

A8.518 Disposal or Transfer

1. Disposal of Personal Property

- a. For property that is worn and unserviceable, obsolete, destroyed or damaged beyond economical repair, the Property Custodian or Fiscal Officer shall prepare an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and forward the completed form to the Inventory Management Section for review, approval and disposition instructions.

- b. After the Inventory Management Section approves the Disposal Application, the Property Custodian will be responsible for proper disposal of the property. Property approved for destruction or discarding may be taken to an incinerator or landfill in accordance with Section A8.518-1c. The following procedures shall apply to property approved for disposal:
 1. Removing or obliterating any mark or decal indicating State of Hawai'i ownership before disposing of the property.

 2. Destroying the property in such a manner to prevent reuse by other parties.

- c. The Facilities Planning and Management Office is responsible for picking up and hauling items of property approved for disposal by destruction for the Manoa Campus. Custodial Departments are required to fill out the Facilities Management "Service/Work Request" form. The completed "Service/Work Request" form shall be forwarded to the Work Coordination Center of the Facilities Planning and Management Office, who will schedule the date and time of pick up with the Custodial Department. Property too large in size and/or weight may require the services of professional movers. In cases

where professional movers are contracted, the cost shall be the responsibility of the Custodial Department.

Custodial Departments shall not physically dispose of any property containing ozone-depleting compounds such as chlorofluorocarbons (CFCs); hydrochlorofluorocarbons (HFCs); all types of refrigerators; freezers; window air conditioners; and motor vehicle air conditioners at the department's location, incinerator, or landfill. The Facilities Planning and Management Office will coordinate the actual disposition of such property for the Manoa campus, but the Custodial Department will be responsible for the disposal costs.

After the property has been properly disposed, the Property Custodian is required to sign the "Disposal Certification" located on the back, bottom of the Form FMIS 76, Disposal Application. The original Form FMIS 76, Disposal Application, should then be returned to the Inventory Management Section. The disposal application is used by the Inventory Management Section as the supporting document for deleting the property item(s) from the inventory records.

2. Sold or Traded-In Property

University property may be offered for sale or trade-in by University departments. "Sold Property" is defined as University-owned property sold to external organizations. It does not apply to property transferred to another department.

"Traded-In Property" is defined as University-owned property which is to be or has been sold or exchanged and the proceeds of the sale used to offset the cost of the new property.

a. Sale of Surplus University-Owned Personal Property

The sale of surplus personal property shall be accomplished by the Inventory Management Section in accordance with the following procedures:

- 1) Prior to the sale of surplus University-owned personal property, the Custodial Department must first offer the property to other University departments as well as other State agencies or departments. If there is no interest by other University departments or other State agencies or departments, the Custodial Department shall request approval from the Inventory Management Section to sell the surplus property via a memorandum with the reason(s) for selling the property.

- 2) If the property to be sold was purchased with federal or private funds and title vests with the Federal Government or the sponsor, the Custodial Department must first get written authorization from the sponsor prior to selling the property. This authorization shall be attached to the memorandum requesting approval to sell the surplus property.
- 3) The sale of the surplus University-owned personal property shall be accomplished by the Inventory Management Section with the assistance of the Custodial Department's Fiscal Officer. Disposal by sale of property will be by sealed competitive bids.
 - a) If a bid is received, the Inventory Management Section takes action to prepare a bill of sale and collects money from the purchaser. The University department or program will be responsible for coordinating the pick-up of the property by the purchaser. The Fiscal Officer shall determine the disposition of money collected in accordance with original funding source.

After the sale of the property, the Custodial Department shall submit an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), to the Inventory Management Section to delete the property record from inventory.

- b) If no bid is received, the Inventory Management Section will inform the Custodial Department of the bid results. The Custodial Department then has the option to either: (1) trade-in the property or (2) dispose the property in accordance with Section A8.518-1.
- c) Federally-owned property where title does not vest with the University, shall be disposed in accordance with APM A8.535, Disposal or Transfer, Federal Personal Property.

b. Trade-In of University-Owned Personal Property

The trade-in of personal property shall be based on: 1) whether the trade-in value is expected to exceed the value realized through sale or 2) the urgency of need by

other University departments or State government units. The trade-in of personal property shall be accomplished by the Inventory Management Section and/or the Fiscal Officer, in accordance with the following procedures:

- 1) When a department desires to trade-in an item of property for new property, the Custodial Department is responsible for:
 - a) Obtaining written quotations from potential vendors of the new property based upon the trade-in price for the old property.
 - b) Obtaining approval from the Inventory Management Section to trade-in the property by preparing an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and submitting the completed form to the Inventory Management Section for processing.
- 2) In those situations where no vendor will offer a trade-in quotation, the Custodial Department has the option to sell the item(s) of property as outlined in the Section A8.518-2a.

3. Destroyed or Damaged Property

The Property Custodian shall report and dispose of property destroyed or damaged using the procedures set forth in Section A8.518-1.

4. Lost or Stolen Property

Lost or stolen property that cannot be found after a thorough search has been conducted, shall be reported promptly by the Property Custodian to the campus security office, or police department and the Inventory Management Section after discovery of the loss. A RMP-001, Report of Loss or Damage of State Property, shall be filed for any burglary, theft, robbery, or disappearance of property, including funds, regardless of the amount. No individual should attempt to determine whether or not any loss is insured. The Department of Accounting and General Services (DAGS), Risk Management Division will decide liability for losses, if any, under coverage of the State policy. In addition, the following procedures apply:

- a. The Custodial Department head shall prepare an original and two (2) copies of the Report of Loss or Damage of

State Property along with an original and (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and submit the completed forms to the Inventory Management Section for processing. At a minimum, the following information must be provided on the Report of Loss or Damage of State Property:

1. Statement whether police, campus security, or attorney general's office was notified, and if so, attaching a copy of the police report/report number or campus security report
 2. The description, location, and unit acquisition cost of the property
 3. The date and circumstances surrounding the loss, theft, or damage; condition contributing most directly to the loss; analysis of the severity of the loss and the probable recurrence rate
 4. Description of the internal control procedures or security improvements to be implemented to prevent or minimize future losses; dates of immediate and final corrective actions
- b. The Inventory Management Section, upon receipt of the above forms, shall forward one (1) copy of the Report of Loss or Damage of State Property form to the Office of Procurement, Real Property, and Risk Management (OPRPRM) Risk Manager.
5. Fire or Casualty Loss

Pursuant to Chapter 41D, State Risk Management and Insurance Administration, Hawaii Revised Statutes, a State Risk Management Revolving Fund has been established for the repair or replacement of personal or real property which has been damaged by fire or other casualty.

In the event of fire or other casualty, APM A8.370 under Risk Management shall be followed. Additional procedures pertaining to personal or real property management are:

- a. The Custodial Department shall immediately inventory the damaged or destroyed items of property and notify the Inventory Management Section by submission of an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), after

initial contact and notification to the OPRPRM Risk Manager has been made.

- b. The Inventory Management Section shall provide, if required, an up-to-date inventory listing of the property or building involved.

The burden of proof that certain property sustained damage or was destroyed is the responsibility of the Property Custodian or Custodial Department.

6. Cannibalizing of Property

Under no circumstances shall property be cannibalized for parts without prior approval from the Inventory Management Section.

The Property Custodian shall prepare an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and forward the completed form to the Inventory Management Section for review and approval.

7. Disposal by Donation

Surplus property may be donated to a 1) nonprofit, tax-exempted charitable organization or 2) City or county agency within the State when transfer to another University program or to other state departments or agencies is not feasible.

For property to be donated to a nonprofit, tax-exempted charitable organization, the Property Custodian or Fiscal Officer shall prepare an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and forward the completed form to the Inventory Management Section for review and disposition instructions.

8. Transfer of Property

Property with the potential for use by another department shall not be transferred administratively or physically until the receiving department agrees to the transfer.

a. Interdepartmental Transfers

When property is transferred between departments on the same campus or to another location within the same department, the Property Custodian, Custodial Department or Fiscal Officer shall prepare Form FMIS 74, Property

Transfer (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis74.pdf>), and forward the completed form to the Inventory Management Section.

b. Transfers Between University Campuses

Property which is permanently transferred from one University campus to another campus shall be handled in accordance with Section A8.518-8b.

c. Transfers Between State of Hawai'i Departments

For transfers of property from the University of Hawai'i to State of Hawaii agencies or departments, the Property Custodian or Fiscal Officer shall prepare an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), along with the completed AGS Form 18, Transfer of Property. The completed forms shall be forwarded to the Inventory Management Section for review and approval.

The University Departmental Fiscal Officer or Property Custodian shall prepare AGS Form 18, Transfer of Property, after the disposal request has been submitted, reviewed, and approved. The representative of the donating department should consult with the representative of the receiving department so there will be no question when the receiving department is later requested to sign the AGS Form 18.

9. Exceptions

If any requirement of this section results in undue hardship for the Custodial Department, the Inventory Management Section may grant an exception to that requirement, if it is determined such exception is in the best interest of the University.