

**FLORIDA BOARD OF GOVERNORS
NOTICE OF PROPOSED NEW REGULATION**

DATE: March 24, 2011

REGULATION NUMBER AND TITLE: Regulation 9.0031 Disposition of Property

SUMMARY: Currently, University property management follows the state agency requirements developed by the Department of Financial Services (Florida Administrative Code 69I-72), and established pursuant to Chapter 273 Florida Statutes. This statute and rule was developed for state agencies using the state's accounting system. Since the universities now use their own enterprise resource planning systems, many of the specific requirements are inapplicable.

The new regulation closely parallels the existing rule, while at the same time increasing the threshold limits and generally providing a more streamlined regulation. For several years, university controllers have been seeking to increase the tangible personal property accounting threshold from \$1,000 to \$5,000, in order to achieve administrative efficiencies and cost savings.

The proposed language was developed in conjunction with university staff. No adverse impact has been identified by adoption of these regulations.

FULL TEXT OF THE REGULATION IS INCLUDED WITH THIS NOTICE.

AUTHORITY TO PROPOSE REGULATION(S): Section 7(d), Art. IX, Fla. Const.; BOG Regulation Development Procedure dated March 23, 2006.

THE BOARD OF GOVERNORS' OFFICIAL INITIATING THE PROPOSED REGULATION: Chris Kinsley, Director of Finance & Facilities

COMMENTS REGARDING THE PROPOSED REGULATION SHOULD BE SUBMITTED WITHIN 14 DAYS OF THE DATE OF THIS NOTICE TO THE CONTACT PERSON IDENTIFIED BELOW. The comments must identify the regulation on which you are commenting:

General Counsel, Board of Governors, State University System, 325 W. Gaines Street, Suite 1614, Tallahassee, Florida 32399, (850) 245-0466 (phone), (850) 245-9685 (fax), or generalcounsel@flbog.edu.

Regulation 9.0031 Disposition of Property

(1) Surplus Property

- (a) The custodian or custodian's designee may identify as surplus any property in his or her custody that is obsolete, the continued use of which is uneconomical or inefficient, or which serves no useful function as to any activity or location under his or her supervision.
- (b) Each university shall appoint one or more review boards to examine and make recommendations on approval or disapproval of classification of property as surplus.
- (c) Property determined to be surplus shall be certified as such by the custodian or custodian's designee.
- (d) Each university shall adopt policies regarding the certification of surplus property.
- (e) The custodian shall maintain records of property that is certified as surplus with information indicating the value and condition of the property.

(2) Disposition - Property may be lawfully disposed of as provided:

- (a) Certified surplus property shall not be sold, transferred, cannibalized, scrapped, warehoused, or destroyed without prior written authority from the custodian.
- (b) Custodians may dispose of property certified as surplus by:
 - i. Selling or transferring the property to any other governmental entity;
 - ii. Selling or donating the property to any private nonprofit agency;
 - iii. Selling the property through a sale open to the public; or
 - iv. Entering into contractual agreements with other entities, including, but not limited to, other governmental agencies or private vendors, which facilitate the final disposition of the property. Such agreements may include, but are not limited to, the leasing of storage space or arrangements for the disposal of scrap property.
 - v. Scrap or repurposing of the property.
 - vi. Abandon the property in place upon determination that the cost of return or repair exceeds the value of the property.
- (c) Universities shall maintain records to identify each property item as to disposition.
- (d) Each university shall adopt policies providing for, but not limited to, transferring, warehousing, bidding, destroying, scrapping, or other disposing of university owned tangible personal property.
- (e) All moneys received from the disposition of tangible personal property or from any agreement entered into under this regulation must be retained by the custodian and may be disbursed for the acquisition of exchange and surplus property and for all necessary operating

expenditures. The custodian shall maintain records of the accounts into which the money is deposited.

- (f) Property assigned to a custodian or a custodian's delegate which is not accounted for during regular or special inventories shall be subject to the rules regarding unaccounted for property (See Regulation 9.106 (7)).
- (g) Whenever acquiring property, the custodian may pay the purchase price in full or may exchange property with the seller as a trade-in. If, whenever acquiring property, the custodian may best serve the interests of the university by outright sale of property rather than by exchange as a trade-in, the custodian may make the sale in the manner prescribed in this act for the disposal of surplus property.

(3) Required Information - The following information shall be recorded on the individual property record for each item lawfully disposed of pursuant to this section:

- (a) Date of disposition.
- (b) Authority of disposition (custodian certification as surplus property, agency resolution, etc., as appropriate).
- (c) Manner of disposition (sold, donated, transferred, cannibalized, scrapped, destroyed, traded).
- (d) Identity of the employee(s) witnessing the disposition, if cannibalized, scrapped or destroyed.
- (e) For items disposed of, a notation identifying any related transactions (such as receipt for sale of the item, insurance recovery, trade-in).
- (f) For property certified as surplus, reference to documentation evidencing that such property was disposed of in the manner prescribed by this Regulation.

(4) Transfer of Property Records - The individual property record for each item lawfully disposed of as described in this regulation shall be, upon disposition of the item, transferred to a disposed property file. Destruction of such records shall be governed by the provisions of Chapter 119, Florida Statute.

(5) Control Account - The cost or value of items lawfully disposed of shall be removed from the control account at the time of disposition.

Authority: Section 7(d), Art. IX, Fla. Const.; History: New XX-XX-11