



Surplus Sales

Policies and Procedures

Purchasing Services, a department within Business Services, operates Surplus Sales to meet several business and compliance objectives for the university in terms of properly donating, disposing, and selling items belonging to the university. Surplus Sales also provides low cost items for sale to USC students, faculty, staff, and departments.

(213) 743-4512

www.usc.edu/purchasing/surplus

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INTRODUCTION

These Surplus Sales Policies and Procedures will assist university departments in properly donating, disposing, and selling used, excess, or obsolete items to which the university has title. These policies and procedures focus on the role of Surplus Sales but also include important guidelines for employees to follow if a department elects not to use the services provided by Surplus Sales.

The principle objectives of Surplus Sales are to:

- Remove used, excess, or obsolete items from a requesting USC department's premises
- Ensure items are donated, disposed of, or sold in compliance with government and university regulations.

APPENDICES

The appendices include contact information for the various offices mentioned in these policies and procedures.

DONATING, DISPOSING, AND SELLING ITEMS THROUGH SURPLUS SALES

The majority of items picked up from departments by Surplus Sales will be donated to a local charity. If an item can be sold to a USC student, faculty, staff member or department, a portion of the sale's proceeds will be returned to the applicable department. Proceeds are not earned when the item is donated or disposed.

Surplus Sales is an outlet for university-owned items only. Surplus Sales does not pick up or donate, dispose, or sell private-party items.

BUYING FROM SURPLUS SALES

Items can be purchased by USC students, faculty, staff, and departments, for either personal or business use. Students or employees interested in viewing items for sale should call Surplus Sales for an appointment. Surplus Sales is not open to the public.

IMPORTANT EQUIPMENT DEFINITION

The university classifies 'Equipment' as an item that has a useful life of more than one year and an acquisition cost, including tax and delivery, of \$5,000 or greater (if acquired in or after 1997) or \$500 or greater (if acquired prior to 1997). All university Equipment should be tagged (reference [figure 1](#), below) by Equipment Management. Although USC uses the word 'Equipment' and the dollar-value thresholds identified above, some government agencies use the following words to define Equipment and may have a lower dollar-value threshold than USC: 'Property,' 'Assets,' 'Material,' and 'Capital Equipment.' Collectively, all of these items are subject to Equipment Policies and Procedures.

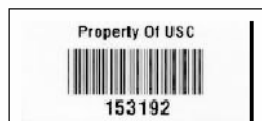


Figure 1

Items classified as Equipment that are no longer needed by a department may not be donated, disposed or sold prior to contacting Equipment Management for approval.

QUICK REFERENCE GUIDE

This Quick Reference Guide summarizes how to properly donate, dispose, or sell all university items, including Equipment.

Prior to donating, disposing of, or selling items classified as Equipment, always contact Equipment Management

Quick Reference Guide Proper Procedures for Donating, Disposing, or Selling Obsolete Items		
Item Classification	Sellable Condition	Non-Sellable Condition
Items classified as Equipment, USC-owned	Surplus Sales RECOMMENDED	Department may donate, dispose, or sell directly, except for hazardous material or e-waste
Items not classified as Equipment, USC-owned	Surplus Sales RECOMMENDED	Department may donate, dispose, or sell directly, except for hazardous material or e-waste
Equipment (and all items) Sponsor Agency-owned	Cannot be donated/disposed/sold Contact Equipment Management	Cannot be donated/disposed/sold Contact Equipment Management
Hazardous Material	Cannot be donated/disposed/sold Contact Environmental Health and Safety	Cannot be donated/disposed/sold Contact Environmental Health and Safety
E-Waste, classified as Equipment, USC-owned	Surplus Sales RECOMMENDED	Disposed of by Environmental Health and Safety
E-Waste, not classified as Equipment, USC-owned	Surplus Sales RECOMMENDED	Disposed of by Environmental Health and Safety
Items donated to USC at a value of more than \$5,000	Surplus Sales or Real Estate and Asset Management, ONLY	Surplus Sales or Real Estate and Asset Management, ONLY
Items donated to USC at a value of less than \$5,000	Surplus Sales RECOMMENDED	Department may sell, donate, or dispose of directly

SURPLUS SALES POLICIES AND PROCEDURES

SECTION 1 DONATING, DISPOSING, OR SELLING UNIVERSITY ITEMS

1.1 ITEMS IN GOOD CONDITION (EQUIPMENT AND NON-EQUIPMENT)

Surplus Sales serves as the strongly recommended outlet for donating and selling used Equipment and Non-Equipment that is in good condition. On behalf of departments, Surplus Sales will permanently remove USC information from all computers or computer peripherals in accordance with Information Security policy ([Appendix A](#)). Surplus Sales will also pick up items from the department.

- **EQUIPMENT (GOOD CONDITION)** -- The definition for Equipment is provided in the Introduction. Before sending Equipment in good-condition to Surplus Sales, the [Inventory Adjustment](#) form must be completed by the requesting department and subsequently approved and recorded by Equipment Management ([Appendix A](#)).
- **NON-EQUIPMENT (GOOD CONDITION)** -- Surplus Sales also serves as the strongly recommended outlet for donating and selling used items not defined as Equipment that are in good condition.

Items that are typically accepted for donating and selling include, but are not limited to, furniture, machinery, computers, monitors, audiovisual equipment, vehicles, lab equipment, and musical instruments in good-condition.

1.2 ITEMS IN POOR CONDITION (EQUIPMENT AND NON-EQUIPMENT)

Surplus Sales serves as the strongly recommended outlet for donating and selling used Equipment that is in poor condition. However, Surplus Sales does not accept Non-Equipment that is in poor condition. Condition will be assessed by Surplus Sales at either time of pick up or drop off.

- **EQUIPMENT (POOR CONDITION)** -- The definition for Equipment is provided in the Introduction. Before sending Equipment in poor-condition to Surplus Sales, the [Inventory Adjustment](#) form must be completed by the requesting department and subsequently approved and recorded by Equipment Management ([Appendix A](#)). Subsequent to recording, Surplus Sales is the strongly recommended outlet through which Equipment in poor-condition should be disposed. Except, however, hazardous Equipment and E-Waste must be taken to Environmental Health and Safety to insure proper disposal ([Appendix A](#)). Surplus Sales, at no cost, will take Equipment in poor-condition to the Recycling Center or sell as scrap. If the Equipment needs special handling, Surplus Sales will contact Facilities Management Services. A fee will be charged to the department by Facilities Management for special handling ([Appendix A](#)).
- **NON-EQUIPMENT (POOR CONDITION)** -- Surplus Sales does not accept items not defined as Equipment that are in poor condition. These items should be disposed of directly by the department, by Facilities Management, or, if hazardous or E-Waste, by Environmental Health and Safety. A fee will be charged to the department by Facilities Management for special handling ([Appendix A](#)).

1.3 PROPERTY OF SPONSORING AGENCY / US GOVERNMENT

Items to which a "Property of Sponsoring Agency or U.S. Government" label is affixed (reference [Figure 2](#)) do not belong to USC. Written approval of the applicable federal funding agency must be obtained by the department, with assistance from Equipment Management, prior to donating, disposing, or selling any items in which title vests with the government ([Appendix A](#)).



Figure 2

1.4 HAZARDOUS MATERIALS / E-WASTE

Items that contain hazards must be disposed of through USC Environmental Health and Safety. Furthermore, computers, monitors, copiers, and other electronic equipment in poor-condition ('E-Waste') must be disposed of through USC Environmental Health and Safety. Environmental Health and Safety will ensure that E-Waste is disposed of according to federal laws and USC Information Security policy. Environmental Health and Safety will pick up items at no charge, however, heavy items that require special handling may incur a fee by Facilities Management ([Appendix A](#)).

1.5 DONATING, DISPOSING, AND SELLING ITEMS DONATED TO USC

Items that a department wants to donate, dispose of, or sell that were donated to the university and that were donated at a value of more than \$5,000, must either be donated, disposed of, or sold by Surplus Sales or Real Estate and Asset Management, which administers donated non-cash gifts to the university ([Appendix A](#)). The procedures are in place to ensure that the Equipment has been properly inventoried and reported to Financial Administration / Restricted Fund Accounting, and that the donation is correctly reported to the IRS. Items donated to USC at a value less than \$5,000 can be donated, disposed of or sold directly by the department, though Surplus Sales is the strongly recommended outlet.

1.6 RESPONSIBILITY OF UNIVERSITY EMPLOYEES WHO DO NOT USE SURPLUS SALES

Employees who do not utilize Surplus Sales take responsibility for being in compliance with university policies and ensuring that donated, disposed, or sold items are rid of confidential information. Employees who violate university policy may be subject to disciplinary action.

To physically move items that are not donated, disposed, or sold through Surplus Sales, contact USC Facilities Management Services or Materials Management Services ([Appendix A](#)).

1.7 DONATING / DISPOSING / SELLING ITEMS INDEPENDENT OF SURPLUS SALES

Although donating, disposing, or selling items independent of Surplus Sales is discouraged, departments wishing to donate, dispose, or sell items (including Equipment) to another USC department or to employees, students, or outside entities may bypass Surplus Sales. However, USC Equipment Management must be notified of all Equipment changes. For proper disposal of E-Waste, see Section 1.

1.8 LOST OR STOLEN ITEMS

Items that have been lost or stolen should be immediately reported to the Department of Public Safety (*Appendix A*).

Any lost or stolen Equipment should also be reported immediately to the Department of Public Safety. The Department must send a copy of the security report to Equipment Management so that the Equipment may be removed from the Equipment Management System.

SECTION 2 SALE TERMS AND CONDITIONS

2.1 SURPLUS SALES RECEIPT

Upon contacting Surplus Sales, a department representative will sign a Surplus Sales Receipt indicating that he/she agrees to the donation, disposal, and sale terms and conditions (Forms: www.usc.edu/purchasing/surplus). At Surplus Sales' discretion, items that cannot be sold to a USC party at the tagged amount will be discounted by a reasonable amount and within a reasonable timeframe to facilitate a sale. Items that cannot be sold within the designated time frame will be donated or disposed of (Section 3.3).

2.2 CHARITIES

The majority of items available through Surplus Sales will be donated to a local charity.

2.3 PRICING METHODOLOGY

The item's sale value (i.e., 'tagged value') will be determined using one of the following methodologies:

- **MARKET VALUE**-- The sale price will be determined by Surplus Sales based on market value (e.g. E-Bay, past sale price of comparable item, etc.).
- **APPRAISED VALUE** -- For items that require an appraisal, the item's sale price will be determined based on the appraisal. Appraisal fees will be deducted from the department's portion of the sale's proceeds.
- **VEHICLE VALUE** -- Surplus Sales will establish a vehicle's minimum bid value based on the low Kelley Blue Book value. If the vehicle cannot be sold at the low Kelley Blue Book value within 10 calendar days, Surplus Sales will contract with a third-party for the sale of vehicle. The sale value will be determined by the third party.
- **AUCTION VALUE** -- Items valued over \$500 require bidding (reference 4.2). The minimum bid price will be established via market value, appraisal value, Kelley Blue Book value, or donated value but the actual sale price will be determined by the highest bidder. If no one bids at the minimum asking price, Surplus Sales has the right to discount the bid item until sold (or donated or disposed) according to the schedule in Section 3.3.
- **DONATED VALUE** -- An item donated to USC that is brought to Surplus Sales will be tagged for sale (or tagged as the minimum bid amount) at the recorded, donated value. However, if the item does not sell at the donated value within 10 business days, Surplus Sales has the right to reduce the price based on market value, appraised value, or Kelley Blue Book value and to follow standard procedures for auctioning or selling items, including transferring sale responsibility to a third party for vehicles or for donating or disposing of items that cannot be sold after 60 days. Note: When the university is given a gift-in-kind donation valued at more than \$5,000, the donor must submit an IRS Form 82/83 (Non-Cash Charitable Contributions) and a third party appraisal. If an item valued at more than \$5,000 is sold by the university within two years for less than the amount the donor claimed to the IRS, the university will notify the IRS of the sold amount. Departments must inform donors with items valued at \$5,000 or more (a) of Surplus Sales procedures (to sell to the highest bidder according to the time line displayed in Section 3.3) and (b) that the IRS (via an IRS Form 82/82 completed by Restricted Fund Accounting) will be informed of the sold amount (Appendix A).

**SECTION 3
OPERATING HOURS / COMMISSION STRUCTURE**

3.1. PICK UP / DROP OFF INFORMATION

Departments may either drop items off at Surplus Sales or call Surplus Sales to request that items be picked up. Note that Surplus Sales retains a higher commission amount if the item is picked up by Surplus Sales.

**Surplus Sales
Drop Off and Pick Up Hours**
By appointment: 213 743-4512

Surplus Sales Location
3401 South Grand Avenue
University Parking Center
Los Angeles, California 90007

Surplus Sales does not sell private-party items; Surplus Sales is an outlet for university-owned items only. Because space at Surplus Sales is limited, Surplus Sales cannot accommodate the storage of items. Material Management Services should be contacted for all storage needs (Appendix A).

3.2 TAGGING SALE ITEMS

Once pick up and/or delivery has been coordinated and sale condition determined, Surplus Sales will meet with the item's custodian to determine the sale price and tag items accordingly. The Custodian is the Director, Department Head, Senior Business Officer, Dean or other departmental person responsible for maintaining records.

3.3 SALE SCHEDULE

Surplus Sales follows the schedule below for selling items:

	Holding Period: Sold only to USC departments for business use	Open Period: Sold to USC students, faculty, staff, and departments for personal or business use	Disposal Period: May be donated or disposed if item does not sell
Furniture	1-10 calendar days from delivery	11-60 calendar days from delivery	61 calendar days from delivery
All Non-Furniture items	--	1-60 calendar days from delivery	60 calendar days from delivery

3.4 SURPLUS SALES COMMISSIONS AND SALE PROCEEDS

Commissions earned by Surplus Sales are used to offset Surplus Sale operating expenses. Participating departments will receive the following proceeds from a sale.

Type of Sale	Percent of Sales Price to Department If Picked Up by Surplus Sales	Percent of Sales Price to Department If Dropped Off by Department
Non-Vehicle Asset	60%	70%
Vehicle Asset	70%	80%
Vehicles Sold by Contracted Third-Party	60%	70%

Surplus Sales will publish, post, and distribute a list of available items via multiple modes (web page, flyers, etc.).

3.5 SURCHARGES AND ITEMS FOR WHICH DEPARTMENT WILL NOT RECEIVE PROCEEDS

Note the following surcharges and examples of items for which the department will not receive proceeds.

- **VEHICLE SURCHARGE** -- If a vehicle is sold by a contracted-third party, the department will be charged a handling fee of \$125 and a safety check fee of \$50.
- **HEAVY LOAD SURCHARGE** -- Heavy loads that require special equipment for transfer (e.g. a forklift) will incur the at-cost fee charged by USC Materials Management or Facilities Management. This at-cost fee will be subtracted from the portion owed to the department.
- **NON-PROCEED ITEMS** – Departments do not receive proceeds from items sold as scrap and valued at less than \$20.
- **NON-SELLABLE ITEMS** – Departments do not receive proceeds from items that cannot be sold. Items that cannot be sold will not be returned to the department (they will be donated or disposed).

3.6 PAYMENT OF PROCEEDS

Surplus Sales will notify (via e-mail) departments of the sale within 10 business days of transaction's close. Proceed payments to department shall be processed via the university's JV and post on the ASR cycle closest to the sale's date.

If the item was sold to a USC student, faculty, or staff for personal use, the proceeds from that sale must post to Surplus Sales' 'Outside Income - 10 - Account.' If the item was sold to an internal USC department for business use, the proceeds from that sale must post to Surplus Sales' 'Inter-departmental Income - 11 - Account.' In turn, the proceeds from the sale must be paid to departments according to the same accounting structure (to outside and interdepartmental accounts).

SECTION 4 PROCEDURES FOR BUYING VIA SURPLUS SALES

4.1 OPERATION LOCATION / HOURS

All items located in the Surplus Sales warehouse are for sale, except as noted. Items are available for sale to USC departments, students, faculty, and staff, for personal or business use. Items are not available for sale to the general public. USC individuals and departments interested in purchasing items must contact Surplus Sales for an appointment. If an item is priced at more than \$500, reference Section 4.2 for bid instructions.

Surplus Sales Operating Hours

By appointment, only: (213) 743-4512

Surplus Sales Location

3401 South Grand Avenue
University Parking Center
Los Angeles, California 90007

4.2 AUCTION / BID PROCEDURES

Surplus Sales requires that a Bid Form be submitted by prospective buyers for all vehicles and for all items valued over \$500 (Forms: www.usc.edu/purchasing/surplus). These items shall be put up for auction at the minimum bid price and sold to the highest bidder. Bidding terms, sale terms, and payment terms are included with the Bid Forms. Silent auction times and dates will be announced via the Surplus Sales website and fliers at least a week before closing date and time.

Buyers of vehicles will be responsible for complying with state registration, licensing, and smog requirements.

4.3 PRICING METHODOLOGY / SALES TAX

Prices posted at Surplus Sales are firm and non-negotiable. Surplus Sales reserves the right to reject any offers that do not meet the tagged, printed, or minimum bid-price of Surplus Sales items.

Sales tax is included in the purchase price (tax is not listed as a separate line item as it is rolled up into the total cost).

4.4 HOLDING PERIOD

Customers are allowed, without a down payment, a three (3) business day hold on a maximum of ten (10) items at a time. After the hold period and when no purchase has been made, the items will be released for resale. Continuous holds on the same items are not allowed.

4.5 FORMS OF PAYMENT

Surplus Sales **DOES NOT ACCEPT CASH** under any circumstances. Payment for items must be made within two days of intent to purchase.

For USC departments, Surplus Sales accepts:

- **INTERNAL REQUISITIONS** – Departments can pay for items via an Internal Requisition.
- **PROCUREMENT CARDS:** Surplus Sales will accept Procurement Cards for payment.

Note: Federal funds may not be used to purchase Equipment previously acquired by federal funds. USC departments buying items from Surplus Sales must notify Surplus Sales if federal funds are being used to purchase an item.

For USC students and employees, Surplus Sales, with proper identification, accepts:

- **CHECKS** – Surplus Sales accepts for all items certified checks, money orders or cashier's checks. No personal checks are accepted.
- **CREDIT CARD** -- Surplus Sales accepts MasterCard and Visa credit cards.

4.6 BUYING TERMS AND CONDITIONS

Although Surplus Sales estimates the condition of the sale items, all sales are on an "as is, where is" and "non-refundable" basis. No warranties or guarantees, express or implied, are given as to the condition of all items offered. It is the responsibility of the acquiring party to make the final determination of quality and condition. All buyers will sign a Surplus Sales Invoice which stipulates agreement terms and conditions of sale (Forms: www.usc.edu/purchasing/surplus).

4.7 LOADING / DELIVERING ITEMS

Surplus Sales will assist customers in loading items for transportation whenever possible. Items purchased by USC departments and/or schools for office use shall be delivered by Surplus Sales at no cost. Students, faculty, and staff purchasing items for personal use and who reside within the MLK Blvd., Normandie, Washington Blvd. and Broadway radius may have their items delivered, at a time and date determined by Surplus Sales, for a fee of \$5 per load.

All items must be picked up within three (3) business days of payment. If an item is not picked up or otherwise removed within the three business day deadline, the intended buyer shall lose/forfeit the item and Surplus Sales will return the item into its inventory for resale.

Customers who do not pick-up within this three (3) business day deadline and whose purchase has been sold to another party shall receive a refund of sale price, minus a restocking fee equal to 2% of initial purchase price. Customers who do not pick-up within this deadline and whose purchase is still for sale may reacquire the items plus a storage fee of \$5 for each day over the time limit for each item left on Surplus Sales premises.

4.8 EXCHANGE AND REFUND POLICY

Items may be exchanged or refunded if still on Surplus Sales premises and if within (3) business days from date of payment. Three (3) business days after payment or once items are removed from Surplus Sales, exchanges or refunds are no longer available. For USC departments, Surplus Sales will re-sell items (in lieu of an exchange) as per the policies and procedures set forth herein.

APPENDICES

APPENDIX A REFERENCES

The following departments are referenced throughout the Surplus Sales Policies and Procedures. They each provide important services related to the management of items owned by the university.

Career and Protective Services

- ENVIRONMENTAL HEALTH AND SAFETY
<http://capsnet.usc.edu/ehs/>
Environmental hazards and E-Waste (not in sellable condition) must be disposed of through Environmental Health and Safety. The Environmental Health and Safety Web page includes an online form for requesting pick-up of hazardous waste, including E-Waste. On the University Park campus, telephone (213) 740-7215 for pick-up and information; on the Health Sciences campus, telephone (323) 442-2225.
- PUBLIC SAFETY
<http://capsnet.usc.edu/dps/>
Items that are stolen should be reported to public safety. On the University Park campus, call (213) 6000 (for non-emergencies) or (213) 740-4321 (for police, fire, ambulance). On the Health Sciences campus, call (323) 442-1200 (for non-emergencies) or (323) 442-1000 (police, fire, ambulance). Offices that are located off campus should report thefts to their local police department and provide a copy of the theft report to USC Public Safety.

Compliance Office

- INFORMATION SECURITY
<http://www.usc.edu/infosec>
The Information Security Office administers training and oversees policies to protect university records and information systems. Contact Security Office at (213) 743-4900.

Facilities Management Services

- CUSTOMER RESOURCE CENTER
Contact the Customer Resource Center for assistance with moving heavy items. For pick up and information, call (213) 740-6833 on the University Park campus or (323) 224-7001 on the Health Sciences campus.

Financial and Business Services

- EQUIPMENT MANAGEMENT
http://www.usc.edu/dept/finserv/equipment_management/
The Department of Equipment Management is responsible for maintaining inventory records for all university-owned, government-owned, donated, and other sponsor-owned Equipment. Before selling, donating, or disposing of Equipment, contact Equipment Management at (213) 821-2880. USC Equipment Management's [Inventory Adjustment](#) form can be completed via: www.usc.edu/dept/finserv/equipment_management/forms/eqpinv.pdf.
- MATERIAL MANAGEMENT SERVICES
Material Management Services assists departments with moving smaller items and also manages storage areas available to departments on a fee per utilized space basis. Contact Material Management Services at (213) 743-2299

APPENDIX A – CONTINUED REFERENCES

- **PURCHASING SERVICES**

<http://www.usc.edu/purchasing>

The Department of Purchasing Services purchases goods and services for the university. The manager of Surplus Sales reports to the director of Purchasing Services. Contact Purchasing Services at (213) 740-9794.

Real Estate and Asset Management

- **REAL ESTATE AND ASSET MANAGEMENT**

Items that a department wants to dispose of or sell that were donated to the university and that were donated at a value of more than \$5,000, must either be resold/disposed of by Surplus Sales or Real Estate and Asset Management. Real Estate and Asset Management administers USC's commercial buildings, residential units, and undeveloped land. In addition, the office manages the university's oil and gas portfolio and other mineral interests, and donated non-cash gifts. Contact Real Estate and Asset Management at (213) 821-2827.