



POLICY & PROCEDURE DOCUMENT

NUMBER: 9.

DIVISION: Campus Services and Facilities

TITLE: Responsibilities for Disposal of Surplus Property

DATE: February 1, 2012

AUTHORIZED: John Osborne, VP for Campus Services and Facilities

I. Purpose and Scope: this policy is designed to set parameters for the proper disposal of surplus property, belonging to Western Kentucky University.

II. Asset Liquidation

- A. **Authorized Selling Agent:** WKU has the authorization under KRS 164A.575(5) to surplus excess property. For inventory control purposes, the Surplus/Recycling Department is the only approved WKU agent authorized to sell surplus property. All sales for university-owned equipment and supplies must go through the University's Recycling/Surplus Department.
- B. **Eligibility of an Item for Sale:** Surplus items will not be eligible for sale for a minimum of 30 days to allow WKU departments opportunity to claim the items for re-use on campus. State regulation KRS 164.575(7) mandates that all items must be sold in a manner that offers equal opportunity to all potential buyers. For this reason, the Surplus/Recycling Department's method of sale is through occasional live or on-line auctions. After an item has been held for 30 days, it can be released for sale.
- C. **Works of Art and Historical Assets:** The Surplus/Recycling Department will contact the Kentucky Museum and/or the University Archives about works of art or historical assets slated for surplus that may require further examination. If it is determined that slated works of art or historical items should be retained by the University, they will be transferred without charge to the appropriate department for future preservation.
- D. **Grant Funded Assets:** Specific rules apply on assets purchased with grant funds. We request that departments appropriately notify the Surplus/Recycling Department if an asset slated for surplus has been purchased with Federal or State Grant Funds.

III. Live Auction Guidelines:

Live auctions will be administered by the Recycling/Surplus Department. Live auctions are typically held when, (1.) a large volume of surplus items exist or, (2.) it is necessary to move items quickly.

IV. Revenue and Fees from Sales

1. University Funded Departments

All revenue collected from the sale of surplus items will be used to assist with WKU Surplus/Recycling and sustainability activities.

Vehicles:

For vehicles valued at more than \$5,000 dollars, exceptions may be made regarding revenue. These exceptions are to be requested from the VP for Campus Services and Facilities. Surplus will be reimbursed for all costs and will charge a fee for the cost and time of selling the vehicle. The balance may be returned to the department.

2. Self-supported revenue generating operations:

a. **Fee Structure – On-line Auctions:**

The Surplus/Recycling Department will subtract a processing fee to compensate for time and services as well as reimbursement for on-line auction costs.

Fees for selling surplus property for self-supported revenue generating operations are as follows:

<u>Funds Received</u>	<u>Distribution to Dept</u>	<u>Surplus Program Commission</u>
Up to \$300	\$0	All
\$300 - \$5,000	70% over \$300	\$300 + 30% over \$300
Over \$5,000	\$3,290 + 80% over \$5,000	\$1,710 + 20% over \$5000

b. **For Special Bid/Live Auction Sales:**

Distribution to the Department is 80% with Surplus/Recycling Department retaining the balance. In addition, auction service fees, advertising costs and costs for additional event employee support for live auctions will be deducted from the sale proceeds.