Herkimer County Community College
Board Policy

TITLE: Surplus and Asset Disposal Policy

POLICY #: FA 25-27

DATE OF BOARD OF TRUSTEES APPROVAL:

RESOLUTION #: 25-27

POLICY STATEMENT: Herkimer County Community College (the "College") shall identify, manage, and dispose of surplus property in a manner that promotes responsible stewardship of public assets, transparency, fairness, and compliance with applicable laws, SUNY requirements, funding restrictions, and College procedures. Surplus property shall ordinarily be disposed of through a public and competitive process designed to maximize value to the College. Alternative disposal methods may be used when documented as reasonable and in the best interest of the College, provided that all required approvals are obtained and actual or perceived favoritism is avoided.

Purpose

The purpose of this policy is to establish a consistent, transparent, and compliant process for the identification, management, and disposal of surplus property owned by the College.

Definitions of Surplus Property

Surplus property is defined as any equipment, materials, or assets that are no longer required for College operations, are obsolete, or have no anticipated future use.

General Principles

The College shall dispose of surplus property in a manner that:

- Maximizes value to the College where practicable.
- Ensures transparency and fairness.
- Avoids actual or perceived favoritism.
- Supports public purpose where appropriate.
- Complies with SUNY and New York State requirements.

Standard Method of Disposal (Preferred Method)

A. Public Auction

The preferred method of disposal for surplus property is through public auction, including but not limited to platforms such as Auctions International. Public auction shall be used when:

- Items have measurable resale value.
- Competitive bidding is feasible.
- The College seeks to maximize financial return.
- This method ensures open competition, transparency, and recovery of fair market value.

Alternative Disposal Methods (Exceptions)

Alternative methods may be used when public auction is not practical or not in the best interest of the College. All exceptions must be documented and approved.

A. Intergovernmental Transfer (Public Entities)

Surplus property may be transferred to other governmental entities, including SUNY institutions, municipalities, or school districts, when:

- The property has minimal or nominal resale value; and
- The transfer serves a public or educational purpose; and
- The administrative cost of sales would exceed potential revenue.

Where practicable, the College will make reasonable efforts to identify interest from other SUNY institutions prior to transfer. All such transfers must be documented and approved in accordance with this policy.

B. State-Owned Property and OGS Requirements

Property determined to be State-owned or otherwise subject to State or SUNY surplus requirements shall be processed through SUNY System Administration and the New York State Office of General Services when required.

Where applicable, the College shall first consider internal reuse and transfer to another SUNY institution before submitting property for OGS disposition.

College-owned property may be disposed of through the methods authorized by this policy unless another law, funding requirement, sponsor requirement, or contractual restriction applies.

C. Direct Sale at Fair Market Value

The College may sell surplus property directly at documented fair market value when:

- A public auction or other competitive process is impractical or has been unsuccessful;
- The property has limited value or demand; or
- The documented administrative cost of conducting a competitive sale would be disproportionate to the anticipated proceeds.

A direct sale must be supported by written justification demonstrating that the method is fair, reasonable, and in the best interest of the College. The identification of an interested buyer, by itself, is not sufficient justification for a direct sale. Direct sales to employees or other individuals are permitted only when:

- Fair market value is documented;
- The opportunity is communicated or offered in a manner that avoids preferential access;
- The purchaser had no role in declaring the property surplus, determining its value, or approving its disposal; and
- The sale is approved in writing by the Business Office.

Employees shall not receive preferential pricing, access, or treatment.

D. Library Book Sales and Similar Programs

The College may conduct periodic book sales or similar programs for surplus library materials or other low-value items. These sales are permitted when:

- Items are withdrawn from inventory and deemed surplus.
- Pricing is nominal and applied consistently.
- Sales are open to the public or campus community.

E. Recycling / Disposal

Electronic equipment, computers, mobile devices, storage media, and other technology assets must be reviewed and approved by Information Technology before disposal. All College, employee, and student information must be securely removed or destroyed before the property leaves College control.

Items with no resale or reuse value may be recycled, scrapped, or otherwise disposed of in accordance with environmental and regulatory requirements.

Procedures and Documentation

Before any property is transferred, sold, recycled, scrapped, or otherwise disposed of, the Business Office shall determine:

- Whether the property is owned by the College, the State, a grantor, or another entity;
- Whether the property was acquired with federal, State, grant, capital, or other restricted funds; and
- Whether any applicable law, award condition, sponsor requirement, SUNY procedure, or other restriction governs its disposal.

Property subject to external ownership or funding restrictions shall be disposed of in accordance with those requirements before the disposal methods contained in this policy are applied. All surplus property disposals must include:

- Identification and classification of surplus property
- Reason for disposal
- Estimated value (if applicable)
- Method of disposal and justification
- Approval by appropriate authority
- Removal from inventory records in accordance with SUNY Property Control requirements

Perkins-Funded Equipment

Equipment purchased in whole or in part with Perkins funds shall remain in use for its authorized purpose as long as needed. Before any transfer, sale, trade-in, recycling, or other disposal, the Business Office shall verify that the equipment is no longer needed for the original program or another eligible federally funded activity, determine its current fair market value, complete the required NYSED Equipment Disposition Form, and obtain any required approval or disposition instructions. The final disposition and use of any proceeds shall be documented in accordance with applicable federal and NYSED requirements.

Asset Disposal Form Requirement

For any item with an estimated value of $5,000 or greater, the College's Equipment Deletion Form (for disposal of surplus, obsolete, or unused assets) must be completed and approved prior to disposal. The $5,000 threshold does not eliminate any separate documentation or approval requirements applicable to equipment purchased with Perkins or other restricted funds.

a. Exception Documentation Requirements

When an alternative disposal method is used in place of public auction, the following documentation must be completed and retained:

- Description of the surplus property.
- Estimated fair market value or statement of nominal/low value.
- Selected method of disposal (e.g., transfer, direct sale, recycling).
- Justification for not utilizing public auction.
- Statement addressing how the selected method is in the best interest of the College.
- Confirmation that no preferential treatment is being provided
- Evidence of outreach, if applicable (e.g., SUNY institutions or other public entities).
- Approval by the appropriate authority in accordance with Section VII
- This documentation may be included within the Asset Disposal Form or maintained as a separate memorandum in the official record.

All documentation shall be retained in accordance with College record retention requirements and made available for audit upon request.

Authority

The Purchasing Agent is authorized to approve the disposal of surplus property for routine, low-value items in accordance with this policy.

For items of higher value, specialized equipment, assets associated with capital projects, or non-standard disposal methods (including intergovernmental transfers or use of the New York State Office of General Services (OGS) surplus program), approval by the President, Controller or Assistant Controller (or designee) may be required.

The Business Office shall oversee the surplus property process to ensure compliance with applicable laws, SUNY requirements, and internal controls.

All approvals shall be documented and maintained as part of the official record.

Compliance

This policy shall be implemented in accordance with all applicable federal, State, SUNY, local sponsor, funding-source, and College requirements, including, as applicable:

- New York State Finance Law §167 for State-owned personal property;
- SUNY Property Control Manual, Procedure 7595, for property subject to that procedure;
- SUNY community college regulations;
- Federal and grant award property requirements; and
- Applicable College and local sponsor policies and procedures.

Appendices

Equipment Deletion Form

NYSED Perkins Equipment Disposition Form