

PROCEDURES:

1. Purpose:

The purpose of these procedures is to define the process for the disposal (or transfer) of College property. The procedures are designed to properly dispose of, document, and account for the disposition of assets. Owens Community College owned assets that are no longer needed or are beyond economical repair will be disposed of in accordance with these procedures.

2. Definitions:

- a. Property; are all tangible assets such as equipment, materials, vehicles and furniture that are either no longer in use or for which there is no further plan to use.
- b. Disposition of property; is defined as any property traded in against a new purchase, donated to a non-profit charitable/community organization, sold, or destroyed (waste removal).

3. Procedures:

- a. Responsibility

Departments are responsible for completing the [*Asset Disposition Form*](#) to notify the Controller's Office of the need to retire and/or dispose of an asset and are responsible for ensuring that the appropriate authorizations are obtained, if necessary. Departments are prohibited from gifting or selling College property directly to faculty, staff, students or other individuals.

The Controller's office is responsible for maintaining the fixed asset list and for ensuring that all retirements of assets are properly recorded at the time of disposal.

Facilities will also be responsible for managing and coordinating the process of disposal, with the exceptions of certain items.

The Vice President of Business Affairs/CFO, or designee, reserves the right to make alternate disposal recommendations at his/her discretion.

b. Authorization/Approval Requirements for Disposals

Assets are tracked by Finance in its fixed asset inventory database. In order to maintain accurate records, an [Asset Disposition Form](#) must be completed for any equipment/item that is disposed of. The department head must submit a completed form to the Controller's Office. The department should recommend if the item has value as a trade-in, if it is to be sold, can be donated to a non-profit entity or should be moved to surplus property. The Controller's Office will approve the form and confirm the disposition or recommend another disposition type.

There are special considerations for disposing of computer and media related equipment, e.g. printers, scanners, copiers, monitors, audio visual equipment, etc. For this reason, disposals of technology equipment are handled by the Information Technology Department (IT). Please notify the HELP DESK of any IT related equipment in your area that you would like to dispose of and IT will be responsible for completing the [Asset Disposition Form](#).

If the asset was originally funded with Federal grant funds, in whole or in part, the GRANTS department must be notified and approve of the disposition prior to the completion of the [Asset Disposition Form](#) to determine if there are any external requirements related to the disposal of the equipment. Assets that were purchased with grant funds cannot be donated but can be disposed of in other ways. Approval should be obtained by using the *Asset Disposition Approval Form*, found at the end of these procedures. Guidelines described in OMB Uniform Guidance for equipment financed by federally funded grants must be followed. Specific requirements, if any, should be detailed on the [Asset Disposition Form](#).

If the assets were originally obtained by gift, the Owens Foundation must be notified and approve of the retirement before the completion of the [Asset Disposition Form](#). Approval should be obtained by using the *Asset Disposition Approval Form*, found at the end of these procedures. The Internal Revenue Service has specific reporting requirements for disposing of capital assets received as gifts. Gifts valued at \$5,000 or more that are disposed of within three years of the date of the gift must be reported to the Internal Revenue Service on Form 8282.

Reference to Owens Foundation Gift Acceptance Policy Link:
<https://cdn.owens.edu/foundation/wp-content/uploads/sites/113/2018/10/gift-acceptance.pdf>

EQUIPMENT CANNOT BE DISPOSED OF BEFORE THE ABOVE PROPER AUTHORIZATIONS ARE OBTAINED BY THE REQUESTOR.

c. Proceeds

All fixed assets are College property and not the property of any single department. Therefore, proceeds obtained from the disposal of property shall be credited to the General Fund unless the property was externally funded and the proceeds are restricted by agreement or law. Any exceptions to the distribution of the proceeds will be determined by the Vice President of Business Affairs/CFO. Under no circumstances should the property tag be removed from the asset.

4. Disposal Methods

a. Disposal by Trade or Exchange of Property

Departments are encouraged to dispose of used equipment by offering it for trade-in, if possible, when purchasing new equipment.

The consent of the Controller's Office must be obtained **prior** to using a fixed asset as a trade-in toward the purchase of a new asset, by completing the [Asset Disposition Form](#). The quote with cost of the new item and the trade in value should be uploaded with the form. The newly acquired asset shall be recorded at gross value of the new asset not taking into account any trade-in value, after review and approval by the Controller. In no instance shall total cost exceed the fair market value of the new asset.

b. Disposal by Sale

This method of disposal is not encouraged. Generally, college assets should be used until they have little or no fair value. If an item or lot of items is deemed to have value over \$1,000, it may be sold on a first come, first serve basis at a set price or open for best offer as advertised on Govdeals.com. Items will be sold "as is" for pickup. Any item that doesn't sell within 14 days will be either scrapped or donated. Any item with a current value of less than \$1,000 should be scrapped or donated, but still requires completion of the [Asset Disposition Form](#).

The buyer of College fixed assets must be given a descriptive receipt signed by Facility Services. The receipt must state that the sale is "Final" and the property is sold in "as is" condition without any express or implied warranties. After completion of the sale, the signed receipt copy will be submitted to the Controller's Office, who, after review and approval of the Controller, will update the accumulated depreciation to the date of the sale (if applicable) and record the disposal of the asset.

From time to time, community wide events may be coordinated by Facilities as surplus inventories of equipment and furnishing are evaluated for disposal by the College. Public notice of these events will be provided to the community. Funds collected from the sale of surplus items will be deposited into the General Fund. This process ensures that no one person receives preferential pricing or treatment.

c. Disposal by Scrap or Waste

Any fixed asset that has a value of less than \$1,000 that becomes obsolete, worn beyond reasonable repair, or no longer has a department use, must be reported on the [Asset Disposition Form](#) prior to disposal. The asset must be fully described noting serial number, and perceived condition. Facility Services will coordinate the disposal, if necessary, once they receive approval from the Controller's Office. The Staff Accountant, after review and approval of the Controller, will dispose of the item from the Banner Fixed Asset module.

d. Disposal by Placing into Surplus

Any fixed asset that needs to be put into surplus storage, whether temporarily or permanently, will need an [Asset Disposition Form](#) completed to track the asset. Items will be inspected and documented upon placement into surplus inventory. A list of surplus assets is available on the Intranet for the Owens community to review as needed.

e. Disposal of Stolen/Lost Assets

The Department of Public Safety shall be immediately contacted when an Owens Community College employee or student becomes aware of missing and/or possibly stolen College property. After investigating the reported information, the Department of Public Safety will prepare an [Asset Disposition Form](#). The Controller's office will review the form and, if necessary, remove the item from the Banner Fixed Asset module.

f. Disposal by Donation

The College may choose to donate items to appropriate nonprofit organizations if approved by the Controller's Office. To receive approval, complete the [Asset Disposition Form](#) and after approval by the Controller, Facility Services will help coordinate the donation if necessary. Once the donation is complete, the Staff Accountant will dispose of the asset from the Banner Fixed Asset module upon receipt of the documentation. The appropriate nonprofit organization may be chosen by the VP of Business Affairs/CFO, or designee.

Effective Date 11-17-2019; BAO clarification made 1-23-2020.

Owens Community College
Asset Disposition

Approval Form for Use with Federal Grant or Donated Assets

PLEASE PRINT

DATE: _____

FORM COMPLETED BY: _____ CONTACT NUMBER: _____

VIN/SERIAL NUMBER: _____ MAKE/MODEL NUMBER: _____

ASSET DESCRIPTION/CONDITION: _____

WAS ASSET PURCHASED WITH FEDERAL GRANT FUNDS?: YES** / NO

**Requires Grants Department approval below

DATE OF PURCHASE (If known): _____

WAS ASSET GIFTED TO THE COLLEGE? YES** / NO

**Requires Foundation approval below

GIFTED BY (If known): _____

SPECIFIC DISPOSAL REQUIREMENTS (IF ANY)

APPROVALS

_____ Signature – Employee/Title	_____ Date
_____ Signature – Supervisor/Title	_____ Date
_____ Signature – Title/Grant or Foundation Approval	_____ Date

Upload this form when submitting the Business Affairs [Asset Disposition Form](#) found on the Intranet, Business Affairs.