BUSINESS AND FINANCE DEPARTMENT
General Accounting

Effective Date: 9/1/2026

SURPLUS PERSONAL PROPERTY DISPOSAL POLICY

Policy Number	507-01
Approval Authority	President
Responsible Administrator	Chief Financial Officer
Responsible Office	Business and Finance
Policy Contact	Business and Finance

1.0 POLICY STATEMENT

The President of Tennessee State University will designate the appropriate office responsible for the sale or disposal of university property. No other department or individual is permitted to gift, donate, transfer, or sell university property. Additionally, university property cannot be removed from campus, converted for personal use, or retained for individual benefit. The university will adhere to any restrictions on the disposal of property mandated by funding entities or applicable laws.

2.0 IMPORTANCE AND REASON FOR THE POLICY

Disposing of surplus personal property at Tennessee State University is critical for maintaining strict compliance with state laws and ensuring an adequate audit and inventory trail. It allows the university to recoup costs by redistributing, recycling, or auctioning obsolete items, and ensures sensitive data is sanitized from university electronics.

3.0 DEFINITIONS

Immediate Family. University/State agency employee's spouse, parent, sibling, or child.

Responsible Authority. Department or individual designated by the President to be responsible (hereinafter referred to as "responsible authority") for the disposal of surplus personal property, and the communications and procedures concerning the disposal of surplus personal property.

Personal property. Every type of State property which is not:

- Real property, or
- Intangible personal property, i.e., money, debt instruments, corporate ownership instruments, etc.

State Agency. The departments, agencies, and entities of the State of Tennessee.

State Higher Education Institution. A State university board institution, Tennessee Board of Regents System institution, or University of Tennessee System institution.

Surplus Personal Property. Personal property owned by the University that has been determined to be obsolete, outmoded, unusable, or no longer usable by the University, or property for which future needs do not justify the cost of maintenance and/or storage. Such property must be declared surplus personal property by the President or designee; provided, however, property need not be declared surplus when disposition is through the trade-in method.

4.0 PROCEDURES

I. General Rules

A. Surplus personal property is either usable property which will be transferred or sold, or unusable property, which may be destroyed, as hereinafter provided:

1. Surplus personal property that is perishable food may be destroyed without delay or notification.

2. Surplus mattresses may be destroyed, or may be otherwise disposed of, only upon compliance with T.C.A. § 12-2-403.

3. Surplus personal property which is determined to be not usable by the University, and of little or no salvage or other economic value, may be destroyed by an appropriate method.

4. The University will follow the procedures described in Section IV.C. of this policy prior to disposal of all other surplus personal property.

B. Surplus personal property in which the federal government or other entity has a legal interest, should be transferred to such entity when no longer needed.

C. It is unlawful for any State official or employee to purchase from the State, except by bid at public auction, any surplus property during the tenure of such person's office or employment, or for six (6) months thereafter. Such employee may not use a State owned computer and may only bid during

personal time. A purchaser who violates this provision is guilty of a misdemeanor under T.C.A. § 12-2-412.

D. For all sales to individuals, except at public auctions, including internet auction, the University will obtain from the purchaser a signed disclaimer certifying the purchaser is not a State employee and that the purchaser is not buying the property for or on behalf of any State employee.

E. All University employees, and their immediate families, will be ineligible to bid for or purchase surplus personal property except by bid at public auction.

F. Possession of surplus personal property sold to the general public under any method prescribed under Section IV.C. of this policy will not pass until payment is made by cash, or if payment is made by cashier's check or certified check, possession will not pass until the check is honored by the drawee bank. The University will accept other forms of payment such as money order, debit card, or credit card.

G. Possession will pass to higher education institutions, political subdivisions of the State, and other governmental entities upon receipt by the University of purchase vouchers of such higher education institutions, political subdivisions, or other governmental entities. Title to motor vehicles sold as surplus property to political subdivisions and other governmental entities will be closed as to transferee when title is passed.

H. The University reserves the right to accept or reject any or all bids.

II. General Disposal Procedures

A. The President or designee will declare personal property to be surplus personal property prior to disposition as such; provided, however, property need not be declared surplus when disposition is through use of the trade-in method.

B. The President or designee will designate the responsible authority for the disposal of surplus personal property, and the communications and procedures concerning the disposal of surplus personal property.

C. No article of personal property may be disposed of as surplus, except by one (1) of the following methods:

1. Trade-in, when such is permitted due to the nature of the property or equipment and subject to the provisions of T.C.A. § 12-2-403 and the rules of this policy;

2. Transfer to other State higher education institutions;

3. Transfer to other State agencies;

4. Sale to eligible political subdivisions of the State and other governmental entities;

5. Public auction, publicly advertised and held;

6. Sale under sealed bids, publicly advertised, opened, and recorded;

7. Negotiated contract for sale, at arm's length; but only in those instances in which the availability of the property is recurring or repetitive in character, such as marketable waste products;

8. Disposition through the Department of General Services, as provided in the Department Rules and Regulations;

9. Donations to a public school or public school system;

10. Sale by internet auction.

D. If the President or designee declares the property to be surplus personal property, the method of disposal will be determined by the responsible authority from the alternatives set forth in Section F below. Written documentation for the selection of method of disposal will be maintained.

E. The trade-in method, when property is of the nature appropriate for trade-in, and transfer to other state higher education institutions will be the first (1st) and second (2nd) priority methods, respectively, for disposal of surplus personal property, except for waste products which will be disposed of as further provided in this policy.

F. In the selection of other methods of disposal, the following criteria will be considered:

1. The character, utility, and functionality of the property;

2. The economics of disposal, in light of all relevant circumstances attendant to the proposed disposal, including the condition and climate of the potential market and present estimated market value of the property, transportation costs, and other cost factors associated with disposal; and

3. Sound fiscal and budgetary policy and practices.

G. The method of disposal selected in the preceding section will be implemented pursuant to the specific procedures set forth in this policy for such disposition.

H. The responsible authority will be responsible for the maintenance of accountability documentation on all items of surplus personal property, and will ensure that adequate audit and inventory trails on all items of surplus personal property are maintained.

I. The responsible authority will make the final determination of the fair market value of surplus personal property for purposes of calculating reimbursements to the transferring institution and to determine whether property may be destroyed pursuant to Section III.A.3.

J. Nothing will prohibit the University from simultaneously providing notice of an intended disposition of surplus personal property to all State higher education institutions and all State agencies as specified in Section VI.A. and VII.A. below.

K. In such event, if no higher education institution has requested the property within seven (7) days of the initial notice, the first (1st) State agency which had requested the property within such time will be entitled to receive the property upon reimbursement as provided in Section VII. below.

III. Trade-in on Replacement

A. Items that must be replaced may, subject to the requirements of this section, be traded in on replacement property.

B. The responsible authority of the University will perform the following functions in connection with the trade-in method of disposal:

1. Issue invitations to bid, asking for bids with trade-in and without trade-in, and receive and review bids;

2. Make an evaluation of the condition and fair market value of the property to be disposed of through comparisons of bids and with the evaluation prepared, make a determination whether it is in the best interests of the University to dispose of the property by trade-in or by one of the other methods of disposal.

IV. Transfer to Other State Higher Education Institutions

A. Except when the trade-in method is utilized, or when the property is to be disposed of as a waste product, the responsible authority will provide to other higher education institutions, a written or electronic notice of intended disposition which will include:

1. The name of the individual to contact for additional information;

2. The location of the property for inspection;

3. A description of the property;

4. The condition of the property; and

5. The original cost and fair market value of the property, as determined by the responsible authority.

B. The initial notice of available surplus personal property may be made at periodic intervals for the purpose of consolidating notices on numerous items of such property for convenience.

C. The first (1st) higher education institution which makes a written request for the available surplus personal property will be entitled to receive such property.

D. In the event that no higher education institution requests transfer of available surplus personal property within seven (7) days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.

V. Transfer to Other State Agencies

A. When transfer to other State agencies is the method of disposal selected, the University's responsible authority will provide notice of the intended disposition to all State agencies, which will include all information specified in the notice required by Section VI.A.

B. The first (1st) State agency which makes a written request for the available surplus personal property will be entitled to receive such property.

C. In the event that no State agency requests transfer of available surplus personal property within seven (7) days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.

VI. Sale of Surplus Property to Governmental Entities

A. Political subdivisions of the State and other eligible governmental entities may purchase surplus personal property by submission of sealed bids for such property to the responsible authority no later than two (2) days prior to a public auction held for disposal of such property.

1. Such bids will be opened two (2) days prior to such public auction, and the highest bid will be selected, unless the responsible authority decides that the highest bid does not represent the fair market value.

2. The responsible authority may reject such bids and may negotiate with the political subdivisions of the State and other entities which have submitted bids in order to obtain a fair market value. In the event negotiation does not result in a fair market value, such property will be disposed of by public auction.

B. Political subdivisions of the State and other governmental entities will retain possession of surplus property purchased from the University for at least one (1) year, unless disposal is approved by the Board of Standards. Any profit

realized from the resale of such property will revert to the State or the University as their interests may appear.

C. Any sale of automobiles by the University to a county, municipality, or other political subdivision or governmental entity will become null and void and such property will revert to the University, in the event that such political subdivision or governmental entity does not transfer the registration of title to such automobile to its name within seven (7) days after the sale.

VII. Public Auctions and Sales under Sealed Bids

A. Public auctions and sales under sealed bids, as provided in this policy, will be publicly advertised and publicly held.

1. Notice of intended disposal by public auction or sale under sealed bid will be entered by the responsible authority in at least one (1) newspaper of general circulation, in the county(ies) in which the disposal is to be made, reasonably describing the property, and specifying the date, time, place, manner, and conditions of the disposal.

2. The advertisement will be entered in the public notice or equivalent section of the newspaper and will run not less than three (3) days in the case of a daily paper and not less than twice in the case of a weekly paper.

3. The disposal will not be held sooner than seven (7) days after the last day of publication, nor later than fifteen (15) days after the last day of publication of the required notice, excluding Saturdays, Sundays, and holidays.

4. Prominent notice will also be conspicuously posted for ten (10) days prior to the date of disposal, excluding Saturdays, Sundays, and holidays, in at least two (2) public places in the county(ies) where the disposal is to be made.

5. Furthermore, notice will be sent to the county court clerks of the county in which the sale is to be made, and all contiguous counties in Tennessee, except when the fair market value of all the property to be sold is determined in writing by the President or designee to be less than five thousand dollars ($5,000.00).

B. A mailing list will be developed for mailing to eligible governmental entities and potential buyers of surplus items.

C. No person, firm, or corporation will be notified of any public auction or sale, except as provided by this policy.

D. The University should attempt to include as many items in each sale as is practical and feasible.

E. All notices of sales of such property will provide that the property is to be sold "as is" with transportation costs assumed by the purchaser. The notice will state that the only warranty provided, expressed or implied, is the seller's right, title, and interest in the property sold.

F. All sales by bid or auction will be with reserve, and when bids received are unreasonably below the fair market value, as determined by the responsible authority, all bids will be rejected and the property will be thereafter disposed of pursuant to other acceptable methods of disposal.

VIII. Disposal of Waste Products

A. Marketable waste products, such as paper, paper products, used lumber, bottles, glass, rags, and similar materials of nominal value classified as scrap may be sold directly to dealers at the going market rate without soliciting bids. The University will keep a record of the volume and unit price of such materials sold on the scrap market.

B. Waste products, which are subject to storage and are normally accumulated until such quantities are available to make a sale economically feasible, will be sold under sealed bids as follows:

1. Invitations to bid will be mailed to known buyers of the particular item;

2. Three (3) firm bids will be secured when possible;

3. Sealed bids will be publicly opened and recorded ten (10) days, excluding Saturdays, Sundays, and holidays, after the invitations to bid are mailed;

4. The highest bidder will be awarded the contract and will be notified of the date for removal of the property and the method of payment which will be acceptable;

5. A file will be maintained for each disposal, for the purpose of documenting the sale and should include all documents and information pertinent to the disposal.

C. Anything to the contrary notwithstanding, surplus personal property which is determined to be unusable and of little or no salvage or other economic value, may be destroyed by the University as provided in Section III.A.3.

IX. Disposal of Livestock

A. The Director of Farm Laboratories is responsible for the administration of sales or other disposition of all livestock. The Director of Farm Laboratories will also ensure that adequate inventory records are maintained. Exceptions must be approved by the President or designee.

B. As applicable for the method of sale, documentation that supports the method of sale, advertisements, invitations to bid, bids received, authorization, minimum prices, and price received should be maintained by the Director of Farm Laboratories.

C. Consistent with the best interest of the University, as recommended by the Director of Farm Laboratories, livestock may be sold by the following methods:

1. Disposition by Public Auction or Sealed Bid. Unless it is in the best interest of the University to proceed otherwise, livestock will be sold by invitation of sealed bids or by public auction (i.e., local livestock auctions).

2. Special Auction/Private Treaty Sales. These methods are used for superior breeding animals, show animals, pedigreed, and/or high quality specialty animals.

    a. Prior to advertisement, a responsible faculty member or farm manager will submit a list of superior animals to be sold at auction or private treaty and obtain written approval from the Director of Farm Laboratories.

    b. The animal(s) available for sale will be advertised through the departmental website, relevant industry publications, or newspaper at least two (2) weeks in advance. A responsible point of contact, who is able to provide information on animal offerings and participate in the selling/bidding process, should be included in the advertisement.

    c. The agriculture program will establish minimum sale prices. The farm manager or faculty member in charge of the respective species' research/teaching program will determine sale prices for each animal. Value will be based on the genetic, phenotypic, and performance merit of the animal compared to the average of the population.

    d. Sale of the animal will be to the highest bidder at or above the minimum established sale price. In cases of tie bids, a random draw will determine the successful bidder.

3. Where the price for commercial (non-pedigree/non-specialty) livestock can easily be established, the University may sell directly to order-buyers, based on current prices, when viewed as being in the best interest and most profitable to the University.

4. Disposition by Slaughter. Prices for livestock being sold for slaughter will be based on the National Yellow Sheet prices. The Yellow Sheet publication updates prices daily based on a national average. An acceptable alternative for obtaining slaughter animal prices are current USDA Livestock Market Reports.

X. Disposal of Non-Cash Items (Lost and Found)

A. Abandoned non-cash items may be:

1. Sold at a public auction or by sealed bids;

2. Donated to a local charity (if not purchased through a public sale); or

3. Discarded or destroyed if not valuable.

B. The following provisions apply to certain types of valuable non-cash property:

1. Jewelry, electronic, and mechanical items may be appraised or a minimum sales price established.

a. If appraised or determined to have little or no value, the item will be discarded.

b. Where appraised or determined to have reasonable market value, these items may be sold at a public auction or by sealed bids.

2. Coins that appear to have a market value substantially higher than face value should be appraised and a minimum sales price set. These items may be disposed of at public auction or by sealed bids.

C. Firearms and/or dangerous items:

1. Firearms should be disposed of in accordance with local statutes.

2. Dangerous items (items of a combustible nature that are dangerous to store) should be safely disposed of as soon as possible.

3. Illegal items should be disposed of in accordance with instructions from the proper legal authorities.

XI. Confiscated Property

A. Confiscated property will not be considered abandoned and should be treated as University surplus property for disposal purposes, pursuant to this policy.

B. Confiscated firearms and other hazardous items should be disposed of in accordance with local statutes.

XII. Sale by Internet Auction

Notice of intended disposal by internet auction will be posted on the internet. Such notice will specify, and reasonably describe, the property to be disposed of, the date, time, manner, and conditions of disposal, all as previously determined by the responsible authority.

XIII. Exceptions

A. Exceptions to this policy, which are consistent with State law, may be granted by the President or designee.

B. The President or designee may not approve a method of disposal that is not specified in this policy.

5.0 AUTHORITY AND REFERENCES

State Surplus Personal Property Act of 1976
T.C.A. § 12-2-403 Methods of Disposal
T.C.A. § 12-2-412 Violations and Penalties

6.0 HISTORY

N/A