

Physical Facilities Inventory System - Property Disposition Policy

A. General

Surplus property of the University of Kentucky and its affiliated corporations may be sold or otherwise disposed of in accordance with Kentucky Revised Statutes KRS 164A.575. The relevant sections of the law are stated below:

"The governing board shall have power to salvage, to exchange, and to condemn supplies, equipment, and real property." [KRS 164A.575(5)]

"The governing board shall sell or otherwise dispose of all real or personal property of the institution which is not needed or has become unsuitable for public use, or would be more suitable consistent with the public interest for some other use, as determined by the board. [KRS 164A.575(7)]

Express approval of the Board of Trustees is required for each property disposition except in those specific cases where the property is acquired with federal or private gifts or grants, and where:

1. The University is required to transfer the property by the terms of a sponsor's regulations or conditions, or
2. The grant is contracted or otherwise transferred to another organization under circumstances where the granting agency expects that the personal property will be transferred with the grant.

B. Real Property Disposition

The procedures for disposition of real property are administered by the Executive Vice President for Finance and Administration as set forth in AR II-1.4-1, "Physical Facilities and Major Equipment Planning and Management." (See <http://www.uky.edu/Regulations/AR/ar057.pdf>).

C. Personal Property Disposition

The procedures for disposition of personal property are governed by AR II-1.3-3, "Disposition of Personal Property." (See <http://www.uky.edu/Regulations/AR/ar056.pdf>)

1. Definition

Personal property is defined as all items of moveable or fixed equipment and supplies owned by the University of Kentucky and its affiliated corporations (excluding livestock, see section D below).

2. Procedures

The following sections will establish the generally accepted procedures for the disposal, conveyance, or transfer of personal property. Exceptions to these procedures will be granted only at the discretion of the Board of Trustees upon the recommendation of the President and consistent with KRS 164A.575.

To ensure compliance with Federal and State laws and regulations associated with confidential information, the University of Kentucky requires each department to destroy all data in personal computers (PC's) or electronic storage devices (e.g. Palm or Pocket PC's) prior to the disposition, conveyance, or transfer.

- (a) Each computer identified for disposition or to be transferred must have the hard drive “scrubbed” or “wiped clean” of all data by utilizing data overwriting software. A listing of readily available sources of free data overwriting software is contained in Appendix B: Notice of Computer Equipment Electronic Storage Device Cleaning.
- (b) After “scrubbing” or “wiping clean” the hard drive as required above, please complete a Notice of Computer Equipment Electronic Storage Device Cleaning form (see Appendix B). The completed form should be attached to the personal computer. NOTE: Surplus Property will not accept computers that have not been certified as scrubbed.
- (c) If the equipment is not in working condition, it is the department's responsibility to destroy the hard disk and to certify that this has taken place. The Notice of Computer Equipment Electronic Storage Device Cleaning form can also be used for this certification.
- (d) The computer is now ready for disposition or may be transferred to another University department or to Surplus Property.

For purposes of disposition, personal property, regardless of how acquired, will be classified as:

- recyclable materials
- unsuitable for public use (for example, hazardous property, equipment that cannot be repaired)
- trade-ins
- property more suitable for some other use consistent with the public interest,
- other property that is not needed (as a result of program redirection or termination, replacement by new equipment, duplication of equipment as a result of a gift), or
- livestock.

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a. The Sale of Recyclable Materials

The sale of recyclable materials (*i.e.*, scrap paper, metal, X-ray film, and precious metals) shall be authorized by an order of the Board of Trustees approving in advance an annual plan for expected sales. The Associate Vice President for Auxiliary Services is responsible for the establishment of competitively bid vendor contracts for the disposal of recyclable materials. These contracts are established annually through the Purchasing Division.

b. Property Unsuitable for Public Use

- (1) Items of personal property that would endanger the public through continued use (*i.e.*, radioactively contaminated machines, biologically hazardous equipment, equipment that would be harmful even if repaired, etc.) may be declared unsuitable for public use. Report such items using the "Surplus Property Moving Request" form, available at: <http://www.uky.edu/AuxServ/Surplus>. The completed form should be submitted to Surplus Property, 104 Reynolds #3, Speed Sort 0103.
- (2) Unless the Board of Trustees deems it in the best interest of the University of Kentucky to proceed otherwise, all items of personal property unsuitable for public use shall be disposed of by the Associate Vice President for Auxiliary Services in a manner in accord with laws governing the disposal of such items.

Any hazardous material (*e.g.*, asbestos, chemicals, radioactive materials, etc.) must *first* be reported to the Director, Office of Environmental Health and Safety (<http://ehs.uky.edu/welcome.html>). The Office of Environmental Health and Safety, with assistance of the Surplus Property Department, will dispose of such hazardous material in accord with appropriate state and federal regulations and with the cost of disposal born by the appropriate administrative unit. Non-hazardous property that cannot be repaired but that retains some value (*e.g.*, scrap metal) shall be handled in accord with another section of these Business Procedures.

c. Property Trade-Ins

Items of personal property that will be replaced by new equipment as part of a trade-in agreement with a vendor must be approved by Plant Assets. Plant Assets will review each request based upon the best interest of the University. The University must obtain at least market value for property items disposed of as part of a trade-in agreement. It is the responsibility of the department to provide complete information regarding trade-ins of personal property to Purchasing through the requisition process. Purchasing will obtain approval for the trade-in from Plant Assets.

d. Property More Suitable for Some Other Use Consistent with the Public Interest

Consistent with the best interest of the University of Kentucky and the general public as determined by the Board of Trustees, personal property may be sold for a monetary consideration or conveyed without monetary consideration to other Commonwealth of Kentucky agencies, local governmental units in Kentucky (*e.g.*, city, county, public schools, civil defense units), other educational institutions, and non-profit, charitable, civic, or community organizations. Preference will be given, where appropriate, to those public agencies or institutions within the Commonwealth of Kentucky. Organizational units within the University may recommend the sale or conveyance of personal property to one of the groups listed above.

If the University is required or expected to transfer the property by the terms of a sponsor's regulations or conditions, as set forth in Section A above, no action by the Board of Trustees is required. The Executive Vice President for Research shall provide documentation and certification to the Treasurer that such a condition exists. The transfer is subject to approval of the Treasurer who shall maintain the official records of such transfers.

If the University is not required to transfer the property by the terms of a sponsor's regulations or conditions, it is important to determine if the property is surplus to the University needs regardless of whether the property was purchased with state or federal funds. To facilitate this determination, the organizational unit seeking to transfer property should proceed through the following steps:

- (1) The following information will be assembled in tabular form for the property in question:
 - a. description of the property (brief title, manufacturer, serial number)
 - b. UK property number
 - c. acquisition cost
 - d. acquisition date
 - e. Cost object on which the property was purchased, source of funds (i.e., grant, contract, gift, general fund), and the current status of the account (active or closed) (note: if more than one cost object was involved, each cost object and the corresponding amount, source, and status must be indicated).

- (2) The Dean or Division Director, in consultation with the Chair or Unit Director, will review the list of property to determine if these items are required for any other program in their area. These administrators will appropriately identify those items that should be retained and those items that could be released subject to the terms and conditions set forth herein. The Dean or Division Director, in consultation with the Chair or Unit Director, will make a recommendation in support of the transfer to the appropriate administrator. Requests should be forwarded to the Provost or appropriate Executive Vice President and should include the following information:
 - (a) Name of the faculty member if the property transfer is associated with the transfer of a faculty member to another non-profit organization;
 - (b) A list of the property;
 - (c) The agency, local governmental unit, other educational institution, or non-profit, charitable, civic, or community organizations to which the property will be transferred;
 - (d) A statement of the *specific* benefits to the University of Kentucky and to the general public as well as to the new agency or institution of the proposed transfer;

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- (e) The expected date of the transfer;
 - (f) The name of an administrative contact at the new agency or institution with whom transfer arrangements may be discussed; and
 - (g) The identification of the continuation award at the new agency or institution (name of supporting agency, grant number if applicable) or the name of the sponsor and the program officer from whom support has been requested.
- (3) The memorandum should be submitted to the Provost or appropriate Executive Vice President no later than 90 days prior to the desired transfer date. Failure to provide adequate advance notice could result in delay in the release or approval to transfer the property. Property may not be removed from the University for any reason until Board of Trustees' approval has been obtained.
- (4) The Provost or appropriate Executive Vice President will review sponsor/donor requirements concerning the transfer of this property. The Provost or appropriate Executive Vice President will, through personal contacts and circulation of the list of property to other deans and directors, determine if other programs within the administrator's respective area have need of this property.
- (5) The Provost or appropriate Executive Vice President will send a memorandum to the Treasurer recommending that appropriate steps be taken to transfer the property in question.
- (6) The Treasurer will advertise the equipment on the Surplus WEB site at <http://www.uky.edu/AuxServ/Surplus> for two weeks to determine if any other unit within the University can utilize it. Individuals requesting equipment, particularly in the case of sophisticated scientific equipment, will be asked to provide a written statement as to their need for this equipment. The Provost or appropriate Executive Vice President will review any written request for the property and reach a determination as to whether the property should be transferred to the unit requesting it or declared surplus.

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- (7) If the property is declared surplus to the needs of the University, the Associate Vice President for Auxiliary Services, in consultation with the Provost or appropriate Executive Vice President and the Treasurer will determine an appropriate selling price based on estimated market value. Factors considered in establishing a selling price include the type of equipment, age and condition, and original cost.

It is generally expected that monetary consideration based on fair market value will be required except in rare cases where it is clearly documented that the best interest of the University of Kentucky and the general public will be served by a transfer of property without monetary consideration.

- (8) The Associate Vice President for Auxiliary Services will draft the appropriate order for action by the Board of Trustees. Each sale or other disposition of personal property shall be authorized by an order of the Board of Trustees setting forth the description of the personal property, reasons for disposition, and the method of disposition. The Associate Vice President for Auxiliary Services will negotiate a Transfer Agreement with the new agency or institution setting forth the terms and conditions of the transfer. When the Transfer Agreement has been signed by the appropriate officers of the agency or institution and the Treasurer of the University of Kentucky, the property may be physically transferred. The University of Kentucky will not pay costs of transportation or insurance. The packing and loading of the property will be done under the direction of the Chair or Unit Director or their designee. A copy of the fully executed Transfer Agreement will be kept on file in Plant Assets.

e. Other Property That Is Not Needed

- (1) Items of personal property that are not needed by an organizational unit should be reported on the "Surplus Property Moving Request" (available at <http://www.uky.edu/AuxServ/Surplus>) to Surplus Property, 104 Reynolds #3, Speed Sort 0103. Surplus Property maintains a storage area in Reynolds Warehouse #1, 670 South Broadway for all surplus or obsolete personal property pending final disposition. If the organizational unit has a vehicle that it can no longer use please use the "Vehicle Surplus Request."

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- (2) Items of personal property that have been reported in the above fashion are available for transfer to other internal organizational units. Such transfers to internal units do not require action of the Board of Trustees. The storage area in Reynolds Warehouse #1 is open for inspection from 1:00 PM to 4:00 PM every Tuesday that the University is open (except on sale days). A valid completed “Surplus Authorization Form” (which can be obtained from either the Plant Assets office or from the University WEB site is <http://www.uky.edu/eforms> required for admittance to the area. An invoice will be issued for any items reassigned. The invoice should be returned to the departmental business officer.
- (3) Unless the Board of Trustees deems it in the best interest of the University of Kentucky to proceed otherwise, all items of personal property not transferred to an internal organizational unit shall be sold either by invitation of sealed bids or by public auction. Sale by negotiation for monetary consideration or conveyed without charge to other state agencies or state supported institutions of higher education within the Commonwealth of Kentucky will require action by Surplus Property.
- (4) For routine dispositions (*e.g.*, obsolete equipment, surplus office equipment), a plan is submitted to The Board of Trustees on an annual basis setting forth the description of the personal property, reasons for disposition, and the method of disposition. For non-routine dispositions, an order is submitted to The Board of Trustees on an item-by-item basis setting forth the description of the personal property, reasons for disposition, and the method of disposition.

D. Livestock Disposition - The Dean of the College of Agriculture is responsible for the administration of sales or other disposition of all livestock with the approval of the Treasurer. Disposition of livestock shall be authorized by an order of the Board of Trustees approving an advance annual plan for livestock sales. Approval of an advance annual plan is necessary due to price fluctuations and problems of anticipating exact dates livestock will be sold.

1. Method of Disposition

Consistent with the best interest of the University of Kentucky and/or the general public, as recommended by the Dean of the College of Agriculture and approved by the Treasurer, livestock may be sold by the following methods:

a. Disposition by Public Auction or Sealed Bid

Unless it is in the best interest of the University of Kentucky to proceed otherwise, livestock shall be sold by invitation of sealed bids or by public auction (i.e., local livestock auctions).

b. Disposition of Superior Breeding Animals by Private Treaty

In order to improve the Commonwealth's livestock economy, superior animals (cattle, horses, swine, and sheep) may be sold by private treaty by complying with the following guidelines. An estimated number of superior animals by species, sex, age, etc., will be advertised by a responsible faculty member through the Cooperative Extension Service, Kentucky Agri-news or a major newspaper at least one month before sale. The College of Agriculture will establish minimum sale prices. Sale of the animals will be to the highest bidder at or above the established sale price. In cases of tie bids, a random draw will determine the successful bidder. Prior to advertisement, the faculty member shall submit a list of superior animals to be sold at private treaty and obtain written approval from the Department Head/Chairperson and the Dean of the College of Agriculture.

The faculty member in charge of respective species' research/teaching program and the research specialist responsible to that faculty member shall determine sale prices for each species. Value will be based on the genetic, phenotypic, and performance merit of the animal compared to the average of the population. The minimum sale prices will be as follows:

- (1) Sheep: Yearling rams and ewes will be sold at a minimum of \$100 above market price at time of sale. Lambs (ram or ewe less than one year old) will be sold at a minimum \$50 above market price at time of sale. Wether lambs (2 to 4 months old) and surplus breeding ewes (2 to 6 years old) will be sold at a minimum of \$25 above market price at time of sale.
- (2) Beef: Bulls or cows with calves will be sold at a minimum of \$200 above current market price at time of sale. Cows will be sold at a minimum of \$150 above current market price at time of sale. Heifers will be sold at a minimum of \$100 above current market price at time of sale.
- (3) Dairy Cattle: Bull calves (less than 4 months old) will be sold at a minimum of \$200 above current market price at time of sale. Bull calves sold to artificial insemination organizations will be sold at a minimum of \$2,000 above current market price at time of sale. Letters will be sent to artificial insemination organizations to solicit bids and these letters will be attached to the Livestock Sales Form as supporting documentation.
- (4) Swine: Boars (6 to 18 months old) will be sold at a minimum of \$100 above current market price at time of sale. Gilts (6 to 12 months old) will be sold at a minimum of \$50 above current market price at time of sale. Feeder pigs (40 to 100 pounds) will be sold at a minimum of 10% above current market price at time of sale.
- (5) Horses: There is no source to establish a definitive market price for horses, and each horse will be evaluated individually. Yearling fillies and geldings (12 to 20 months old) will be sold for a minimum of \$500. Fillies (2 to 3 years old) will be sold for a minimum of \$850. Surplus breeding stock will be sold for a minimum of \$900.

c. Special Cases

Any animal disposals (including embryos and semen) which do not fall within the methods contained in sections [a] and [b] above will be handled on a case by case basis. Written justification for the sale and exception to the ordinary methods must be approved by the Department Chair, Dean of the College of Agriculture, and Treasurer, and accompany the Personal Property Sale Request Form.

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2. Procedures

Livestock determined by an organizational unit as no longer needed or unsuitable for departmental use will be reported to the Surplus Property Department, 104 Reynolds #3, Speed Sort 0103. The user department will prepare a "Personal Property Sale Request" form describing all such livestock, the reasons for disposition, and the recommended method of disposition. This form requires the approval of the Department Chairperson and the Dean of the College of Agriculture. The Surplus Property Department is responsible for the review of all livestock sales requests and for determining the most equitable and reasonable disposition, after consultation with the user department concerning the nature and condition of the livestock. Final approval of the Treasurer is required prior to disposition of any livestock.

E. Incoming Property

The Chairs or Division Directors, in collaboration with all new faculty members transferring to the University and bringing research equipment with them, will notify the Surplus Property Department, 104 Reynolds #3, Speed Sort 0103. The Chairs or Division Directors will provide a list of the incoming property, purchase price (both the original and the negotiated purchase price) so that the property will be insured and so that UK Property Numbers can be affixed to this property. Incoming property falls into one of three categories:

1. Property for which the title transfers to the University;
2. Government owned property (authority to transfer must be given by the federal government either by the terms of a grant or contract or by other transfer documents); and
3. Property on temporary loan (title does not transfer to the University and property must be returned to a former institution according to stipulations of the Transfer Agreement).

Appendix A: [Instructions for Surplusing Equipment](#)

Appendix B: [Notice of Computer Equipment Electronic Storage Device Cleaning Form](#)

Appendix A

Instructions for Surplusing Equipment

Departments who wish to have property removed to the Surplus Warehouse must submit a completed Surplus Moving Request to Surplus Property. Information from this form is used to provide instructions to Trucking and to assist Plant Assets in removing capital equipment items from your inventory.

You may obtain a "Surplus Property Moving Request" form from the UK Forms Page at "<http://www.uky.edu/eForms/>". This form is available in PDF format. Print the completed form and fax it to (850) 257-2494 or mail it to Surplus Property, 104 Reynolds Building # 3, Speed Sort 0103.

To complete the Surplus Moving Request, follow the instructions below:

1. Check your Capital Equipment Inventory listing to determine if the item you wish to surplus is listed. If you need a current list of your inventory, please contact Plant Assets at 7-8638. Every item must be reviewed to ensure that equipment is removed from your Capital Equipment Inventory.
2. If the item is listed on your equipment inventory, but is missing its property tag, please re-tag the item and report both the old and the new property number to Plant Assets before submitting the Surplus Moving Request.
3. For each item, list the property number, a brief description, the cost object and department number to which the equipment is active, and its current location. Place labels on all of the items to be picked up which do not have property tags. Include Department and Cost Object on the label.
4. If the equipment is too large for one person to handle or will need special equipment to be moved, please include this information on the Surplus Moving Request. Please note any items that are no longer functional.
5. Before the items can be removed from your department, the department of Radiation Safety must clear any item that has radioactive elements and the department of Hazardous Waste must clear any items that may contain hazardous materials. For more information please see their web page at "<http://ehs.uky.edu/welcome.html>".
6. Prior to surplusing, computers must have all software and data files destroyed. Any electronic destruction method must include at least a three pass binary overwrite method.

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7. If your department number falls within the 7Hxxx group please forward your Surplus Moving Request to the College of Medicine Dean's office.
8. If your department is under the Provost but you are physically located in the Medical Center Complex please forward your request to the Medical Center Physical Plant Department.
9. If your department number falls within the 71000 to 79999 group please contact Hospital Accounting (Suite B, 191 Lowry Lane, Lexington, Ky. 40503) for assistance.
10. Surplus Property will review your request. If the request is approved, a copy of the Surplus Moving Request will be returned to you with an approval signature and a Move number. At the same time a copy will be forwarded to Trucking for pick up. Any item not approved will be crossed out on the form.
11. If the items declared surplus are not listed on your Capital Equipment inventory, follow the instructions above.

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**UNIVERSITY OF KENTUCKY
SURPLUS PROPERTY DEPARTMENT**

SURPLUS PROPERTY MOVING REQUEST

Date _____

(Please Type)

Move Order # _____

Department Name _____

Building _____ Room No. _____

Speed Sort _____

The property listed below is declared surplus to the needs of this department and is hereby requested to be transferred to Surplus Property .

I certify that the property contains no hazardous waste or materials. (Contact Environmental Health and Safety for disposal of items containing hazardous waste 859-257-3241 or refer to their WEB site <http://www.uky.edu/Services/EHS/>)

Name _____ Signature _____
_____ (Typed) _____ (Person authorizing transfer)

Person to contact for moving instructions Name: _____ Phone: _____

Property Tag No.	Condition (Works Yes/No)	Description of Property	Cost Object	Dept. Number	Location (Bldg. & Room Number)

TOTAL NUMBER OF PIECES _____

NOTE: Miscellaneous items not identifiable by a Property Tag Number must be boxed or packaged and clearly labeled with your Department Name. Larger items that do not contain a Property Tag Number must also be labeled with your Department Name.

(Note: attach extra list if necessary)

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Please see instructions for mailing.

APPENDIX B

NOTICE OF COMPUTER EQUIPMENT ELECTRONIC STORAGE DEVICE CLEANING FORM

Prior to surplusing, computers* must have all software and data files destroyed. Any electronic destruction method must include at least a three pass binary overwrite method.

I have electronically purged software and data files from this computer, detailed below, by using recommended software or by using a tool that conforms to the Department of Defense (DoD) standards for erasing computer disks.

Kill Disk – www.killdisk.com (DoD standards)

DBAN tool – www.sourceforge.net/projects/dban/ (DoD standards)

Norton utilities – www.symantec.com/index.htm

Burn for Mac – www.thenextwave.com/burnHP.html

I have used the following method and/or software that includes at least a three-pass binary overwrite (specify in detail):

The equipment listed below is not in working condition, but I certify that the information on the disk drive has been purged in accordance with UK Business Procedures Manual Section E-12-4.

SIGNATURE

Name (please print): _____

Signature: _____ Date: _____

Department: _____ Phone: _____

EQUIPMENT

Description of Computer: _____

UK Inventory Number: _____ Serial Number: _____

***Computer or electronic storage device including but not limited to hard drive, laptop, server, mainframe, or handheld computer, e.g. Palm or PocketPC**