



TEXAS TECH UNIVERSITY

Operating Policy and Procedure

OP 63.07: Disposal of Surplus, Obsolete, or Uneconomically Repairable Inventory

DATE: May 5, 2023

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to establish policy and procedures for the disposal of surplus, obsolete, or uneconomically repairable property.

REVIEW: This OP will be reviewed in October of odd-numbered years by the Managing Director of Planning and Administration and the Chief Accounting Officer and Controller with substantive revisions forwarded through administrative channels to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. Policy Statement

Property that becomes surplus, obsolete, or uneconomically repairable will be disposed of under the control of the TTU Property Surplus Manager in accordance with [Texas Government Code 2175](#), [Texas Government Code 614](#), and [Federal Uniform Guidance 2 CFR 200](#). This includes all types of property except for the following:

- a. Glass or items without an inventory tag (not capital or controlled assets) that are broken or otherwise unusable that should be recycled or otherwise disposed of. For additional requirements for the disposal of glass waste from laboratories, see [TTU OP 60.10, Use and Disposal of Sharp Objects](#).
- b. Disposal of Radioactive Materials and Radiation Producing Devices – See [TTU OP 60.11, Procurement, Usage, and Disposal of Radioactive Materials, Radiation Producing Devices, and Lasers](#).
- c. Disposal of batteries, paint, chemicals, and other hazardous materials – See [TTU OP 60.22, Handling and Disposal of Hazardous Waste Material](#), and [TTU OP 60.10, Use and Disposal of Sharp Objects](#).
- d. Disposal of Abandoned Personal Property – See [TTU OP 76.09, Abandoned Personal Property](#).
- e. Transfers of capital or controlled assets between TTU departments other than Property Surplus or capital or controlled transfers to other agencies – See [TTU OP 63.08, Property Management](#).
- f. Transfers of non-inventory items between TTU departments.

2. Definitions

- a. **Controlled Property** – The Comptroller of Public Accounts (CPA) has defined controlled property as certain property that, due to the nature of the asset, is required to be managed by the state and assigned a TTU inventory tag. Controlled property includes handguns and rifles regardless of acquisition cost and certain other property with an acquisition cost of \$500 to \$4,999.
- b. **Capital Equipment** – Tangible, non-expendable property that has an estimated useful life of more than one year, a value of \$5,000 or more per unit, and is assigned a TTU inventory tag.
- c. **Federal Equipment** – Capital equipment acquired or fabricated through federal grants, contracts, and cooperative agreements. Federal equipment is assigned both a TTU inventory tag and a federal equipment inventory tag.
- d. **Non-inventory Items** – Furniture or other consumable supplies that are neither controlled items nor items that meet capitalization thresholds of \$5,000 or greater.

3. Disposal of Surplus Property

- a. **Department Procedures**
 - (1) Departments submit requests to schedule pick-up of surplus property to [Property Surplus](#). Requests should include an itemized list of all items (capital equipment, controlled property, non-inventoried items, or other property) with inventory tag numbers for applicable assets and a desired pick-up location.
 - (2) Prior to the scheduled pick-up date and time, departments print [Surplus Pick-up Tags](#) to place on all surplus items.
 - (3) Capital equipment, controlled property, or other property with a TTU inventory tag must also be transferred to the Property Surplus organization code in the Property Inventory System by following the [Inventory Surplus Instructions](#).
 - (4) After pick-up, property is transported to the Surplus Property Inventory Warehouse where it is available to departments of the Texas Tech University System on a non-reimbursable basis or sold at auction in accordance with section 3.b.
- b. **Property Surplus Procedures**
 - (1) Departments of the Texas Tech University System can view available TTU surplus equipment according to the schedule provided by the Property Surplus Manager. The Property Surplus Manager will send the schedule and any change in the viewing schedule via TechAnnounce. Property Surplus staff may reserve any item prior to its disposal if a TTU System department expresses a need for the item.
 - (2) Prior to auction, Property Surplus will give preference to the direct transfer of materials or equipment that could be used for instructional purposes to a public school or school district or to an assistance organization designated by a school district in accordance with [Texas Government Code 2175.304](#).

- (3) For remaining items and those not otherwise disposed of, Property Surplus will conduct an auction.
 - (a) Auctions may be conducted when enough surplus is available, as determined by the Property Surplus Manager.
 - (b) Property Surplus will develop a descriptive listing of all items available for auction.
 - (c) Property Surplus will advertise the auction in the manner determined by the Property Surplus Manager.
 - (d) Refinished items sold at auction may be assigned a reserve minimum bid.
 - (e) An auctioneer firm or auction website (collectively referred to as “Auctioneer”) will sell all items by the lot number.
 - The Auctioneer will provide detailed documentation of total gross sales and expenses.
 - Property Surplus will receive the check from the Auctioneer for the net auction proceeds.
 - All deposits will be made in accordance with [TTU OP 62.07, Departmental Deposits and Completion of Departmental Information Sheet \(DDIS\)](#).
 - (4) Surplus property not sold will be donated or disposed of as deemed appropriate by the Property Surplus Manager.
 - (5) Property Surplus notifies Accounting Services Property Management of all tagged equipment sold or disposed of in order to remove the assets from the TTU accounting records.
- c. Treatment of Certain Items
- (1) Computing Devices and Equipment
 - (a) Departments are responsible for removing software and data files on computing devices and equipment before they are transferred or sent to surplus unless the software license is transferable. If the computing device contains any confidential information in electronic media, the department is responsible to ensure that all electronic media is destroyed prior to being transferred or sent to surplus.
 - (b) At no time will computers or related equipment be donated or auctioned. All computers or related equipment transferred to Property Surplus with the intent to remove from TTU inventory will be sent to the Texas Department of Criminal Justice for use/disposal unless they are donated through Property Surplus to a public school, school district, or other qualified entity in accordance with [Texas Government Code 2175.304](#).

(2) Scrap Metal

All scrap metal should be placed in the scrap metal container controlled by the Property Surplus Manager. The scrap metal shall be sold in the manner determined by the Property Surplus Manager. Auxiliaries may dispose of their own scrap metal and/or surplus property at a public sale or turn it over to the Property Surplus Manager for disposition. If auxiliary activities choose to dispose of their own scrap metal, they shall obtain written approval from the Property Surplus Manager. The proceeds from any scrap metal sale conducted by an auxiliary activity must be deposited to a TTU fund with a copy of each official university receipt provided to the Property Surplus Manager.

(3) TTU Operations Division's Transportation Services will dispose of all used tires.

(4) Refrigeration equipment may be placed in the scrap metal container only after an authorized person has removed the refrigerant using the approved process. Used refrigerators and freezers may be transferred to another department only after inspection and approval from Environmental Health & Safety. The Property Surplus Manager must approve all transfers and be provided with written documentation certifying no hazardous materials were present at inspection.

(5) Other Surplus

Other surplus property that has a substantial salvage value will be sold by an Auctioneer after it has been determined that the property cannot be used by any other TTU System department. Prior written authority must be obtained from the Property Surplus Manager if a department has surplus property for which it would be advantageous to the university to make special provisions for sale or disposal.

(6) Federal Equipment

Prior approval by the Chief Accounting Officer and Controller or their designee must be obtained before equipment purchased with funds from federally sponsored projects is offered for transfer or sale. Additional information regarding federal equipment is addressed in [TTU OP 65.14, Federal Equipment](#).

(7) Vehicles

Law enforcement vehicles may not be sold unless any equipment or insignia (including police lights, sirens, amber warning lights, spotlights, grill light, antenna, emblem, outline of an emblem, and emergency vehicle equipment) is first removed. Additional requirements for the disposition of vehicles are addressed in [TTU OP 80.04, Disposal of Motor Vehicles as Surplus Property or Trade-In Credit](#).

(8) Firearms

Firearms may be sold to certain retired peace officers as outlined in [Texas Government Code, Chapter 614, Subchapter D](#). If a firearm must be destroyed, guidance is available from the [Bureau of Alcohol, Tobacco, Firearms, and Explosives \(ATF\)](#).

d. Exceptions

Instances may arise where it is not economically feasible to move surplus property from the department to the surplus sale holding area or where it becomes necessary to dispose of surplus property without waiting to advertise formally for bids. In such cases, the Property Surplus Manager may sell the property in the manner most advantageous to TTU needs.

e. Disclaimer

Where bids or quotes are solicited for sale of surplus property, TTU shall reserve the right in all instances to reject any and all bids and to waive any or all formalities.

4. Disposition of Property Surplus Proceeds

a. Institutional Funds

Proceeds from the sale of surplus property will be used to defray the overhead costs of the Property Surplus operations. For exceptions where any other office is approved by policy or alternative communication to sell surplus items directly, the department will retain proceeds and contact Property Surplus for questions concerning correct revenue account codes at property.surplus@ttu.edu.

b. Federal Funds

The sale of surplus property purchased with funds from a federally sponsored project shall be subject to the applicable federal property management standard.