



LOYOLA UNIVERSITY MARYLAND

— 1852 —

## **DISPOSAL OF SUPPLIES AND OTHER NON-CAPITALIZED ASSETS POLICY**

**DIVISION WITH PRIMARY RESPONSIBILITY:** Business and Finance

**OFFICE FOR ENSURING COMPLIANCE:** Financial Services/Controller's Office

**CONTACT OFFICE:** Controller's Office

**EFFECTIVE DATE:** April 4, 2017

**REVISION HISTORY:** N/A

**SCHEDULED FOR REVIEW:** Annually

### **POLICY SUMMARY**

This disposal of supplies and other non-capitalized assets policy provides guidance regarding appropriate disposal of non-capitalized university assets.

### **REASON FOR POLICY**

This Policy seeks to promote consistent and proper accounting for University assets in conformity with Generally Accepted Accounting Principles (GAAP) and to define the guidelines regarding the disposal of non-capitalized University property. Such property includes, but is not limited to: technology, furniture, general scientific equipment, fixtures, and supplies.

### **SCOPE**

All tangible items purchased with University funds including grants, gifts, donations, cash disbursements and items acquired and subsequently reimbursed by the University are the property of Loyola University Maryland and not owned by a specific individual, department or division. This policy addresses those tangible items that are not capitalized in the University's fixed asset system or otherwise noted as an asset in the University's general ledger.

### **STATEMENT OF POLICY**

Tangible goods are purchased by University departments to facilitate business-related activity. Once an item has fulfilled its business-related activity and is no longer in use, there are multiple ways for an item to be discarded. Surplus property includes all tangible assets such as equipment, materials, supplies and furniture that are either no longer in use or for which there is no further plan for use.

Methods of disposition for surplus property includes: internally transferring the property to another University department, trading or exchanging the property against a new purchase, donating the property to a non-profit charitable/community organization, selling the property to an external party, disassembling the property for spare parts, or destroying the property (waste removal).

University property may not be traded-in, donated, sold, salvaged, scrapped, or otherwise disposed of without prior approval from the department's assistant vice president or the school's dean. Departments are prohibited from gifting or selling surplus materials to faculty, staff, students or other individuals without prior approval from the Associate Vice President for Finance.

#### **A. TRANSFER TO ANOTHER UNIVERSITY DEPARTMENT**

Priority is given to other University departments in an attempt to repurpose surplus items. The only cost to a department for an internal transfer of goods is the cost of moving and installing the item(s). See also special considerations for surplus furniture and fixtures.

#### **B. DISPOSAL BY TRADE OR EXCHANGE OF PROPERTY**

Departments are encouraged to dispose of used equipment by offering it for fair value trade, if possible, when purchasing replacement equipment. See also special considerations below.

#### **C. DISPOSAL BY DONATION**

Items that cannot be reused internally may be donated to a charitable organization upon approval from the department's assistant vice president or school's dean and the Associate Vice President for Finance. The gift acknowledgement from the receiving organization should be forwarded to the Director of Accounting.

#### **D. DISPOSAL BY SALE OR SCRAP**

This method of disposal is not encouraged. Generally, University assets should be used until they have little or no fair value. Certain commodities may have some residual value (i.e.-metals) to a scrap dealer. If a department is considering selling or scrapping an asset, prior approval from the Associate Vice President for Finance is required. Funds collected from the sale or scrap of surplus items will be deposited and recorded to the general university fund.

#### **E. DISPOSAL BY WASTE**

Items that cannot be sold, scrapped or donated will be discarded through the University's normal waste removal process.

Disposal of hazardous substances (i.e. chemical, biological, electronic, etc.) must be coordinated with the Environmental Health and Safety Department.

#### **F. THEFT**

If an item is stolen or vandalized, the department head and Public Safety should be notified immediately.

#### **SPECIAL CONSIDERATIONS:**

##### **A. TECHNOLOGY SERVICES**

All University computers and computer related items no longer in use by the department it was assigned to, including any equipment issues to an employee who has ended employment at Loyola, must be transferred back to Technology Services.

## **B. FURNITURE AND FIXTURES**

All University furniture and fixtures no longer in use by the division it was assigned to must be initially transferred back to Facilities (residential), or Event Services (commercial), before potential repurposing.

## **C. LICENSED VEHICLES**

The disposal of all University vehicles must be coordinated by Parking and Transportation.

### **DEFINITION(S):**

Non-capitalized asset: University assets not recorded in the fixed asset system. Generally, property less than \$10,000. Property includes, but is not limited to: technology, furniture, general scientific equipment, other equipment, fixtures, and supplies.

Tangible: Goods, merchandise, moveable items.

## **CROSS-REFERENCED POLICIES AND PROCEDURES**

[Technology Procurement and Disposal Policy](#)

[Information Security Policy](#)

[Use of Facilities Policy](#)

Vehicle Acquisition, Maintenance and Disposal Policy