



Policy 03:035 – Surplus Property

University property such as movable equipment or supplies (as opposed to real property such as land or buildings) that a department determines to no longer be usable or needed for business operations, may be declared surplus. Surplus property consists of two categories: Obsolete Surplus and Usable Surplus.

Obsolete Surplus: In classifying surplus property for disposal, the department should consider the following criteria:

1. Character, utility, and function of the property;
2. Economics of the disposal, including the climate and condition of the potential market, the estimated market value of the property, transportation costs, and other related cost factors; and;
3. Sound fiscal and budgetary policy and practices.

Usable Surplus: Surplus property that is deemed usable working condition that can be transferred to another UM department, State Agency, or Auctioned in accordance with State guidelines.

Any department declaring University property in its custody as surplus must notify the Director of the Physical Plant and University Controller in writing by describing the surplus property, including the name, property tag number (if applicable), serial number, condition (known damage, defects, or malfunctions), and other relevant information. After receiving the notice of surplus property, the Director of the Physical Plant will contact the department to arrange for disposal, transfer, or auction.

Methods of Disposition

When feasible, the University will replace the surplus property through trade-in if the property cannot be used elsewhere in the University. If necessary, the Director of the Physical Plant will store the property until it can be transferred to another department.

Otherwise, the University will use the most advantageous disposal method from among the following:

1. Auction, publicly advertised and held, coordinated by the Director of the Physical Plant.
2. Sale under sealed bids, publicly advertised and held, coordinated by the Vice President for Business Affairs;

3. Transfers to other State agencies and to eligible political subdivisions of the State or other local government entities such as school systems.

Approved 2/99

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