Procedure Statement

This Procedure is established to implement a process for the disposal of salvage or surplus property. This Procedure is required by Texas A&M University System (TAMUS) Regulation 21.01.10 Surplus or Salvage Property. Accounting Services will be responsible for implementation of the steps within this Procedure.

Official Procedure

1. Salvage and surplus property no longer needed by a department should be transferred to Surplus Property. To transfer items to Surplus Property, the department must contact Accounting Services. All data processing equipment can only be cannibalized by the ITS department. All computer equipment moved to Surplus Property must be inspected by ITS to ensure that sensitive University information has been removed prior to moving it to Surplus Property.

2. For salvage and surplus property, the department must process an Accountable Property Transfer or Change of Location Form and/or a Property Additions and Deletions Form through the University Property Manager. For cannibalized property, the department must complete a Property Additions and Deletions Form, submit to the Property Manager, and confirm the equipment has been removed from inventory before cannibalizing it for parts. Leftover parts will then be considered salvage property and can be turned into Surplus Property for processing.

3. Prior to transferring the equipment to surplus, Accounting Services will inspect the equipment and identify any salvage to be discarded. All remaining equipment is moved to the designated Surplus Property storage area.

4. Accounting Services notifies other departments of surplus property on hand. Other departments have five (5) calendar days to claim any property. After five (5) days, the property will be annotated as surplus.

5. Once an item is deemed surplus, Accounting Services will notify local school districts. Each district will have the opportunity for ten (10) business days to claim any surplus property.
6. Remaining instructional surplus items will be posted on the Texas Higher Education Coordinating Board’s website for fifteen (15) calendar days.

7. Surplus/Salvage data processing equipment that is not transferred by the above outlined process will be transferred to Texas Correctional Industries (TCI) Texas Department of Criminal Justice.

8. Remaining surplus/salvage property will be scheduled for a public or sealed bid auction. Auctions will be marketed appropriately and via the University website.

9. All income from the sale of surplus property is retained in the Surplus Property account to defray the associated costs, unless otherwise restricted by the grant that purchased the equipment.

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**Related Statutes, Policies, or Requirements**

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TAMUS Regulation [21.01.10 Surplus or Salvage Property](#)

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**Forms**

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[Accountable Property Transfer or Change of Location Form](#)

[Property Additions and Deletions Form](#)

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**Definitions**

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**Cannibalized:** Any equipment that is dismantled and the parts are used in other assets. For example, computer personnel frequently use parts from broken computers to fix other computers in the department. If they remove a hard drive, a major component, out of a computer for use in another computer, then the original computer becomes cannibalized. Cannibalized equipment must be removed from the inventory.

**Data Processing Equipment:** Central processing units, front-end processing units, minicomputers, microprocessors, and related peripheral equipment such as data storage devices, document scanners, data entry equipment, terminal controllers, data terminal equipment, computer-based word processing systems other than memory typewriters and equipment and systems for computer networks.
**Salvage:** Any property which through use, time or accident is so depleted, worn out, damaged, consumed, or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended.

**Surplus:** Any property which is in excess of the needs of any state agency and which is not required for its unforeseeable need. Surplus property may be new or used but it possesses some usefulness for the purpose it was intended or for some other purpose.

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**Contact Office**

Finance and Administration, Accounting Services (210) 784-2013