



FIXED ASSET ACCOUNTING AND MANAGEMENT PROCEDURES MANUAL

SECTION 12

Transfer and Removal of Surplus Property

1 Purpose

The purpose of this section is to establish an effective surplus and salvage procedure that provides for cost-effective utilization of City-owned personal property through salvage, reclamation, or disposal of surplus supplies, materials, equipment, and confiscated property. This section also establishes a central receiving, storage, and disposition point within Finance & Administration (F&A) for all inquiries or requests concerning disposable materials.

2 Scope

Methods for the disposal of personal property items that are excess, obsolete, worn, or scrap and for maximizing the benefits or return to the City through reuse, sale, or other final dispositions are included in this procedure.

This procedure applies to all City departments and should be used to determine the most efficient and economical means of utilizing and/or disposing of personal property items. This procedure supersedes *Administrative Procedure 7-3*, dated March 5, 1993 and *Materials Management Operating Procedure*, dated March 1, 1995.

Other applicable City ordinances, policies, and procedures should be used in conjunction with this procedure. See also Section 11 (Transfer of Fixed Assets) and Section 13 (Retirement and Disposal).

3 Responsibilities

3.1 Finance & Administration (F&A)

- Establishes a cost-effective, Citywide property-disposition program for equipment and personal property items, as required by City ordinance.
- Ensures compliance with this program.
- Manages the final disposition of City surplus, including collection, transfer, redistribution and disposal and obtains City Council approval as required.
- Establishes an inventory of accountable personal property items that have been physically transferred for disposition. Minimally, this inventory will include descriptions, receipt dates, and methods of disposal or redistribution.
- Ensures that all personal property items that have been transferred for disposition are made available to City departments.



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3.2 Strategic Purchasing Division

When approving purchases, considers the availability of useable surplus personal property items to avoid duplicate purchases of equipment, supplies, and materials.

3.3 Departments

- Ensure that all personal property items within the department's custody are disposed of in accordance with this procedure, unless otherwise authorized by an ordinance or an exemption approved by the Director of Finance & Administration.
- Ensure that property custodians are assigned to adequately monitor the security, utilization, and disposition of personal property in the department's custody.
- Establish procedures to ensure that sensitive data files and licensed software are protected and removed upon transfer of personal property items, such as personal computers and other electronic data processing equipment.

4 Forms

4.1 Request for Transfer of City Surplus Property—Transfer or Disposal of Surplus Material (FA-97)

This is an all-purpose form used to document the physical transfer of property between accounts or to departments or surplus warehousing facilities.

4.2 FAMS Transfer Summary

This is a system-generated form that provides complete record data for the transfer of fixed assets and controlled items.

5 Procedure

1. The division or section will send capitalization and disposal forms to the Department Fixed Asset Coordinator (DFAC) requesting disposal.
2. The DFAC will generate a detailed Asset Listing Report for each fixed asset and controlled item and return the complete package back to the disposing division. The DFAC is responsible for determining if property is worn or to be considered scrap and disposed of in accordance with existing scrap metal/refuse contracts or as otherwise directed by the Director of Finance & Administration. See also Section 13 (Retirement and Disposal).
3. The division may call the Property Disposal Management Office (PDMO) to schedule pickup or delivery.



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4. During pickup or delivery, the PDMO will verify all authorized items on the FA-97 and send a signed copy to the DFAC.
5. Upon verification of the FA-97, the PDMO will add the assets to the FAMS using information from the Asset Listing Report provided and established data entry procedures.
6. Upon receipt of the signed FA-97 from the PDMO, the DFAC will enter the disposal of the assets in the FAMS, generate a Disposal Summary, and send a copy to the section or division responsible for the assets.

6 Property Redistribution

Surplus property items transferred to the PDMO will be redistributed on a first-come, first-served basis when documentation is approved by the requesting department director or designee.

Departments receiving property from the PDMO will assign a new FAI/tag number to the item, in accordance with Section 5 (Numbering and Tagging Fixed Assets). The department will add the item to the department FAMS with a value of \$0 if the property meets the definition of a fixed asset or controlled item with the exception of value. The acquisition date recorded in the department FAMS will be the date the property was transferred.



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