

# Grayson College Surplus and Salvage Procedure

## **1. General Functions and Responsibilities**

This procedure is to establish a process for the disposition of surplus or salvage property that the College no longer needs.

## **2. Definitions**

“Surplus Property” means personal property that exceeds the college’s needs and is not required for the college’s foreseeable needs. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

“Salvage Property” means personal property that through use, time, or accident is so damaged, used, or consumed that it has no value for the purpose for which it was originally intended.

## **3. Maximum Return From Disposition of Surplus or Salvage Property**

The college shall attempt to realize the maximum benefit to the college in selling or disposing of surplus and salvage property. The college may reject any or all offers for surplus or salvage property if it determines that rejection is in the college’s best interest.

## **4. Disposition by competitive bidding or auction**

The college may sell the property by competitive bid, auction, or direct sale to the public, including a sale using an internet auction site. The college may contract with a private vendor to assist with the sale of the property.

The college shall determine with method of sale shall be used based on the method is most advantageous to the college under the circumstances.

In order for the item to be competitive bid the minimum bid must start at minimum of 50% of the estimated market value of the item being sold. If using an internet auction site to sell surplus property, the college shall post the property on the site for at least 10 days.

## **5. Disposition by Direct Sale to Public**

If the college determines that selling the property by competitive bid or auction, including a sale using an internet auction site, would not maximize the resale value of the property to the state, the college may sell surplus directly to the public.

The price will be determined by department. The business office will confirm that amount would be advantageous to the college and that the selling price meets or exceeds the book value of the property on the college asset list. If the price is below book value the Vice President of Business Services will determine if that would meet the college's need to proceed with the sale.

If the estimated price is up to \$10,000 the decision to sell will be made by the Vice President of Business Services. If the estimated price is \$10,000.01 or more then the decision will be made by President of the college.

## **6. Advertisement of Sale**

If the value of an item is estimated to be more than \$25,000 the college shall advertise the sale at least once in at least one newspaper of general circulation.

## **7. Proceeds of Sale**

The proceeds of the sale of surplus or salvage will be deposited at the business office. The account where the proceeds will be deposited will be determined by the business office and also the department from which department the item was sold.

Government Code 2175 was used as a model for the development of this procedure.

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