Process for Removing Items Where the Proceeds from Sale Could Exceed $25,000

If a department wants to remove, dispose, auction off, or sell an inventory item that has a fair market (estimated) value of $25,000 or more, the additional steps and authorizations listed below are required.

Questions departments need to ask before this process begins:

- What is this item worth? **Determine fair market (estimated) value**
- Would this item be of use anywhere else on campus? **University Business Officers Council (UBOC members) are a good resource for this question**
- Does The University of Texas at Austin own this item? Was ownership transferred to the university upon completion of a federal grant? Contact Inventory Services if you need assistance determining ownership.
- Does this item have any educational or instructional value? **If yes, the item must first be offered to Texas Public School Districts and then to The University of Texas System institutions.**
- If someone, i.e., UBOC, Texas Public School Districts, or a UT System institution, does want this item, consider that the purchasing account receives zero compensation for the transfer of this item.

1. **Sales where the item is valued between $25,000-$50,000**
   An Inventory Removal Request (25K+) must be submitted at which time the university property manager, associate vice president for finance, director of procurement and payment services, and chief financial officer (CFO) will review the request for the following:
   a. CFO determines whether the item is needed by another department. If so, the item is transferred and the process ends.
   b. If the item is not needed by another department, the CFO determines if it is suitable for Texas public schools, school districts, or an assistance organization designated by a Texas school district. If the item is suitable, the item is transferred to the school district at whatever amount the Texas public school, school district, or assistance organization designated by a Texas school district determines to be appropriate. Refer to Regents’ **Rules and Regulations 80201, Section 2 and Texas Government Code Sec. 2175.304(b).** “If more than one public school, school district, or assistance organization seeks to acquire the same equipment on substantially the same terms, the preferences stated in Texas Government Code Sec. 2175.304(c) shall govern.” Regents’ **Rules and Regulations 80201.**
   c. If the item is not suitable or not claimed by any of the entities listed above, then it is offered to UT System institutions. If an institution claims the item, they receive the item via a transfer at whatever value they and the CFO deem appropriate.
   d. If the item is still unclaimed, the aforementioned group (minus the CFO) determines whether or not the item is approved to be sold and what method is used for selling the item so that the sale will net the most value for the university.
   e. Purchasing continues the sale process with the help of both the originating department and Inventory Services until the item is sold.

2. **Sales where the item is valued between $50,000-$100,000**
   The approval process for sale of an item at this value is exactly the same as the steps listed above except for an additional authorization **requirement from the vice president and chief financial officer (CFO)** after the university property manager, associate vice president for finance, and director of procurement and payment services approve the sale. The sale of property with a value in excess of $50,000 must be made on the basis of competitive bids. Regents’ **Rules and Regulations 80201, Sec. 4.2.**

**Taken from Board of Regents rule 80201, Section 4**
3. Sales where the item is valued $100,000 or more
   a. The approval process for sale of an item at this value is identical to the steps listed above, except once all the previous authorizations have taken place, the Chancellor is required to approve the sale of the item before it is placed on the Consent Agenda for an upcoming Board of Regents meeting. The Board of Regents must also approve the sale. Regents’ Rules and Regulations 80201.