

# Disposal of Fixed Assets

## ROWAN UNIVERSITY POLICY

**Title:** *Disposal of Fixed Assets*

**Subject:** *Accounting Services*

**Policy No:** *FIN: 2014:01*

**Applies:** *University-Wide*

**Issuing Authority:** *President*

**Responsible Officer:** *Senior Vice President for Finance and CFO*

**Adopted:** *01/01/2014*

**Last Revision:** *12/23/2020*

**Last Reviewed:** *11/20/2020*

### I. PURPOSE

This policy provides guidelines for the transfer, storage, disposal, or sale of surplus University assets in order to ensure compliance with all grant/contract sponsors' and the University's requirements. The policy also assigns authority and responsibilities related to implementing, maintaining, and monitoring internal control over University assets.

### II. ACCOUNTABILITY

Under the direction of the President, the Vice President of Finance and CFO shall implement the policy and the Assistant Vice President of Finance and Controller, the Sr. Director for Contracting and Procurement, and the Custodian shall ensure compliance with the policy.

### III. APPLICABILITY

This policy applies to any member of the Rowan University faculty or staff who has control or ownership of university property.

### IV. DEFINITIONS

1. *Custodian* - Department Head, Principal Investigator (PI) or employee held accountable for the care, custody and maintenance of all equipment for which he/she is responsible.
2. *Property* - Interchangeable with the word "assets", University assets include but are not limited to all equipment, materials, supplies, objects of art, antiques, used furniture, library volumes.
3. *Surplus Property* - Assets are those items at the University which are either no longer in use, or for which there are no plans for use, whether they are located within an operating unit or the University in general.

### V. REFERENCES

1. [Rowan University Equipment Disposal/Adjustment Form](#)
2. [NJ State Circular 13-18-DPP, "Disposition of Excess & Surplus Computer Equipment"](#)
3. [New Jersey Statutes, Title 18A, Chapter 64,](#)
4. [NJ State Circular 08-03-DPP, "Excess/Surplus Property Procedures"](#)

### VI. POLICY

1. The University recognizes the need for the transfer, storage, disposal, or sale of surplus University assets in order to ensure compliance with all grant/contract sponsors' and the University's requirements. It is also important to assign authority and responsibility related to implementing, maintaining, and monitoring internal control over University assets.
2. The authority to sell, dispose or transfer surplus University assets is approved via the application for such made through the Equipment Disposal / Adjustment Form and approved by the Custodian, and signed off by the department head.
3. In order to maintain accurate records of assets, asset disposals should be recorded in a timely matter.
  - a. If capital equipment is moved or disposed of, the Custodian moving/disposing of the asset must notify the Accounting Services Office by completing the Equipment Disposal / Adjustment Form.
  - b. The department will provide the Accounting Services Office with a description of the item, the tag number (if applicable), the model and serial number, and the locations to and from so that records may be updated.
  - c. The department is also required to provide the Procurement Department with a copy of the Equipment Disposal / Adjustment Form to ensure disposal method is allowable.
  - d. Once the Equipment Disposal / Adjustment is signed, arrangement for safe disposal can be coordinated with facilities.
4. Sale or Trade In of Assets
  - a. The sale or trade in of University owned capital equipment is prohibited unless it is authorized by the Purchasing Department.
  - b. For Government funded equipment, the PI must contact the sponsor of the program prior to the sale or trade in of the equipment for appropriate authorization.
  - c. Proceeds from the sale of the University owned equipment is recorded as revenue in the University's unrestricted operating fund.
  - d. For trade-ins, the requisitioner must identify whether the new equipment purchase is replacing existing equipment. The requisition is then required to include an Equipment Disposal / Adjustment Form.
  - e. After completion of the sale or trade in, the Equipment Disposal / Adjustment Form must be submitted to Accounting Services which will update the equipment status in the asset listing.
  - f. All assets that have been approved for disposal should be removed by the Facilities Department. Please contact them to arrange removal.
  - g. Surplus Property – In accordance with N.J.S.A. 18A:64-78, means the manner of sale of personal property not needed for University purposes. Any University may, by resolution of its board of trustees, authorize the sale if the estimated fair value of the property to be sold exceeds the current bid limit threshold and shall be sold at a public sale to the highest bidder. Certain items may be donated to federal or state agencies and to not for profit organizations.
  - h. The transfer or relocation of any radioactive materials, radiation producing machinery, bio-hazardous agents, or other hazardous materials must be approved by Environmental Health and Safety.
5. Sponsored Programs Surplus Property
  - a. Unless instructed otherwise by the sponsoring agency, the title to most property purchased on sponsored programs passes to the University upon completion of the project rather than when the University pays for the property. As a result, it could be one to five or more years before the University assumes ownership of the property. After clear and unrestricted title passes to the university, the above policies apply when an item becomes a surplus University asset.
6. Responsibilities
  - a. The Accounting Services Department is responsible for the centralized accounting and reporting of University property. All approved requests for the disposition of equipment must be forwarded to the Accounting Services Department. Such notices must be accompanied by the Equipment Disposal / Adjustment Form. The Contracting and Procurement Department is responsible to ensure proper physical disposition of property has been approved for disposal by the University. The Contracting and Procurement Department is also responsible to determine whether a fixed asset can be transferred:
  - b. Donation to Non-Profit: According to N.J.S.A 18a:64–78 personal property may be donated if the value of the property is below the current bid threshold.
  - c. Surplus Property: Complete an Equipment Disposal / Adjustment Form and forward to Procurement for approval

