



## EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Surplus Property Policy

Original Approval Date:  
June 14, 2017

Last Revised:

Policy No:  
7.1.1

Page  
1 of 5

### Purpose

The purpose of this policy is to establish uniform procedures for disposing of property that has been declared surplus by the District. Generally, property is declared surplus if it is no longer needed by the using department because of decreased use, poor condition, damage not worth the cost of repairing, and/or obsolescence.

### Scope

For the purposes of this policy, surplus property may include supplies, equipment, and components of plant facilities. Examples include, but are not limited, office equipment, furniture and fixtures, pool vehicles and other fleet equipment, pumps, valves, and other facility components. This policy does not pertain to real property, disposal of which is subject to additional legal requirements.

### Responsibility and Authorization

A Department Head will determine if supplies, a piece of equipment or a capital asset has become surplus based on the description above. If so, the Department Head, or a designee will determine the value of the surplus item, either from an existing source document or a reasonable estimate of replacement value if a source document is unavailable in the District's document management system.

Before an asset is sold or otherwise disposed of, it must first be determined if the asset had originally been purchased with grant monies. If this is the case, the District must refer to the grant agreement and follow prescribed procedures for disposition.

- If the current value of the surplus property is determined to be less than \$1,000, the Department Head should notify the Finance Department, determine the appropriate method of disposition, and coordinate its disposal. The General Manager/CEO's approval is required for items valued between \$1,000 - \$3,000.
- If the property item deemed surplus has an estimated current value of over \$3,000, then the Department Head must complete a Surplus Property / Capital Asset Disposition form. One copy of the form should be completed and circulated for signatures. After signatures are obtained, the property must be declared surplus by the Board of Directors.



## EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Surplus Property Policy

Original Approval Date:  
June 14, 2017

Last Revised:

Policy No:  
7.1.1

Page  
2 of 5

### Methods of Disposal

There are four approved methods for disposal of surplus property including:

- Trade in for credit on new material or equipment
  - Public Sale
  - Public Donation
  - Scrap
1. **Trade In** - Surplus property can be offered as trade-in for new equipment or material or for credit towards the acquisition of new property. If the current value of a surplus property item slated for trade-in is \$1,000 or over, then a Surplus Property/Capital Asset Disposition form should be completed. The estimated trade in value of the surplus property or capital asset should be noted on the Surplus Property/Capital Asset Disposition form and on the purchase order issued for any new property resulting from the trade in.
  2. **Public Sale** - Surplus property may be offered for sale. All surplus property is for sale "as is" and "where is," with no warranty, guarantee, or representation of any kind, expressed or implied, as to the condition, utility or usability of the property offered for sale. For any sale of surplus property with a current value of \$1,000 or above, the Department Head should indicate on the Surplus Property / Capital Asset Disposition form the recommended selling method and any other notations in the Department Head approval. Appropriate methods of sale are as follows:
    - A. **Public Auction** - District staff may conduct public auctions or the District may contract with a professional auctioneer and/or an Internet auctioneer for this service.
    - B. **Sealed Bids** - Sealed bids may be solicited for the sale of surplus property. Surplus property disposed of in this manner shall be sold to the highest responsible bidder.
    - C. **Negotiated Sale** - Surplus property may be sold outright if the Department Head, with concurrence of the General Manager/CEO, determines that only one known buyer is available or interested in acquiring the property.
    - D. **Selling as Salvage** - Equipment, materials, supplies, fixtures, or facility components that are no longer capable of performing their intended function



## EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Surplus Property Policy

Original Approval Date:  
June 14, 2017

Last Revised:

Policy No:  
7.1.1

Page  
3 of 5

without extensive repair, or that are of no value except for reclamation purposes, may be considered salvage. Surplus property may be sold as salvage if the Department Head deems that the value of the raw material exceeds the value of the property.

3. **Donation** - The Department Head may recommend and the General Manager/CEO may authorize, the donation of surplus property to a 501(c)(3) nonprofit organization or school district located or operating within the District's service area or, secondarily, to any other non-profit organization or private organization that aids nonprofit organizations.

A. **Noticing** - If surplus property has been approved for donation, the Department Head will notice the availability of such property for donation, indicating the quantity, description, and location of the surplus property, by advertisement in a local newspaper and on the District's web site. This notice will also indicate a closing date for the receipt of all requests for donation and indicate the way in which interested parties can receive additional information.

B. **Terms & Conditions** - Requests for donation will be accepted if received within the specified time period. Requests will then be scored by staff on a number of criteria designed to identify the organizations with the greatest charitable impact on residents within the District's service area, taking into account previous property received from the District, if any. The Department Head will send a letter to the non-profit organization(s) or school district(s) that respond to the notice to advise them of the District's terms and conditions of the donation. Generally, the terms and conditions are:

- Accepting the property "as is," with no implied warranties;
- Exhibit an immediate need for the property;
- Agreeing that the property will never be sold or transferred for profit; and
- Assume all costs and liability associated with the removal and transportation of the surplus property from the District.



## EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Surplus Property Policy

Original Approval Date:  
June 14, 2017

Last Revised:

Policy No:  
7.1.1

Page  
4 of 5

- A return letter, signed by an authorized agent from the non-profit organization or school district, accepting the District's terms and conditions is required before the surplus property can be released.
- C. **Release** - If, in the opinion of the Department Head, the donated property has a current value of less than \$3,000, then the General Manager/CEO can approve the release of the property to the recipient(s) that meet the above criteria and agree to the District's terms and conditions. If, in the opinion of the Department Head, the donated property has a current value of \$3,000 or more, the initiating Department Head will prepare a report to identify the specific property to be donated, the estimated current value of the property, and the proposed recipient(s) of the property for approval by the Board of Directors. After Board approval, the surplus property may then be released.
- The department from which the donated property is being taken should remove any District tags or emblems before the property is officially transferred to the recipient organization(s).
4. **Scrap** - This method of disposal is recommended only after determining that none of the other methods - trade-in, sale (including salvage), or donation - is feasible. It applies when surplus property has no value and there is no expectation of proceeds from the disposal.
- Inoperable or irreparable property with an original cost of \$1,000 or less may be scrapped at the discretion of the Department Head.
  - Inoperable or irreparable property with an original cost between \$1,000 and \$3,000s may be scrapped with the approval of the General Manager/CEO.
  - Inoperable or irreparable property with an original cost of more than \$3,000 requires the completion of a Surplus Property / Capital Asset Disposition Form and approval of the District Board.

### Proceeds

1. Any proceeds received from the trade-in or sale of surplus property will be credited to the appropriate equipment replacement fund.



## EAST VALLEY WATER DISTRICT Administrative Policies & Programs

Policy Title: Surplus Property Policy

Original Approval Date:  
June 14, 2017

Last Revised:

Policy No:  
7.1.1

Page  
5 of 5

2. Proceeds from salvage or scrap will be donated to the EVWD Employee Events Association in support of its efforts to provide school supplies and necessities to disadvantaged students at schools within the District's service area.

### Prohibited Disposition

1. District surplus property may not be sold or given to a District employee except through public auction or solicitation of sealed bids open to the public.
2. District employees shall not be permitted to bid on, or knowingly come into ownership of, any surplus property if the employee participated in any way in the disposal process.



# EAST VALLEY WATER DISTRICT

LEADERSHIP • PARTNERSHIP • STEWARDSHIP

## FINANCE DEPARTMENT SURPLUS PROPERTY / CAPITAL ASSET DISPOSITION FORM

Date of Action: \_\_\_\_\_

Reason for Disposal / Move Action (Choose one of the following):

- Damaged Beyond Repair
- Obsolete
- Destroyed
- Donated to: \_\_\_\_\_ \*\*Attach Documentation
- Lost/Stolen
- Sold, Sale Price \$\_\_\_\_\_ \*\*Attach Sales Paperwork
- Transfer
- Traded in

Explanation: \_\_\_\_\_

| Property Detail |              |             |                                      |                       |
|-----------------|--------------|-------------|--------------------------------------|-----------------------|
| Asset Tag #     | Serial #/VIN | Description | Physical Location Before Action Date | New Physical Location |
|                 |              |             |                                      |                       |
|                 |              |             |                                      |                       |
|                 |              |             |                                      |                       |
|                 |              |             |                                      |                       |
|                 |              |             |                                      |                       |

*(Attach additional pages if necessary)*

Person Completing this form \_\_\_\_\_ Date \_\_\_\_\_

**Transfer Details (if transferring)**

From Department: \_\_\_\_\_ To Department: \_\_\_\_\_

**Approvals**

Signature of Department Head Releasing the Fixed Asset \_\_\_\_\_ Date \_\_\_\_\_

Signature of Department Head Receiving the Fixed Asset \_\_\_\_\_ Date \_\_\_\_\_  
(if transferring)