

**POLICIES & PROCEDURES**  
**Fairmont State University Board of Governors**  
**POLICY NO. 33**

**TITLE: DISPOSITION OF SURPLUS EQUIPMENT, SUPPLIES AND MATERIALS**

Effective February 3, 2005

**GENERAL INFORMATION**

The Board has the authority to dispose of obsolete, surplus and unusable materials, supplies and equipment, either by transfer to other governmental agencies or institutions, by exchange or trade, or by sale as junk or otherwise.

The Chief Procurement Officer or designee shall identify and inventory the institution's obsolete, surplus and unusable materials, supplies and equipment and shall store these materials, supplies and equipment until such time as they may be disposed of in a manner consistent with state law and the rules, regulations and procedures of the Board.

Under no circumstances shall any obsolete, surplus and unusable materials, supplies and equipment be sold, transferred or conveyed to any private person, firm or corporation other than at public auction or by sealed bid or as otherwise provided in West Virginia Code §18B-5-7,

The funds the institution receives from the sale of obsolete, surplus and unusable materials, supplies and equipment shall be deposited in the institutional account originally used to purchase said materials supplies and equipment if such account is readily ascertainable, minus any administrative costs associated with the disposal. If such account is not readily ascertainable or no longer exists, the net proceeds shall be deposited in an appropriate account as determined by the Chief Financial Officer.

**METHOD OF DISPOSAL OF OBSOLETE, SURPLUS AND UNUSABLE MATERIALS, SUPPLIES AND EQUIPMENT**

Fairmont State University may dispose of obsolete, surplus and unusable materials, supplies and equipment in one or more of the following manners:

- a. Trade in on replacement materials, supplies and equipment if the trade in value is advantageous to the institution as determined by the chief Procurement Officer or designee;
- b. Sale to the general public by sealed bid or at public auction;
- c. Transfer to municipal, county, state and federal agencies and institutions;
- d. Joining with Marshall University or West Virginia University at their surplus auction or sale; and
- e. Utilizing the Surplus Property Division of the Department of Administration.

The chosen method should be one that has the best prospect of yielding the greatest return to the institution after the cost of the sale has been deducted from the revenue derived. Transfers to other governmental agencies and institutions should cover those aspects that will enhance the institution's public awareness in the local community and in the interest of providing a needed service to the community.

**TRADE IN**

The institution may take advantage of a trade in on replacement materials, supplies and equipment if the trade in value is advantageous to the institution as determined by the Chief Procurement Officer or designee.

**SEALED BID OR PUBLIC AUCTION**

Sales by sealed bid or at public auction may be conducted by any institution. Institutions shall, in accordance with state law and the rules, policies and procedures of the Board, develop their own procedures for conducting sales by sealed bid or at public auction; provided that (a) at least ten days prior to the disposition an advertisement of such sale shall be published as a Class 11 legal advertisement, as provided in West Virginia Code & 59-3-1 et seq (which means two publications of a legal advertisement in a qualified newspaper occurring within a period of fourteen consecutive days with at least an interval of six full days within the period between the date of the first publication and the date of the

second publication), in the county in which the equipment, supplies and materials are located; (b) the procedures are documented and available to all who are interested in participating prior to the date for receipt of bids or the date of the auction; and (c) that the institution has the right to reject all bids and that all sales are final.

Original documentation of the sealed bid process or auction shall be kept by the institution for a period of one year. After that date, the documentation may be reproduced and archived on microfilm or other equivalent method of duplication for review or auditing purposes.

#### **TRANSFER TO MUNICIPAL, COUNTY, STATE AND FEDERAL AGENCIES AND INSTITUTIONS**

Transfers of obsolete, surplus and unusable materials, supplies and equipment may be made to municipal, county, state and federal agencies and institutions. The Chief Procurement Officer shall keep a record of such transfers containing the following information on each item:

- a. Inventory tag number, if applicable;
- b. Description;
- c. Model number, if applicable;
- d. Serial number, if applicable;
- e. Present value of the materials, supplies and equipment; and

These records shall be kept as a public record open to public inspection for a period of two years. These items shall be removed from the institution's inventory.

#### **JOINING WITH MARSHALL UNIVERSITY OR WEST VIRGINIA UNIVERSITY AT THEIR SURPLUS AUCTION OR SALE**

When an institution determines that it is in its best interest, it may join with either Marshall University in Huntington or West Virginia University in Morgantown to dispose of obsolete, surplus and unusable materials, supplies and equipment. Any institution desiring to participate in Marshall University's or West Virginia University's sale or auction shall:

- a. Provide at least 90 days advance notification prior to the date of the upcoming public auction or sale to the university involved;
- b. Deliver and unload the obsolete, surplus and unusable materials, supplies and equipment to the university involved;
- c. Make arrangements with the university involved to obtain the services of a qualified auctioneer, if the sale is by public auction, and provide a physical description of the items being offered for sale for advertising purposes;
- d. Reimburse the university involved for all expenses related to selling the institution's obsolete, surplus and unusable materials, supplies and equipment at the university's auction or sale;
- e. Affix the institution's identification on all items to be sold so as to assure fair allocation of the auction sale proceeds;
- f. Send a representative to the public auction or sale to act on the institution's behalf. Institutions shall have the right to refuse any bid; and remove as scrap or otherwise any surplus items not sold during the public auction or sale.

#### **UTILIZING THE SURPLUS PROPERTY DIVISION OF THE DEPARTMENT OF ADMINISTRATION**

Institutions may also dispose of obsolete, surplus and unusable materials, supplies and equipment through the Surplus Property Division of the Department of Administration; in such case, all of the rules and regulations of the Department of Administration shall be followed.

## **REPORTING REQUIREMENTS**

All inventories of surplus equipment, supplies and materials sold shall be kept as a public record open to public inspection for a period of two (2) years.

As provided in West Virginia Code §18B-5-7(b). The Board shall report semiannually to the Legislative Auditor all sales of commodities made during the preceding six months. The report shall provide an itemized listing of each commodity, the name of the buyer and the price paid by the buyer. The dates for these reports are February 1 for the period July 1 through December 31 and August 1 for the period of January 1 through June 30. The form and format of this report shall be as required by the Legislative Auditor.

## **SURPLUS REMOVAL CONTRACTS**

Any contracts for removal of obsolete, surplus and unusable materials, supplies and equipment shall be issued by the Chief Procurement Officer in accordance with state law and the policies, procedures and guidelines of the Board.

## **REDEPOSIT OF FUNDS**

All monies derived from the sale of obsolete, surplus and unusable materials, supplies and equipment must be redeposited as follows, provided the account originally used for the purchase is readily ascertainable, minus any administrative costs associated with such sale.

If such account is not readily ascertainable or no longer exists, the net proceeds shall be deposited in an appropriate account as determined by the Chief Financial Officer.

- a. Purchases made from general revenue funds must be deposited according to FIMS requirements for refunds into the general revenue fund; and
- b. Purchases made from special revenue funds must be redeposited into the same fund from which the expenditure originally occurred.