

Macalester College Policy

Equipment Sale/Donation/Disposal

Business Services



The purpose of this policy is to describe the steps that must be taken when any piece of equipment with a fair market value over \$1,000 owned by the College is sold, donated, or otherwise disposed of.

For the purposes of this document, “disposal” refers to sale, donation, or any other form of equipment removal.

Also, “Accounting” refers to the Accounting Office in Business Services.

Step 1 - Check the equipment for tags (also check any attachments, accessories, stands, etc.)

- Types of tags:
 - o Government equipment inventory tag
 - o Media Services tag
 - o ITS tag
 - o Other tag or marking

Step 2 - Alert affected departments

- Accounting
 - o No matter what type of equipment it is, **always** alert Accounting
 - o Accounting must determine if:
 - The equipment was purchased with government funds and is eligible for disposal (see **Addendum below**)
 - The equipment is being depreciated
- Media Services
 - o If it is an audio/visual device, alert both Accounting and Media Services
- ITS
 - o If it is an Information Technology device, alert both Accounting and ITS
- Other
 - o In some cases, other departments may need to know of the disposal, so keep this in mind

Step 3 - Determine value

- If sold or auctioned
 - o The equipment must be sold for a reasonable value
 - Research the fair market value of the equipment (Accounting may be able to help)
 - This will avoid any conflict of interest*, especially if the equipment is sold to a College employee
- If donated
 - o Equipment may not be donated to an employee of the College - this creates a conflict of interest*. The employee must pay an amount reasonably close to the fair market value.
 - o Equipment may be donated to an outside party, as long as there is no apparent conflict of interest*
- If disposed of
 - o Exhaust all reasonable options to sell or donate the equipment before disposing of it
 - o Determine if the equipment may be recycled

(continued on next page)

Step 4 - Receipt

- If sold or auctioned
 - o Give the buyer a receipt showing the buyer's name, amount paid, sale date, and item description (Accounting can provide blank receipts)
 - o Give copy of the receipt to Accounting
 - o As soon as the sale is completed, deposit the proceeds with the College's Cashier, along with a completed Department Deposit Form (form is available on the Student Accounts and Business Services web pages)
 - o Special note regarding **vehicle** sales – before a sale happens, locate the vehicle's title (usually held by Accounting). If the title cannot be located, consult with the Purchasing and AP Manager regarding the procedure to obtain a duplicate copy
- If donated
 - o Get a receipt from the donee showing the donee's name, date, and item description
 - o Give that receipt to Accounting
- If disposed of
 - o If recycled, obtain a "certificate of disposal" if possible
 - o If disposed of, no receipt necessary
 - o If a receipt is obtained, give it to Accounting

Step 5 - Recording the transaction

- Almost every type of equipment disposal requires some sort of Accounting transaction involving one or more FOAPALS
- Accounting will provide you with any FOAPALS needed for deposit forms or other transactions

* Macalester's "conflict of interest" policy is stated in a separate document, which is available on the Payables webpage

Addendum – Disposing of equipment purchased with federal funds

- Equipment purchased with federal funds may still belong to the federal government
 - o Generally, if the equipment's ownership is to remain with the federal government after the completion of the grant, the grant agreement will so stipulate
 - o If the ownership remains with the federal government , but the equipment's fair market value is under \$5,000, the College may keep the equipment or dispose of it, adhering to College's policy
 - o If the ownership remains with the federal government, and the equipment's fair market value is \$5,000 or more, the College must adhere to the disposition rules stated in *Section C.34 of OMB Circular A-110*
- Absent any stipulation in the grant agreement that the equipment's ownership remains with the federal government, the College owns the equipment after the completion of the grant, and the College's policy applies

