



ADMINISTRATIVE  
POLICIES AND PROCEDURES MANUAL

DATE ISSUE  
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REVISION  
4

PAGE  
E2-230.0

SUBJECT  
PURCHASING

SUB-TOPIC

**DISPOSAL OF EXCESS/SURPLUS/OBSOLETE PROPERTY**

Whenever an item of property becomes excess to the needs of a program, center or department, the program, center or department (hereafter area) responsible for that item will complete an "INTERDEPARTMENTAL TRANSFER/RELEASE OF EQUIPMENT" form (see Exhibit E26), which can be obtained from the Property Administration Office. This form when completed must be signed by the Area Head and forwarded to the Property Administration Office. The property referenced should not be moved from the location shown on this request until the "INTERDEPARTMENTAL TRANSFER/RELEASE OF EQUIPMENT" form has been completed and the Physical Plant Department has received a written work request to have the item of property picked up and transported to a temporary storage site, pending future disposition.

Upon receipt of the completed "INTERDEPARTMENTAL TRANSFER/RELEASE OF EQUIPMENT" form, the Property Administrator will review the form for completeness and accuracy of inventory data. The Property Administrator will contact the requesting area for additional information, if necessary. At this time the released equipment will be considered surplus property and will be available for recirculation and/or sale. After completion of the sale procedure or the determination that the item is not available for transfer to another area due to age or condition, the Property Administrator will complete and forward a General Services Commission Form PA-3 **Property Deletion Request** to the Office of the Senior Vice President for Business Affairs for approval.

When the UTD Property Manager approves the request, he will sign the form(s) and return them to the Property Administration Office. If the Property Manager does not approve the request, he will return the form unsigned to the Property Administrator, explaining his disapproval. The Property Administrator will notify the Area Head of the decision.



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In the case of inventoried state property, the Property Administrator will forward the original signed request forms, with two copies, to the State Auditor's Office in Austin. If the method of disposition requested by the Area Head and approved by the Property Manager and the State Auditor's Office (if applicable) is to cannibalize the item of property, or to discard or destroy the item, the Area Head will proceed to arrange for transportation of the item or items to the site where it will be destroyed. In any event, the Area Head must arrange with the Internal Audits Office and the Property Administration Office to have personnel from both offices present to witness the final destruction of the item of property approved for such disposition; and the Physical Plant Department will not discard nor destroy any such items unless witnessed by personnel from the Property Administration Office and the Internal Audits Department. The Property Administrator will maintain files in the Property Administration Office of all such requests, whether approved or otherwise.



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**DISPOSAL OF EXCESS/SURPLUS/OBSOLETE PROPERTY - Continued**

The completed "INTERDEPARTMENTAL TRANSFER/RELEASE OF EQUIPMENT" form will be used if the item of property is to be held at a temporary storage site for possible use by another area, or for sale as salvage property. The Property Administrator will remove the item (if inventoried) from the property records of the relinquishing Area Head and will list the item for inventory purposes on the surplus property records of the "Surplus Property Department" which will be a non-funded department existing only in the property records for this purpose. The Property Administrator will provide the Purchasing Office with a periodic list of all such excess property which has been removed from departmental inventories, as well as a list of all similar non-inventoried properties, which is being held in temporary storage sites for possible use by another area or for sale as salvage property. These lists will be updated as needed by the Property Administrator.

The Purchasing Office will from time to time review the lists of items of property available for possible transfer to other areas in conjunction with reviewing the requisitions from areas wishing to purchase new merchandise. If, in the view of the Purchasing Office, the needs of the requisitioning area can be satisfied through the transfer of a similar item of property in reasonably good condition from the "Surplus Property Department" (a file cabinet, for example) in lieu of, or instead of, purchasing a new item of property, the Purchasing Office will recommend such transfer to the requisitioner. If the requisitioning area is agreeable to the transfer, the Purchasing Office will return to the requisitioning area their purchase requisition unprocessed; and the requisitioning area will arrange with the Property Administration Office and the Physical Plant Department to have the item of property physically moved to their location. The requisitioning area will complete the "INTERDEPARTMENTAL TRANSFER/RELEASE OF EQUIPMENT" form; and the Property Administrator will place the item(s) on the property records of the requisitioning area and remove it from the property records of the Surplus Property Department (if inventoried property).



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**DISPOSAL OF EXCESS/SURPLUS/OBSOLETE PROPERTY - Continued**

If items of property being held in temporary storage sites for possible use by another area, or for sale as salvage property, are not deemed suitable for use by another area, and prove otherwise not to be needed by any UTD area, and it is not practical to continue to store such items, the Director of Procurement Management and the Property Administrator will, with the approval of the Property Manager, proceed to sell the items in question. Dependent upon the value of the surplus property, one of the following procedures will take place; and such procedures will be reviewed and approved (by signature) by personnel from the Internal Audits Department:

1. If the surplus property has little value or limited use where its sale by competitive bidding is not practical, a negotiated bid of less than \$2,000 may suffice.
2. Sale of surplus property estimated to be in excess of \$2,000 will be accomplished on the basis of competitive bidding through the Purchasing Office, either through sealed bids or through public auction.
3. Sales expected to be in excess of \$10,000 must receive advance written approval of The University of Texas System Administration and be ratified by the Board of Regents through the Institutional Docket.