5.2.4 SURPLUS PROPERTY SALES

Last updated on: 07/12/2013

Formerly Known As Policy Number: 56
This Guide Memo covers sale of surplus University property.

Authority: Approved by the Associate Vice President for Research Financial Compliance and Services.

1. Authority to Transact Sales

a. Surplus Property Sales Office
The mission of the Surplus Property Sales office (SPS) is to sell University property for the best possible price while ensuring responsible handling of excess assets and contributing to campus-wide sustainability initiatives. The Board of Trustees has authorized only SPS to perform this function (Resolution Number 3 September 13, 1983). Therefore, the only entity authorized to sell tangible personal property (hereafter referred to as "property") to non-Stanford entities is SPS.

For the purpose of this document "property" is defined as capital and non-capital movable assets including, but not limited to, equipment and accessories, furniture, vehicles, or supplies.

Specialized sales may include significant involvement by departments, including the identification of a potential buyer. In such cases, the sale must be pre-approved and processed by SPS. The check from the buyer is to be made payable to Stanford University Surplus Sales, and include sales tax, where applicable. All payments must be deposited by Surplus Property Sales.

b. University Departments
Departments may not give, sell or donate property to individuals, including Stanford employees and students, or to non-Stanford entities, including non-profits. If a department arranges a buyer to purchase property, the sale amount must be approved by SPS. All sale transactions must go through SPS. Departments may transfer property to other departments, either for no charge or for credit to departmental accounts. The property must be used for University business purposes. The ReUse website [1] is available to facilitate viewing and posting items available for interdepartmental transfer. The transferring and receiving departments must notify the Department Property Administrator (DPA) [2] and Property Service Representative (PSR) [3] of a transfer to ensure asset records reflect the change. Refer to the Property Management Manual [4] for transfer procedures.

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2. Sales Tax

a. Transfer Between University Departments
Because title to the item remains in the University, there is no sales tax incurred.

b. External Sales
Sales tax will be applied, as required, to all external transactions.

3. Basic Sale Policies

a. Disposition Requests
The Department Property Administrator (DPA) initiates an excess request upon notification of excess property. Surplus Sales will determine optimum disposition method for the assets, including potential sale. For specific information refer to Section 4.2, Disposition and Transfers in the Property Management Office (PMO) Property Management Manual [5].

b. Sales Terms and Conditions
Established terms and conditions apply to all sale transactions. Full description of these is available in Section 4.3, Surplus Property Sales, in the Property Management Manual.

c. Sales Commission
As a self-funded department, SPS retains a percentage of all sales based on the SPS Fee Structure, for purposes of offsetting operating expenses. The SPS Fee Structure is reviewed and approved annually as part of the University's budget process. Refer to Section 4.3, Surplus Property Sales, in the Property Management Manual [5] for additional details.

d. Sales Expense
Any expenses related to the sale of an item will be deducted from the proceeds of the sale or charged to the department if no sale occurs. Sales expenses may include, but are not limited to: appraisal, advertising, brokerage, or auction fees; diagnostic, registration, smog and repair costs; moving, handling, transportation, and disposal expenses.

e. Proceeds
The proceeds from sales of any University-owned property belong to the University. Sales revenues are distributed in accordance with the approved SPS fee structure.

f. Delivery
Buyers are responsible for timely packaging, removal and transport of the items they buy.

g. Sale Records
The buyer may not take possession until payment has been received by SPS. Records of all sale transactions are retained by SPS per University Policy as stated in Guide Memo 3.1.5 [6]: Retention of Financial Records.

h. Equipment Inventory Update
Property records are updated by PMO as appropriate, to reflect the final disposition transaction.

i. Non-Marketable Property
Items that are broken, inoperable or otherwise deemed unsellable will be disposed or recycled per University
policies via the prescribed excess process by Surplus Sales. For equipment items there is no additional cost
to departments for this service. For furniture items, such items may be disposed of by departments at their
cost with prior approval from PMO.

j. Right of Refusal
Surplus Sales may refuse items that are deemed to be in non-marketable condition. Delivery will be diverted
to PSSI for disposal at the originating department’s expense.

4. Sales Requiring Particular Caution

a. Property owned or funded by Federal or other Sponsors
Authorization from the Sponsor may be required prior to disposal or sale. The DPA must work closely with the
Property Management Office in handling such transactions. Contact your Property Service Representative (PSR) [3] for further instructions.

b. Donated Equipment
Internal Revenue Service requirements may restrict or prohibit sale of donated equipment. See Guide Memo 4.2.3 [7]: Records of Donated Equipment, for more information.

c. Hazardous Equipment

1. Contamination Risk
Prior to release from the department, property must be decontaminated per Environmental Health &
Safety guidelines. A list of items that must be sanitized is available at the Environmental Health & Safety [8] website.
Items that require sanitization must have a letter confirming sanitization attached to the unit prior to being
picked up or delivered to SPS.

2. Injury Potential
For property with the potential to cause injury, SPS and the department will discuss whether the property
should remain with the department pending final disposition, so that only people familiar with the
equipment will handle it.

d. Software and Sensitive Data
Before delivery to SPS, departments must take steps to permanently remove University proprietary
information from any computer or computer peripheral device. See Secure Computing [9] for a complete
description of University policy regarding data sanitization. Special care should be taken with licensed
application software to ensure that the terms of the licensing agreement regarding sale or transfer have been
observed.


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