Disposition of Non-capital Scrap and Salvageable Material and Equipment

Applies to: All Employees in Plant Operations
Issued: August 12, 2010
Updated: September 6, 2012

PURPOSE
To establish procedures which will ensure that all surplus and salvageable non-capital material and equipment are first utilized to the fullest and most reasonable extent possible within the university; then to regulate the disposal and re-use of surplus, salvageable, scrap, and worthless non-capital material and equipment no longer needed or useable within Plant Operations “Plant Ops” or the university. The policy provides fair, economical, and ecological transfer or sale of materials and items and accounts for all financial entries.

DEFINITIONS

A. 1. Capital Asset - Possessions that have a single unit value, including but not limited to materials, equipment and tools, in excess of $5,000.00 and an estimated useful life of more than one year. Generally, a capital asset must be self contained for its primary use and have sufficient size to make its control feasible by means of marking with identification numbers and/or manufacturer’s serial numbers. Items not meeting these criteria are classified as expendable, with generally two exceptions.
   a. Component parts used to fabricate a larger capital asset assembly must be coded as capital expenditures.
   b. Freight, transportation costs, and/or installation fees associated with the purchase of capital assets or components must be coded as capital expenditures.

2. Controlled Assets - Assets that the State Comptroller's office determines must be secured and tracked due to the nature of the items, between the ranges of $500 and $4,999.99, with an estimated useful life of more than one year. These assets are non-capitalized real property, improvements to real property, or infrastructure. The specific assets include firearms, TVs, cameras, camcorders, VCRs, stereo systems, data projectors, microcomputers and printers.

B. Active Use. Items that have no future use (0-5 years).

C. Reuse. Items reusable within Plant Ops (to be used by another shop) and kept in a storage area within Plant Ops.

D. Surplus. Usable in its present condition but no longer useful to a particular department and/or unit within Plant Ops; send to UH Surplus/Property Management.

E. Salvageable. Item has value, but requires assignment before continued use within Plant Ops.

F. Scrap. Item has no usable life to other shop and/or units within Plant Ops in its present condition but is saleable for scrap value only by Property Management. This includes scrap metal and all recyclable products.

G. Worthless Equipment. Broken or worn-out items having no saleable or scrap value.

GUIDELINES

I. CLASSIFICATION OF NON-CAPITAL EQUIPMENT

   A. Shop Supervisors, with the assistance of the Plant Ops Directors and Area Managers, must ensure all Non-Capital Equipment is utilized to the fullest and most reasonable extent possible within the University before assigning a classification of Surplus, Salvageable, Scrap or Worthless Equipment.
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B. Only Supervisors and Managers can classify non-capital equipment and materials as Reuse, Surplus, Salvageable, Scrap and Worthless Equipment.

II. SALE OF NON-CAPITAL EQUIPMENT

A. Non-Capital Equipment classified as Reuse cannot be sold.

B. Non-Capital Equipment no longer in active use and classified as Surplus, Salvageable, or Scrap can be sold by the Plant Ops Recycling Shop to various local recycling centers for current market value in exchange for cash or check. Materials are sold on a regular non-scheduled basis. (This is managed by the Supervisor of solid waste who will be responsible for all program aspects)

C. Proceeds from any sale of Non-Capital Equipment are deposited in the Plant Operations Recycled Products cost center and credited by the Shared Services member responsible for deposits.

D. Only security sensitive employees as defined in MAPP 02.03.05 may handle cash or check from any sale. Compliance with MAPP 05.01.01 for cash handling is required.

E. Unsold Surplus must be taken to the University’s Surplus Materials Disposal. A supervisor must transport the items.

1. Materials and equipment deemed to be worthless equipment by Plant Ops Directors will be disposed of appropriately.

2. No individual employee may personally benefit from the sale of university or contractor owned material or equipment. Individuals or groups who take, sell, or benefit from the sale of such items will be subject to corrective action up to and including termination and/or criminal prosecution.

3. Items owned by another entity, but located on university property, cannot be re-used, salvaged or sold by any university employee or department unless specifically stated under the contract between the University and contractor.

III. PROCEDURES TO HANDLE OR DISPOSE OF REUSE, SURPLUS, SALVAGEABLE, SCRAP & WORTHLESS NON-CAPITAL EQUIPMENT

A. REUSE ITEMS

1. Spare equipment can be reused within Plant Ops departments. Each item taken from surplus storage will be assigned to the applicable shop. The Supervisor of that shop will then become responsible for that asset. An inventory record should be maintained by each department delegate to notify employees when items are released for use on other Plant Ops projects.

2. Departments or shops may maintain Reuse in their own shop or area.
B. SALVAGE ITEMS

1. Items that have been deemed salvageable, scrap or worthless non-capital equipment by Directors within Plant Ops will be the responsibility of the Recycling Shop to dispose of properly. All proceeds will be sent to the office of Plant Ops Business Services for deposit into the Recycled Products cost center.

Examples

Non-capital materials or equipment determined to be unusable or expired include, but are not limited to the following:

1. Scrap metal
   - Note that any lead from an area posted for radioactive materials should be submitted to EHS for disposal. All other lead should go to a metal recycler.
2. Copper
3. Door hardware
4. Light bulbs
5. Light fixtures
6. Cooling coils
7. Freon
8. Tube bundle
9. Window A/C units (must not contain any Freon)
10. Refrigerator coils and piping
11. Lumber and wood scraps
12. Shop/office tools and equipment
13. Electronic communication equipment (to be sent to Surplus to be Auctioned off or sent to State Incarceration Facilities)

IV. RESOURCES

For questions regarding this policy, contact:

- Executive Director of Facilities Management, Plant Operations
- Executive Director of Facilities Planning and Construction, Plant Operations