

Administrative Regulation 8:1

Disposition of Personal Property

(Approved by the Board of Trustees)

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I. Introduction

Surplus property of the University and its affiliated corporations may be sold or otherwise disposed of in accordance with Kentucky law (KRS 164A.575).

This *Administrative Regulation* sets forth the policies and procedures necessary to conform to legal requirements for the disposition of all personal property and provides guidance to all units within the University and its affiliated corporations for the transfer or other disposition of any such personal property. Procedures for implementation of this regulation are contained in the University's Business Procedures Manual (BPM).

II. Entities Affected

This regulation applies to all units of the University.

III. Definition

Personal Property

"Personal property" means all items of moveable or fixed equipment and supplies owned by the University and its affiliated corporations. The procedures for livestock and other agricultural commodities and products may have different procedures for disposition, as noted in Section V.

IV. Policy

Express approval of the Board is required for each property disposition except in those specific cases where::

- (1) the University is required to transfer the property by the terms of a sponsor's regulations or conditions, or
- (2) a 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.

V. Procedures

- A. The following procedures apply to the disposal, conveyance, or transfer of personal property. In an organization as complex as the University, it is difficult to describe all possible cases. Exceptions to these procedures may be granted only at the discretion of the Board upon the recommendation of the President and consistent with both KRS 164A.575 and Business Procedures Manual: E-12-4 Property Disposition Policy.
- B. For purposes of disposition, personal property, regardless of how acquired by the University and its affiliated corporations, is classified as:

1. Recyclable Materials

The sale of recyclable materials (i.e., scrap paper, metal, X-ray film, and precious metals) must be authorized by an order of the Board approving in advance an annual plan for expected sales. The Vice President for Facilities Management 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 and managed by the Recycling Office.

2. Livestock, Poultry, and Agricultural Commodities or Products Disposition

The Dean of the College of Agriculture, Food and Environment is responsible for the administration of sales or other disposition of all livestock, poultry, and agricultural commodities or products with the approval of the Chief Procurement Officer, and reported in writing to University Financial Services.

Disposition of livestock, poultry, and agricultural commodities or products must be authorized by an order of the Board approving an advance annual plan for these sales. Approval of an advance annual plan is necessary due to price fluctuations and problems of anticipating exact dates livestock, poultry, and agricultural commodities or products will be sold. This personal property must be sold by one of the following methods:

- (a) Disposition by Public Auction or Sealed Bid: Unless it is in the best interest of the University to proceed otherwise, livestock must be sold by invitation of sealed bids or by public auction (e.g., local livestock auctions).
- (b) Disposition of Superior Breeding Animals by Private Treaty: In order to improve the Commonwealth's livestock economy, superior animals (e.g., cattle, horses, swine, sheep or poultry) may be sold by private treaty by complying with the following guidelines:
 - i. The responsible faculty member must submit a list of superior animals to be sold by private treaty and obtain written approval from the educational unit administrator and the Dean of the College of Agriculture, Food and Environment.
 - ii. An estimated number of superior animals by species, sex, age, etc., must be advertised through the Cooperative Extension Service, Kentucky Agri-news, or a major newspaper at least 10 days before sale.

- iii. The College of Agriculture must establish the minimum sale prices in accordance with BPM E-12-4.
- iv. Sale of animals, commodities or products must be to the highest bidder or market price.
- v. In cases of tie bids, a random draw will determine the successful bidder.

(c) Special Cases - Any animal, commodity, or product disposals which do not fall within the methods contained in section 2 above are 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, Food and Environment, and Chief Procurement Officer, and reported in writing to University Financial Services.

3. Property Unsuitable for Public Use

- (a) Items of personal property that would endanger the public through continued use (e.g., radioactively contaminated machines, biologically hazardous equipment, equipment that would be harmful even if repaired, etc.) can be declared unsuitable for public use and must be reported in writing to the Surplus Property Department (Surplus)
- (b) Unless the Board deems it in the best interest of the University to proceed otherwise, all items of personal property unsuitable for public use must be disposed of by the Chief Procurement Officer, and reported in writing to University Financial Services, in accordance with laws governing the disposal of such items.
- (c) Any items of personal property that would endanger the public, such as hazardous materials (e.g., asbestos, chemicals, etc.) must first be reported to the Director of the Environmental Health and Safety Division (EHS). EHS, with assistance of Surplus, will dispose of such hazardous material in accord with appropriate state and federal regulations.
- (d) Disposal of weapons and University of Kentucky Police Department service animals is delegated to the University of Kentucky Police Department and must be reported in writing to Surplus and University Financial Services, including a description, origin, identification numbers, disposal method, and sale price (if any) of the weapons or animals.

4. Property Trade-Ins

Items of personal property that require replacement by new equipment as part of a trade-in agreement with a vendor must be reported in writing to the Capital Assets Department, University Financial Services. The Capital Assets Department, in consultation with the appropriate unit administrator and the Chief Procurement Officer, will approve 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 a copy of the purchase order to Plant Assets Department, University Financial Services.

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

Consistent with the best interest of the University and the general public, as determined by the Board, personal property may be sold by negotiation 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 must 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.

6. Property Acquired with Grants

If the property is acquired with federal or private grants and: 1) the University is required to transfer by the terms of (1) a sponsor's regulations or conditions; or, 2) a 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, no action by the Board is required. The Vice President for Research must provide documentation and certification to University Financial Services that such a condition exists. The transfer is subject to approval of the Treasurer who will maintain the official records of such transfers.

7. Other Property that is Not Needed

- (a) Items of personal property that are not needed by any organizational unit must be reported in writing to Surplus. Property may not be needed as a result, for example, of program redirection or termination, replacement by new equipment, or duplication as a result of a gift of other equipment.
- (b) 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.
- (c) Unless the Board deems it in the best interest of the University to proceed otherwise, all items of personal property not transferred to an internal organizational unit must be sold either by invitation of sealed bids, an internet based auction/sale, by public auction, or other method authorized by the Board. Sale by negotiation for monetary consideration or conveyance without charge to organizations listed in section V(5) requires action by the Chief Procurement Officer.
- (d) For routine dispositions (e.g., obsolete equipment, surplus office equipment), a plan must be submitted to the Board 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 will be submitted to the Board on an item-by-item basis setting forth the description of the personal property, reasons for disposition, and the method of disposition.

8. Computers and Mobile Devices

To ensure compliance with federal and state laws and regulations associated with confidential information, the University requires each unit to destroy all data in personal computers (PCs) or mobile devices prior to disposition, conveyance, or transfer. The procedures for "scrubbing" or "wiping clean" all data may be found in BPM: E-12-14 and A13-050. Units are responsible for certifying that computers and mobile devices are "clean" and ready for disposition or transfer to another University unit or Surplus. Surplus will not accept computers without this certification.

References and Related Materials

KRS 164A.575 Purchasing -- Inventories -- Sales of surplus property -- Bidding procedures -- Kentucky-grown agricultural products -- Reports -- Reciprocal preference for resident bidders -- Reverse auctions

Business Procedures Manual: E-12-4 Property Disposition Policy

Revision History

8/16/1994, 3/6/2007, 12/15/2020

For questions, contact: [Office of Legal Counsel](#)