State of Michigan
Administrative Guide to State Government

0340.05 Disposal of State Agency Personal Property

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PURPOSE

To provide for the declaration and transfer, donation, recycling or disposal of surplus and worthless personal property.

APPLICATION

Executive, Judicial and Legislative Branches of state government. Disposal of surplus personal property, through sale, is also extendable to qualified local units of government, school districts, colleges, and universities.

CONTACT AGENCY

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SUMMARY

The State of Michigan (SOM) Surplus maintains the authority (per Public Act 431) regarding the sale and donation of property purchased with SOM funds. The State Surplus Property Program is responsible for establishing policies for disposal of SOM surplus personal property.

APPLICABLE FORMS

DTMB utilizes the Asset Works system for all non-IT asset property disposals, for more information on how to use Asset Works, please email DTMB-Surplus@michigan.gov.

PROCEDURES

DTMB State Surplus Property Program

- Manages the disposal of surplus and worthless personal property.
- Has the authority to charge back any costs incurred in processing surplus , and worthless materials to the disposing Agency. Provides warehouse space in Lansing for the receipt and transfer of Agency surplus.

- Provides for the sale of surplus or confiscated property in accordance with applicable laws through auction, in-person store, sealed bid, authorization of local bid, or by means determined to be in the best interest of the SOM.
- Authorizes the transfer of surplus from one state Agency to another.
- May donate surplus personal property to 501(c)(3) nonprofit organizations, including public K-12 school districts.

Agency Reimbursement for the Sale of Personal Property

- The return of funds less cost of resale to an agency for the sale or recycling of surplus personal property may be approved upon mutual agreement of the State Surplus Program and the Agency who owns the property if one of the following criteria are met:
    - An Agency purchased items with full or partial Federal funding.
    - An Agency purchased items with restricted funding.
    - There is an existing legislative directive to return funds to the Agency for the sale of a specific item.
- The Agency may be required to provide documentation which substantiates the original purchase from a fund from which a return is to be made.
- Proceeds collected from a sale must be returned to the original account from which the purchase was made.
- State Surplus also does not reimburse Agencies for the sale of any confiscated property unless otherwise agreed upon by the State Surplus Manager or Director.
- Any exceptions to the reimbursement criteria stated above will require a memorandum of understanding to be signed by both State Surplus and the Agency requesting reimbursement.

Agency Requirements

- Examines inventories of surplus, and worthless personal property.
- Identifies items appropriate for donation to a nonprofit organization.
- Maintains detailed records of all items donated, discarded, and recycled.
- Prepares and submits a transfer (disposal) request via Asset Works to State Surplus for all items that are coming to Surplus for the purposes of disposal, recycle, or the transfer of property to other State Agencies, not including office supplies or office furnishings.
- The Agency is responsible for recording any assets in Asset Works with an original purchase price of $5,000 or more including an asset tag number.
- The Agency is responsible for transportation costs to the State Surplus Warehouse.

- Only office supplies and office furnishings (excluding modular furniture) may be donated, discarded, recycled, exchanged, or otherwise disposed of without written authorization from the State Surplus Property Program. All other personal property must be approved on a transfer (disposal) request via Asset Works from the State Surplus Property Program.

Transfer of State Surplus Personal Property for Re-utilization

- Reimbursement by the disposing Agency may be required for property transferred to another state Agency. Reimbursement shall be arranged by the department transferring the property independent of the State Surplus Property Program.
- Pickup and delivery of materials will be arranged by the Agencies involved without shipment to the State Surplus Warehouse.
- For all equipment used in labs for biohazard purposes, such equipment must be decontaminated prior to coming to State Surplus. The decontaminated documentation must be included in the Asset Works request and the items' must be marked as "Decontaminated" with the date the decontamination was performed.
    - Examples of toxic or contaminated items include, but are not limited to, the following:
        - Solvents, oils, and paints.
        - Asbestos.
        - Chemicals and laboratory equipment.
- For transfers within a department, a disposal request submitted in Asset Works is no longer required if the item(s) original purchase price is less than $5,000.00.

Sale of State Surplus Personal Property via Offsite Auction

- All MiBid offsite auction requests must be approved on a transfer (disposal) request via Asset Works before items can be sold.
- Agency must identify items for sale via offsite MiBid auction or live auction. Agency must provide State Surplus with sufficient information regarding the items being sold, including photos, description of items, location, and contact information.

Donation of State Surplus Personal Property to Non-Profit Organizations

- Agencies may donate office supplies and office furnishings to non-profit organizations. Specific guidelines are available on the DTMB Intranet site or from State Surplus.

Recycle of State Surplus Personal Property

- Agencies may recycle office supplies and office furnishings in State-managed buildings using DTMB Building Operations Division.

- Agencies in non-State-managed buildings may recycle office supplies and office furnishings using local recyclers. If proceeds are collected from recycling, a transfer (disposal) request via Asset Works must be approved before items are sent to local recyclers. The Agency is responsible for transportation costs incurred.
- All recycle checks must be made out to State of Michigan and sent to DTMB State Surplus for final processing.

Disposal of Worthless Personal Property

- If state surplus personal property cannot be transferred to another department, donated to a non-profit organization, or recycled, Agencies may declare the property worthless and dispose of it locally.
- Contaminated and/or toxic surplus must be clearly noted on a transfer (disposal) request via Asset Works. Under no circumstances will an Agency ship or deliver such surplus to the State Surplus Warehouse without obtaining prior approval from the State Surplus Property Program. When it is determined that a contaminated or toxic substance requires disposal, all expenses (if any) incurred for storage, handling, and disposal will be the responsibility of the disposing Agency.
- Examples of toxic or contaminated items include, but are not limited to, the following:
    - Solvents, oils, and paints.
    - Asbestos.
    - Chemicals and laboratory equipment.

IT Asset Disposal

- All tracked IT assets are required to go through the Automated Asset Recovery Program (AARP) process.
- The AARP is provided as a resource for agencies to salvage excess end of life IT assets/equipment to ensure data security and provide the appropriate tracking mechanisms for audit purposes.
    - All AARP requests are facilitated by the Depot Logistics staff. The Depot Logistics staff act as the warehousing and processing center for this equipment and collaborate on asset management processes and procedures with the ITAM Hardware Team.
- DTMB does not allow for the donation or re-sale of any tracked IT assets by State Agencies as stated in the Surplus Guidelines.

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