need not be declared surplus when disposition is through the trade-in method.

General Rules

- A. Surplus personal property is either usable property, which shall be transferred or sold, or unusable property, which may be destroyed, as hereinafter provided:
 - a. Surplus personal property which is perishable food may be destroyed without delay or notification.
 - b. Surplus personal property which is determined to be not usable by the college and of little or no salvage or other economic value may be destroyed by an appropriate method.
 - c. The college shall follow the procedures described in the general disposal procedures section of this regulation, prior to disposal of all other surplus personal property.
- B. Surplus personal property in which the Federal Government or other entity has a legal interest should be transferred to such entity when no longer needed.
- C. All employees of the college and their immediate families shall be ineligible to bid for or purchase surplus personal property except by bid at public auction during the tenure of his/her employment, or for six (6) months thereafter.

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- D. Possession of surplus personal property sold to the general public under any method prescribed herein shall not pass until payment is made by cash, cashier's check, or certified check, possession shall not pass until the check is honored by the drawee bank.
- E. Possession shall pass to other institutions, political subdivisions of the state, and other governmental entities upon receipt, by the college, of purchase vouchers of such institutions, political subdivisions, or other governmental entities. Title to motor vehicles sold as surplus property to political subdivisions and other governmental entities shall be closed as to transferee when title is passed.

General Disposal Procedures

- A. The Three Rivers College President or his/her designee shall declare personal property to be surplus personal property prior to disposition as such; provided however, property need not be declared surplus when disposition is through use of the trade-in method.
- B. The purchasing department is responsible for the disposal of surplus personal property, and the communications and procedures concerning the disposal of surplus personal property.
- C. No article of personal property may be disposed of as surplus except by one of the following methods:
 - a. Trade-in, when such is permitted due to the nature of the property or equipment and subject to the provisions of this regulation
 - b. Transfer to other institutions;
 - c. Transfer to other state agencies;
 - d. Sale to eligible political subdivisions of the state and other governmental entities;
 - e. Public auction, publicly advertised and held;
 - f. Sale under sealed bids, publicly advertised, opened and recorded;
 - g. Negotiated contract for sale, at arm's length; but only in those instances in which

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the availability of the property is recurring or repetitive in character, such as marketable waste products;

- h. Donations to a public school or public school system.
 - i. Sale by Internet auction.
- D. If the College President or his/her designee declares the property to be surplus personal property, the method of disposal shall be determined by the Director of Purchasing from the alternatives set forth herein. Written documentation for the selection of method of disposal shall be maintained. The trade-in method, when property is of the nature appropriate for trade-in shall be the first and second priority methods for disposal of surplus personal property, except for waste products which shall be disposed of as further provided in this regulation. In the selection of other methods of disposal, the following criteria shall be considered:
- a. The character, utility and functionality of the property;
 - b. The economics of disposal in light of all relevant circumstances attendant the proposed disposal, including the condition and climate of the potential market and present estimated market value of the property, transportation costs, and other cost factors associated with disposal; and
 - c. Sound fiscal and budgetary policy and practices.
 - d. The method of disposal selected in the preceding section shall be implemented pursuant to the specific procedures set forth in this regulation for such disposition.
 - e. The purchasing department shall be responsible for the maintenance of accountability documentation on all items of surplus personal property, and shall ensure that adequate audit and inventory trails on all items of surplus personal property are maintained. Such authority shall make the final determination of the fair market value of surplus personal property.

Trade-In on Replacement

- A. Items that must be replaced may, subject to the requirements of this section, be traded

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in on replacement property.

- B. The Director of Purchasing shall perform the following functions in connection with the trade-in method of disposal:
- a. Issue invitations to bid asking for bids with trade-in and without trade-in and receive and review bids;
 - b. Make an evaluation of the condition and fair market value of the property to be disposed of; through comparisons of bids and the evaluation prepared, make a determination whether it is in the best interest of the institution to dispose of the property by trade-in or by one of the other methods of disposal.

Transfer to Other Public Entities

- A. Except when the trade-in method is utilized or when the property is to be disposed of as a waste product, preference shall be given to other public entities that notify the college of their desire and/or need for the property to be disposed of. Final authority may be granted only upon the written approval by the College President or his/her designee.

Public Auctions and Sales under Sealed Bids

- A. Public auctions and sales under sealed bids, as provided in this regulation, shall be publicly advertised and publicly held. Notice of intended disposal by public auction or sale under sealed bid shall be posted to the college website reasonably describing the property and specifying the date, time, place, manner, and conditions of the disposal. An advertisement shall be entered in the public notice or equivalent section of the newspaper and shall run not less than three (3) days in the case of a daily paper and not less than twice in the case of a weekly. The disposal shall not be held sooner than seven (7) days after the last day of publication nor later than fifteen (15) days after the last day of publication of the required notice, excluding Saturdays, Sundays and holidays.
- B. A mailing list shall be developed for mailing to eligible governmental entities and potential buyers of surplus items.
- C. No person, firm or corporation shall be notified of any public auction or sale except as

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provided by this policy.

- D. As many items as is practical and feasible shall be included in each sale.
- E. All notices of sales of such property shall provide that the property is to be sold "as is" with transportation costs assumed by the purchaser. The notice shall state that the only warranty provided, expressed or implied, is the seller's right, title and interest in the property sold.
- F. All sales by bid or auction shall be with reserve, and when bids received are unreasonably below the fair market value as determined by the responsible authority of the college, all bids shall be rejected and the property shall be thereafter disposed of pursuant to other acceptable methods of disposal.

Disposal of Waste Products

- A. Marketable waste products such as paper and paper products, used lumber, bottles and glass, rags, and similar materials of nominal value classified as scrap may be sold directly to dealers at the going market rate without soliciting bids. A record of the volume and unit price of such materials sold on the scrap market shall be kept by the Director of Purchasing.
- B. Waste products which are subject to storage and are normally accumulated until such quantities are available to make a sale economically feasible shall be sold under sealed bids as follows:
 - a. Invitations to bid shall be mailed to known buyers of the particular item;
 - b. Three firm bids shall be secured when possible;
 - c. Sealed bids shall be publicly opened and recorded ten (10) days, excluding Saturdays, Sundays, and holidays, after the invitations to bid are mailed;
 - d. The highest bidder shall be awarded the contract and shall be notified of the date for removal of the property and the method of payment which will be acceptable;
 - e. A file shall be maintained for each disposal for the purpose documenting the sale

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and should include all documents and information pertinent to the disposal.

- f. Anything to the contrary notwithstanding, surplus personal property which is determined to be unusable and of little or no salvage or other economic value may be destroyed.

Sale by Internet

Notice of intended disposal by Internet auction shall be posted on the Internet. Such notice shall specify and reasonably describe the property to be disposed of, the date, time, manner and conditions of disposal, all as previously determined by the responsible authority. Final authorization resides upon the written approval by the College President or his/her designee

Exceptions

Surplus personal property may be disposed of by a method other than those listed herein only upon the written approval by the College President or his/her designee.

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DOCUMENT HISTORY:

- 07-14-2010:** Initial approval of regulation FR 3820 Disposal of Surplus Property.
- 09-21-2016:** The College Board of Trustees approved the name change of the college from Three Rivers Community College to Three Rivers College.
- 04-19-2017:** Revision of numbering FR 3820 to FR 3620, due to addition of section number 3600 Property and minor language edits