

Policies and Procedures Handbook

Illinois Institute of Technology

Procedure No.: E.5
Date of Issue: 05/06

Subject: Disposal of Surplus Goods
or Obsolete Equipment

Page 1 of 1

Title to all equipment is vested in IIT, with departments having the responsibility for the care and maintenance of the equipment assigned to the department.

When a department has excess, surplus or obsolete equipment that it wishes to dispose of, the following procedures are to be followed:

1. The department wishing to dispose of an item should contact the manager of accounts payable and fixed assets in the Controller's Office and provide an inventory tag number. If an inventory tag does not exist, the department is required to provide the date of purchase, the FRS account number the item was purchased against and the purchase amount. The Controller's Office will verify that the item is fully depreciated and will complete the disposal form and forward it to the department for approval. If grant funds were used to purchase the item, the manager of accounts payable and fixed assets will forward the form to the Department of Project Accounting, and Project Accounting will verify the ownership of the item and determine if there are any sponsor-imposed restrictions on the disposal of the item. If there are restrictions, the item will be disposed of in compliance with the restrictions.
2. For an item not encumbered with sponsor-imposed restrictions, the Controller's Office will notify the IIT community of the availability of the item to determine if the item can be used by any other department.
3. If it is determined that there is no use for the item within IIT, the item is fully depreciated and can be disposed of and the item has a market value in excess of \$500, bids should be taken from any and all interested sources. The Controller's Office will notify the IIT community of an item's availability and arrange the bid process for and the disposal of the item. The Controller's Office may dispose of an item with a market value less than \$500 using any reasonable process.
4. Upon approval of sale or disposal, all inventory tags should be removed from the item. Proceeds of the sale will be included in the university's unrestricted net assets.