SECTION IV

EXCESS PERSONAL PROPERTY DISPOSITION

.01 AUTHORITY

The authority for disposing of excess or surplus personal State property is vested in the Secretary of the Department of General Services under Title 4, Subtitle 5, § 501 through 508, State Finance and Procurement, of the Annotated Code of Maryland. Rules and regulations for implementing this Code are approved by the Board of Public Works.

.02 SCOPE

All State owned personal property including materials and supplies are subject to these procedures except State owned personal property covered by State Finance and Procurement Article, (Title 10 § 305).

.03 GENERAL REQUIREMENTS

A. The Inventory Standards and Support Services Division (ISSSD) shall determine the method of property disposition.

B. Excess property will be transferred to another State agency, whenever feasible, before other methods of disposal are considered.

C. ISSSD may delegate disposal activities to the custodial agency, on a case-by-case basis.

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D. Unless other arrangements have been approved by ISSSD (i.e, auctioning of State surplus vehicles, etc.), all sales of surplus property will be transacted by Maryland State Agency for Surplus Property (MSASP).

E. When items are no longer needed, they are to be declared to ISSSD as excess property. They should not be placed in storage, cannibalized, scrapped, junked, sold, transferred outside the agency or donated without ISSSD approval.

F. When requisitioning a capital item which is to serve as a replacement for an existing item, the existing item shall be declared excess. This requirement may be waived by the Department of Budget and Management (DBM).

.04 DISPOSAL METHODS

A. Transfers

1. Intra-agency transfers (Property transferred within the same agency)

   a. Whenever an item is declared excess to a program or sub-unit, the agency property officer shall insure that the property is made available to all other programs or sub-units of the agency.

   b. If the property is needed elsewhere in the agency, it shall be transferred accordingly.

   c. An Excess Property Declaration (DGS-950-9) is not required for intra-agency transfers.

   d. The Property Officer shall insure that the proper internal recordkeeping has been completed.

2. Inter-agency transfers (Property transferred between agencies)

   a. ISSSD shall determine if it is in the best interest of the State whether excess and/or surplus property shall be transferred between agencies.

   b. An Excess Property Declaration (DGS-950-9) from the custodial agency and a letter from the requesting agency shall be submitted to DGS **prior** to the transferring of any item.

   c. Transportation for moving property is the responsibility of the requesting agency. MSASP may provide pick-up and transportation services at the requesting agency's expense.

   d. For Motor Vehicle Transfers (Refer to Appendix I - State Motor Vehicle Disposition).

   e. Agencies shall submit to DGS the Excess Property Declaration, the DBM approval and letter from the requesting agency for the excess items.

   f. Upon receipt of the Excess Property Declaration (DGS-950-9), ISSSD shall forward an Excess Property Disposal Order (DGS-950-11) to the custodial agency with disposal instructions.

g. The custodial agency shall complete Section A of the (DGS-950-11) and return to ISSSD along with a receipt certifying that the items have been transferred.

h. Approval to remove transferred items from the agency's property records will be granted after the agency has returned a copy of the Excess Property Disposal Order (DGS-950-11) certifying that all items have been disposed of as instructed.

B. Excess Property Bulletin

Serviceable excess property will be listed periodically in the Excess Property Bulletin, a Statewide Department of General Services publication, notifying State agencies, local governments, and non-profit organizations of available excess property.

Requests for inter-agency transfers (Property transferred between agencies) shall be handled in accordance with the procedures outlined in Section IV 04 2. Donations to local governments and non-profit organizations shall be handled in accordance with the procedures outlined in Section IV 04 G.

C. Trade-ins

1. ISSSD shall determine if it is in the best interest of the State to trade any item.

2. An Excess Property Declaration (DGS-950-9) with the trade-in allowance shall be submitted to ISSSD **prior** to trading in any item.

3. Upon receipt of the Excess Property Declaration (DGS-950-9), ISSSD shall forward an Excess Property Disposal Order (DGS-950-11) to the custodial agency with disposal instructions.

4. The custodial agency shall complete Section A of the (DGS-950-11) and return to ISSSD along with a receipt certifying that the items have been traded-in.

5. ISSSD shall complete Section B of the (DGS-950-11) and return to the custodial agency authorizing the removal of the items from the agency's inventory records.

D. Scrap

1. ISSSD shall determine if it is in the best interest of the State to scrap any item.

2. An Excess Property Declaration (DGS-950-9) shall be submitted to ISSSD **prior** to scrapping any item.

3. Upon receipt of the Excess Property Declaration (DGS-950-9), ISSSD will forward an Excess Property Disposal Order (DGS-950-11) to the custodial agency with disposal instructions.

4. The custodial agency shall complete Section A of the (DGS-950-11) and return to ISSSD along with a receipt certifying that the items have been scrapped.

5. ISSSD shall complete Section B of the (DGS-950-11) and return to the custodial agency authorizing the removal of the items from the agency's inventory records.

E. Dismantling for Recovery of Usable Parts (Cannibalize)

1. ISSSD shall determine if it is in the best interest of the State to dismantle for recovery of usable parts. (Cannibalized)

2. An Excess Property Declaration (DGS-950-9) shall be submitted to ISSSD **prior** to dismantling any items.

3. Upon receipt of the Excess Property Declaration (DGS-950-9), ISSSD will forward an Excess Property Disposal Order (DGS-950-11) to the custodial agency with disposal instructions.

4. The custodial agency shall complete Section A of the (DGS-950-11) and return to ISSSD certifying that the items have been dismantled/cannibalized along with a itemized list of the salvaged components.

5. Components not salvaged, but having scrap value shall be disposed of as scrap in accordance with Procedure .04 § D of this Section.

6. ISSSD shall complete Section B of the (DGS-950-11) and return to the custodial agency authorizing the removal of the items from the agency's inventory records.

F. Destruction

1. ISSSD shall determine if it is in the best interest of the State to destroy any item.

2. An Excess Property Declaration (DGS-950-9) shall be submitted to ISSSD **prior** to the destruction of any item.

3. Upon receipt of the Excess Property Declaration (DGS-950-9), ISSSD will forward an Excess Property Disposal Order (DGS-950-11) to the custodial agency with disposal instructions.

4. The custodial agency shall complete Section A of (DGS-950-11) and return to ISSSD certifying that the items were destroyed and discarded as junk.

5. ISSSD shall complete Section B of the (DGS-950-11) and return to the custodial agency authorizing the removal of the items from the agency's inventory records.

G. Donations

1. ISSSD shall determine if it is in the best interest of the State to donate any item.

2. An Excess Property Declaration (DGS-950-9) from the custodial agency, a letter from the donee, and the Statement of Surplus Property Utilization By A Local Subdivision Or Non-Profit Organization (See Exhibit 3), shall be submitted to ISSSD **prior** to donating any item to a local jurisdiction or non-profit organization.

3. Upon receipt of the Excess Property Declaration (DGS-950-9), a letter from the donee, and the Statement of Surplus Property Utilization By A Local Subdivision Or Non-Profit Organization (See Exhibit 3), ISSSD will forward a Excess Property Disposal Order with disposal instructions.

4. The custodial agency shall complete Section A of the (DGS-950-11) and return to ISSSD certifying that the items have been donated along with a receipt from the donee.

5. ISSSD shall complete Section B of the (DGS-950-11) and return to the custodial agency authorizing the removal of the items from the agency's inventory records.

H. Firearms and Other Law Enforcement Weapons

All excess and surplus firearms and other law enforcement weapons shall be reported to ISSSD in accordance with these procedures:

1. ISSSD shall determine whether such property may be transferred, traded-in or turned over to the Maryland State Police for destruction.

2. An Excess Property Declaration (DGS-950-9) shall be submitted to ISSSD **prior** to disposal.

3. Upon receipt of the Excess Property Declaration (DGS-950-9) ISSSD will forward an Excess Property Disposal Order (DGS-950-11) to the custodial agency with instructions to turn over to the Maryland State Police, Agency Property Unit Supervisor (telephone 410-799-1218) for disposition of any weapons not approved for trade or transfer. A receipt from the Maryland State Police for any weapons or firearms turned over for disposition is required.

4. Approval to remove these items from the agency's property records will be granted after the agency has forwarded a copy of the Excess Property Disposal Order (DGS-950-11) certifying that the disposal action has been completed along with a copy of the receipt from the Maryland State Police.

I. Motor Vehicle Disposition (refer to Appendix I)

.05 DISPOSAL OF PERSONAL PROPERTY ACQUIRED UNDER A FEDERAL GRANT OR COOPERATIVE AGREEMENT

A. Equipment

Under current Federal regulations:

1. Title to equipment acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

2. State agencies will use, manage and dispose of equipment acquired under a grant in accordance with State laws and procedures.

B. Materials and Supplies

Under current Federal regulations:

1. Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

2. If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate of fair market value upon termination or completion of the award, and if the supplies are not needed for any other Federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

(Ref: Federal Register; Friday, March 11, 1988; Part III: Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule; pp 8095-8096)

NOTE: Individual grants may vary slightly. Agencies should confirm disposal conditions with the grantor.

.06 CREDIT FOR SURPLUS PROPERTY

A. Trade-ins

If an agency trades in an excess item for a replacement item, credit is given by the supplier in the form of a reduced invoice cost of the

replacement item. The cost of the replacement item, less allowance for the trade-in, must be shown on the vendor invoice.

B. Sales

1. Monies received from property purchased with bond proceeds shall be deposited in the Annuity Bond Fund.

2. Monies received from property purchased with Special Fund proceeds shall be deposited in the appropriate Special Fund.

3. Monies received from property purchased with Federal funding shall be disbursed in accordance with governing Federal regulations.

4. Property not purchased with bond proceeds, dedicated revenue or Federal funds shall be distributed as follows:

a. Monies received for the sale or auction of personal State property not being replaced shall be deposited in the State's general fund and may not be credited to an agency's account unless the agency has obtained the approval of the Department of Budget and Management.

b. If it is in the best interest of the State to sell rather than trade in an item being replaced, proceeds from the sale shall be distributed as follows:

(i) If funds are appropriated in the budget for a replacement item at net cost (full cost less trade in value), an agency may retain the proceeds if the sale and the replacement purchase were transacted in the same fiscal year.

(ii) If funds are appropriated in the budget for a replacement item at full cost, or if the sale and replacement purchase were not transacted in the same fiscal year, monies received shall be deposited with the State Treasurer as general fund revenue.

.07 POLICY

A. The preferential sale or gratuitous disposition of property to a State official or employee is prohibited in accordance with Board of Public Works policy.

B. State Ethics Commission Opinion Number 24 prohibits State officials and employees from purchasing surplus personal State property if their official duties are directly connected with the disposal process. Also, other Ethics Law provisions generally applicable to surplus personal State property sales could, in particular situations, limit the private activities of a State

official or employee. For additional information, contact DGS Inventory Standards and Support Services Division.

C. DGS Procurement & Logistics may suggest use of a surplus item to satisfy the requirements of a purchase requisition, provided that the item is functional, serviceable, and satisfies the needs of the requisitioning agency.

D. State agencies are to consider surplus property acquired through MSASP before purchasing new equipment.