

March 3, 2004

Dear Faculty and Staff,

Recently there have been some issues concerning proper management of property. Veronica has asked me to prepare some guidelines concerning the proper management of these items and what actions need to be followed.

I have printed up a shortened version of what the rules are concerning the disposal of items. These are the procedures that need to be completed when you plan on getting rid of a piece of property.

Disposal of an item is not the only situation where you will need to follow a procedure. If you plan on loaning a piece of equipment to another agency with which you are collaborating there are some forms and authorizations that also need to be completed.

If you have no further use of an item and another person needs it in the department you should let me know if it is permanent transfer so I can take the item off your responsibility code and move it to theirs.

One guideline that you should be aware of is that just because something doesn't have a CU tag on it doesn't mean that it isn't in the system somewhere. The safest route to follow is to bring a list of what you plan on getting rid of with either a CU Tag number or a serial number and a description to Mark Stewart and he can see what actions need to take place. This will avoid something happening where you disposed of a piece of equipment that under current guidelines isn't property but when it was purchased qualified and was put into the system.

Please do not take an item and throw it into the dumpster assuming that it is not on the system or that it is worthless and nobody would care what happened to it.

Sincerely,
Mark Stewart

EQUIPMENT DELETIONS

Deletions of equipment from the PAS Property Accounting System (PAS) must be handled in accordance with the procedures provided in this manual that requires departments to obtain proper authorization(s) for equipment disposal in the PAS as follows:

- For Faculty Computer Purchase Program equipment, departments must notify Alex Pearson from Information Technology Services (ITS) at x5-0159, Information Technology Services (ITS) prior to the equipment disposal.
- **For tagged equipment purchased with funds from a 153xxx project(s), departments must obtain prior approval from the Director of the Office of Contracts and Grants (OCG). Submit a written request with the following information.**
 - equipment description,
 - serial number,
 - CU tag number,
 - SpeedType,
 - award number, *and*
 - reason(s) for equipment disposal.

For further information on obtaining OCG authorization, contact Carol Davison at x2-6223.

In general, equipment deletions can be broken down into the following three categories:

1) Equipment Disposal

- a) Property Services manages equipment disposals, except for disposals of motor vehicles (see “c” below), through the following methods:
 - Sales to entities outside of the university through auctions
 - Trades or donations to entities outside of the university
 - Junking, cannibalizing, or scrapping
 - Transfers to other universities or institutions
- b) The Procurement Service Center (PSC) is responsible for the following types of equipment disposal through the procurement process:
 - Sales to entities outside of the university using the purchase request process
 - Trading-in equipment for new equipment purchases
 - Returns to vendors (i.e. damaged item)

Contact the PSC help desk at 303-724-4772 for questions about procurement processes.

Note: When selling or doing a trade-in of tagged equipment that is funded by a sponsored project to external parties, it is necessary to obtain written approval from OCG. This approval must be received prior to processing the purchase requisition

Internal sales, trades, or transfers of equipment between CU-Boulder departments are not reported as disposals of equipment in the PAS. However, when the tagged item is funded by a 153xxx project(s), these types of transactions are treated as disposals of equipment from the sponsored project itself. Therefore, prior approval is required from the Director of OCG for internal sales, trades, or transfers of equipment. This additional OCG approval is intended to prevent an improper sale/purchase from being made using sponsored project funds. For example, it is improper for a department to purchase equipment with sponsored project funds from a selling department that originally purchased the equipment using funds from a different sponsored project. For further information on obtaining OCG authorization, contact Carol Davison at 2-6223.

SUPPORTING DOCUMENTS FOR DELETION OF EQUIPMENT

The document is either a Campus Police report, a Property Services disposal authorization, or a Purchase Order. If a supporting document is not available, the department shall provide sufficient explanation to satisfy an examination by an external auditor.

SURPLUS/OBSOLETE PROPERTY

Departments are not authorized to give away, sell, or dispose of any equipment without prior written approval from Property Services. Transfers of equipment to individuals or for-profit organizations are prohibited. All surplus, obsolete, or damaged equipment not being utilized should be reported to Property Services for disposal.

Prior to notification of Property Services, the requesting department should obtain an authorization from OCG for disposition of Federal and University property funded by Federal contracts or grants.

NON-CAPITAL EQUIPMENT DELETION

Federally funded equipment is to be maintained on the PAS unless specific permission to delete it is obtained from OCG. Faculty Computer Purchase Program equipment is to be maintained on the PAS unless specific permission to delete it is obtained from ITS.

TRADE-IN OF EQUIPMENT

If an item is to be traded to an outside vendor for new equipment, the CU tag number of the traded equipment must be referenced on the Purchase Request for the new equipment. Before trading-in equipment funded by Federal research grants, approval from OCG is required

TRANSFER OF UNIVERSITY OWNED EQUIPMENT TO OTHER UNIVERSITIES OR INSTITUTIONS

I. FEDERALLY FUNDED EQUIPMENT

When a Principal Investigator, faculty member or staff person relocates to another institution, the following policies and procedures apply:

- 1) University owned equipment will be transferred only with proper written authorization and approval by the head of the accountable department, Property Services, and the Director of OCG. The written request by the departmental property manager should list the equipment, description, serial number, CU tag number, SpeedType, award number, and the reason(s) for transfer. OCG has the primary responsibility for overseeing acquisitions, transfers, and disposals of all equipment acquired with Federal grant funds.

II. FACULTY COMPUTER PURCHASE PROGRAM EQUIPMENT

Transfers of Faculty Computer Program equipment to other institutions must be approved by ITS.

III. OTHER EQUIPMENT

Transfers of all other equipment – i.e., equipment which is not Federally funded – to other universities or institutions must be approved by Property Services. (See page F7 for “Property/Equipment Disposal via Other Methods.”)

MISSING, LOST, NOT FOUND, NOT LOCATED EQUIPMENT

The departmental property manager must notify in writing the head of the department and the Campus Police if an item cannot be found and is presumed to be missing or lost. The police will send a case report to the department.

In addition, if a lost item is Federally owned property, the departmental property manager must immediately inform the Office of Contracts & Grants (OCG) property officer.

The PAO will report lost items with a unit cost of \$5,000 or more as disposed equipment in the year the equipment is flagged as lost. All lost items continue to be maintained in the PAS master file for five years, from the year of deletion. Departmental property managers should make continuous efforts to locate these lost items during the five year time period.

STOLEN PROPERTY

The departmental property manager must immediately report any instance of stolen property in writing to the department head and to the Campus Police. The police will send a theft report to the departmental property manager and to the Risk Management Office.

In addition, if the stolen item is Federally owned property, the departmental property manager must immediately inform the Office of Contracts & Grants (OCG) property officer.

The PAO will report stolen property with a unit cost of \$5,000 or more as disposed equipment in the year the equipment is flagged as stolen. The property records of stolen items are removed from the Property Accounting System (PAS) master file at the fiscal year end.

IMPROPER DISPOSAL OF EQUIPMENT

All disposal of equipment must be handled in accordance with the procedures provided in this manual. Departments or employees are not authorized to give away, sell, or otherwise dispose of any equipment without proper approval. The departmental property manager must report in writing any instance of improper disposal of equipment to the head of the accountable department. If the item is Federally owned property, the departmental property manager must immediately inform the OCG property officer. If the item is Faculty Computer Purchase Program equipment, the departmental property manager must immediately inform ITS.

When improper disposal has occurred, the head of the accountable department must submit a written request to the PAO to remove the equipment from the PAS. The request must explain how, why, and when the improper disposal happened, and the explanation must be sufficient to satisfy an auditor's examination. For equipment purchased with Federal grant funds, the head of the accountable department must submit a written request to OCG to obtain the necessary authorization to remove the equipment from the PAS. Upon receipt of the request or approved request, the PAO will initiate a PAS D2 entry with the "DL" delete flag (used by the Accounting Office only) to remove the equipment.

PROPERTY/EQUIPMENT DISPOSAL VIA PROPERTY SERVICES

Disposal Instructions

- 1) The department must send an Equipment and Furniture Disposal Request form to Property Services for disposal of equipment via auction. The request should list the tag number, property description, make/model/serial number, SpeedType, the method of disposal desired, and the reason(s) for disposal. See Department Property Manager for this form and return to them for processing.
- 2) Upon receipt of the Disposal Request form, **Property Services will initiate a pick-up order.** The property will be taken by Property Services to the CU Distribution Center.

Items requiring special handling (i.e. refrigerators, freezers, incubators, etc.) will incur reclamation costs for Freon, oil, etc. These costs will be charged back to the departments that are disposing of the items.

Disposal requests for items that have had, contained, or utilized, hazardous contaminants as part of their normal operational functions, must be accompanied by an Environmental Health & Safety - Equipment Disposal/Resale Certification form (see pages F12-F13).

PROPERTY/EQUIPMENT DISPOSAL VIA OTHER METHODS

Authorization from Property Services must be obtained before a department disposes of any property. For Faculty Computer Purchase Program equipment, prior authorization must be obtained from Information Technology Services (ITS). Prior authorization from the office of Contracts and Grants (OCG) is required if the property (either CU or Federally owned) was purchased with federal grant funds.

Disposal Instructions

- 1) The requesting department must send a memo, Equipment and Furniture Disposal Request form (see page F8 & F9), Purchase Request, or Departmental Property Donation Form (see Page F10), to Property Services by fax (443-6205) or by campus mail (Campus Box 39) for disposal of equipment using the following methods:
 - Cannibalized (to use parts for other property) – Disposal Request form or Memo
 - Donated (off-campus) – Donation form
 - Junked (to the dump) – Disposal Request form
 - Sale to an off-campus agency – Purchase Request
 - Trade to an off-campus agency – Memo, Purchase Request
 - Transfer to another university or institution - Memo

The request should list the tag number, property description, make/model/serial number, SpeedType, the method of disposal desired, and the reason(s) for disposal.

- 2) Upon receipt of the Disposal Request form, Donation form, or Purchase Request, Property Services will send a Disposal Authorization Memo to the requesting department (see page F11). **The property will not be taken by Property Services.** The department will make arrangements for removal of the property after receiving authorization from Property Services.

Other Instructions (for transactions not treated as disposals of equipment):

- Departmental direct on-campus sale or trade of equipment to other departments
The selling or trading department is responsible for submitting the PAS form to the PAO (see page D4). This type of transaction is not treated as disposal of equipment so an authorization from Property Services is not required.
- On-campus transfer of equipment to other departments
The transferring and receiving departments are responsible for filling out the “Agreement Form for Transfer of Equipment between Departments” (see page D3) and submitting it to the PAO. This type of transaction is not treated as disposal of equipment so an authorization from Property Services is not required

USE OF PROPERTY AT ANOTHER LOCATION

If you are loaning a piece of your equipment to a collaborator at another location you must get a form indicating where that property will be and for what time period it will be there. This form will be kept on record within the department and in the property accounting department.