LHU Surplus Property Policy

A. Purpose:

The purpose of the Surplus Property Policy and Procedure is to provide a clear and concise guideline for the disbursement/disposal of all Lock Haven University surplus property. It is the intent of the university to maximize the use of all equipment and furniture. The surplus disbursement/disposal procedures which follow will ensure that university property has provided a value beyond its worth, and that its disbursement/disposal will be conducted in an equitable, efficient and cost-effective manner.

Please remember that each department is responsible for all departmental assets and should use assets only for University business. If assets become missing (lost or stolen), please contact Public Safety (570-484-2278) immediately and provide them with detailed information.

B. Policy:

It is the University's policy to receive the maximum amount of value from a piece of equipment or furniture. When it has been determined that no further value is to be realized by the University through utilization of a particular piece of equipment or furniture, said item shall be declared surplus. Once declared surplus, items will be disposed of as set forth in the following procedures. The University’s Director of Procurement, or his/her designee, has the primary responsibility to monitor compliance with this policy.

C. Procedure:

1. Surplus Declaration Process

When it is determined by the using department that an item has served its original purpose and no longer provides value to the department, this item shall be slated for determination of its eligibility for the surplus disbursement/disposal program. [Note: For computer equipment, see Section 2.e(4), below.]

The decision to designate an item for the surplus program will be made by the person with purchasing authority for the department in which the furniture/equipment is located.

Should a circumstance present itself where no one is in a position to make a surplus determination the decision will be made by the Director of Procurement, or his/her designee.

2. Surplus Disbursement/Disposal Program

a. Campus Notification Process

Intra-Campus - If the decision has been made that an item will be surplus, the using department is encouraged to advertise, through email, the availability of an item for campus use. The item may be transferred to another department at the discretion of the head of the former user’s department. If an item is to be moved to another department within campus responsibilities are:
Department - Enter Maintenance Work Order (MWO) to request movement of the item. If there is an LHU asset number tag on the furniture/equipment, the asset number must be provided in the description section of the MWO. For those MWO’s with asset numbers, Facilities will send a copy of the MWO to the Asset Accountant.

Asset Accountant - Record the movement of the fixed asset in SAP.

Note: Pending removal, surplus items should not be placed in hallways, stairwells, or otherwise hinder emergency egress in buildings. Items noticed in these areas should be reported and secured immediately.

If this method fails to redistribute the property, the department head will contact the Director of Procurement, or his/her designee, making him/her aware of the surplus declaration. Contact (preferably by email) should describe the item (i.e.; make, manufacturer, model, serial number, LHU tag number), location and condition of the item, and the name and phone number of a contact person. Additional information can be provided such as nonprofit organizations interested in the items to be disposed, estimation of any resale value, the cost to fix a piece of equipment if known, etc.

Procurement - Submit Maintenance Work Order (MWO) with a determination on how the items are to be disposed. In the description section of the MWO indicate the asset number, if applicable. If the items have value for reuse by the University they may be kept in storage, if space exists, and will be available for any department with a need. If the items have no value to the University, they will be disposed in an appropriate manner. Notify Asset Accountant on disposition of furnishings or equipment with LHU asset number by sending a copy of the email with completed MWO (including asset #).

If donating an asset (defined as a piece of equipment or furniture with an original acquisition cost over $5,000) a signed receipt form is generated and a copy provided to the Asset Accountant. If, selling an asset via the University’s approved on-line auction vendor(s) a copy of the payment receipt should be provided to the Asset Accountant.

Facilities - Schedule performance of the MWO.

Asset Accountant - Record the disposition of the fixed asset in SAP.

If the condition of an item is listed as poor, broken, not working or cannibalized, an item may be declared scrap at the discretion of the Director of Procurement, or his/her designee, and disposed of accordingly (https://community.lhup.edu/purchasing/LHU%20Equipment%20Disposal%20Form%202019%2009%2012.pdf).
b. **Offer to Other PASSHE Universities**

All surplus items are initially offered to other PASSHE universities, the PASSHE universities are notified of the availability of the item(s) and given 10 days to respond. The receiving university is responsible for transporting the item(s) at its expense.

c. **Trash-to-Treasure (T2T)**

The University will donate, at the discretion of the Director of Procurement, or his/her designee, surplus goods to the Clinton County United Way to be sold at the annual Trash-to-Treasure sale held on the University campus.

d. **Local non-profits**

If other campus departments or other PASSHE Universities have not expressed interest in the surplus item(s), local non-profit institutions may be offered the item(s). Procurement will arrange for nonprofit organizations to pick up the material being donated to them and will maintain a listing of the organizations, the goods they received and the donation date.

e. **Sale Process**

(1) Sealed Bid

The Director of Procurement, or his/her designee, may choose to list surplus items for sale via the Asset Auction website (https://www.govplanet.com).

(2) Proceeds

Surplus property may be offered for public sale by going through a competitive bid process. All net proceeds from such sales will be deposited in the University’s Surplus Property Fund, unless otherwise authorized by the Controller.

(3) **Asset Management Notification**

It is the responsibility of the Director of Procurement, or his/her designee, to notify property asset accountant personnel of the removal or relocation of surplus property which has been assigned an LHU asset number.

(4) **Computer Related Equipment**

Information Technology (IT) must be contacted prior to the transfer/surplus declaration of any computer, printer, or other network related equipment. To initiate this process, email helpdesk@lockhaven.edu or call the IT Help Desk (570-484-2286) stating that the department has equipment to be evaluated. IT support staff will clean the hard drive and erase all user data files. If it is determined that the item has further use to the University, IT support staff will repurpose the equipment.
Computer equipment that has no further value to the University and/or IT will no longer support can be disposed of by one of the following methods:

(a) Donation to a local nonprofit organization that has provided a written request for computer equipment. The requesting nonprofit agency will be responsible for removing donated computer equipment from surplus storage.

(b) Donation to Clinton County United Way at the time of a Trash-to-Treasure sale held on the university campus.

(c) An appropriate method of recycling/disposal that will not expose the University to environmental risk or violate federal, state, or local restrictions.

(d) Electronic or ‘e’-waste is also dispositional via a State approved e-waste contractor.

(e) Sale via the Asset Auction website (https://www.govplaret.com).

Hazardous Material

A University department may not declare surplus for any materials that have hazardous chemical compounds contained therein. Materials that exhibit the characteristics of ignitability, corrosiveness, reactivity, toxicity, radioactivity, biological waste, or are on any Federal or State hazardous waste lists, are considered to be hazardous. When it is determined that a product which contains hazardous chemical compounds is no longer needed, or of use, the item must be immediately reported to Public Safety (570-484-2278). The Environmental Health & Safety Division will then decide the need for, and the method of disposal for the product. The department declaring the material surplus will not be charged for the cost of properly disposing of the products.

3. Exceptions to the Surplus Disposal Program

Experience, foresight, product knowledge and other factors will lead one to understand that a particular item, which is no longer useful to the University, may have further value to other nonprofit organizations.

Examples of situations which may lend themselves to this idea would be, but are not limited to: computer equipment, microscopes, lighting systems, lab furniture, residence hall furniture, etc. Disposal of these items, which are considered to be too good for the surplus program yet outdated for campus use, may be accomplished in one of several ways.

(a) Trade-in

Often a manufacturer will provide a trade-in value for old equipment when a new purchase of similar equipment is considered. The value of the trade-in offer may be questioned by those in the field and if it is determined, by the involved parties and the Procurement Director, or his/her designee, that
equitable value is being provided then an agreement may be reached. The traded equipment’s model, serial numbers and LHU asset number (if applicable) will be listed on the purchase order designated for acquisition of the replacement items. Credit for these items will be an integral part of the overall purchase price of the new equipment order. Removal of the trade-in will be coordinated between the vendor and the end user of the new equipment.

If the equipment traded-in is an asset, the Asset Accountant is to be notified of the asset number of the removed asset and the date of removal from campus (or date asset is no longer property of LHU). The Asset Accountant will record the disposition of the asset in SAP. The new asset will be recorded when it is received via the receiving transaction in SAP.

(b) Goodwill Offerings

At the discretion of the University’s Director of Procurement, or his/her designee, it may be decided that a goodwill offering will be made to another PASSHE university or an educational or nonprofit organization, as a donation. Notice of the availability will be made to these organizations by letter, email or fax. Awards will be made on a first interested, first claim basis.

First preference will be given to other nonprofit educational institutions in our geographic region (contiguous counties). These goodwill offerings are meant furthermore to advance the University’s educational mission.

(c) Cannibalization

For some items it may be considered advantageous to use components of one unit to help reconstruct another. This process may leave nothing more than an empty shell with no surplus value. In these cases, disposing of an item that has been cannibalized in a University dumpster or proper recycling receptacle is the most cost-effective method of disposal.

The decision to use this process belongs to the supervisor of those involved in the reconstruction process. The Director of Procurement, or his/her designee, must be notified when equipment is cannibalized, and before it is discarded. In all instances, if the item has an LHU asset number, it is necessary to report the status of the item to the Asset Accountant for the recording of the disposal.

(d) Special Value

Items that are perceived to have a potential special value (i.e. antiques, artwork and memorabilia) will be handled separately. At the discretion of the Controller and/or the President, the items will be maintained by an appropriate department at the University, such as Visual and Performing Arts.
(e) Removal of Unclaimed Items

If the University is not successful in removing the items from campus by public sale, the items will be declared as scrap and disposed of accordingly. In order to save on hauling charges and reduce landfill fees, scrap or recycling dealers may be contacted to haul the materials away at minimal or no expense.

4. **Surplus Sales to Employees**

The State Adverse Interest Law provides that no State employee shall have an adverse interest in any contract with the State agency by which he/she is employed. There is an adverse interest when an employee is a party to a contract or arrangement for the acquisition, use or disposal by a State agency of services or of supplies, materials, equipment, land or other personal or real property, or when he/she is a stockholder, partner, member, agent, representative or employee of such party to such a contract or arrangement.

The sale of surplus property would constitute a contract or arrangement for the disposal by an agency of property. An employee who violates this statute commits a misdemeanor subjecting to them to a fine not to exceed $1,000 and/or imprisonment for a period not to exceed one year, and automatic forfeiture of their employment with the agency.