

<b>Division of Accounting – Policies and Procedures</b> <b>Manual Standard Policies and Procedures</b>	
Policy Number: - AUB-05-09	Revision Number: 4
Subject: Surplus Property	Effective Date: 10-01-2009
	Superintendent Approval:
	General Manager Approval:

**1.0 Purpose**

In order for Athens Utilities Board (AUB) to serve the public and to comply with the regulations and laws of the State of Tennessee and the Federal government, a consistent method of disposing of property that is no longer in use should be employed. By properly disposing of surplus property, AUB demonstrates proper stewardship of its responsibility to its customers.

o **Property with Value less than \$1,000.00**

For property worth less than \$1,000.00, the General Manager will submit a list of property that should be declared surplus to the Board of Directors at a regular board meeting. This list should include, but not be limited to, the following:

- A brief description of the property;
- Location of the property;
- Property identification number(s);
- Estimated value of the property;

The board will approve, disapprove, or modify all or any part of the list and may assign higher or lower reasonable values to any items on the list. A copy of this list and the values assigned will be made part of the minutes of that board meeting. Once the listed property with values less than \$1,000.00 has been approved as surplus by the board, Management may dispose of the property in any of the following methods:

- Take proposals for purchase and accept the most appropriate;
- Sell the property as scrap, where the cost of other disposal exceeds the value of the property;
- Destroy the property, where the cost of other disposal exceeds the value of the property;
- Barter or exchange the property;
- Sell, trade or barter with any local government.

The General Manager will provide the Board of Directors a written report detailing the methods used to dispose of surplus property at the next Board meeting. The report should include the following information:

- The method of disposal;
- Payment received, if any;
- Who or what entity received the property;

- Receipt from the person or entity receiving the property, including itemized list of property with the dollar amount paid, and a signature of the person receiving the property;
- Any other information the General Manager feels appropriate.

○ **Property with Values greater than \$1,000.00**

For property worth more than \$1,000.00, the General Manager will submit a list of property that should be declared as surplus to the Board of Directors at a regular Board meeting. This list should include, but not be limited to the following information:

- A brief description of the property;
- Location of the property;
- Property identification number(s);
- Estimated value.

The board will approve, disapprove, or modify all or any part of the list and may assign higher or lower reasonable values to any items on the list. A copy of this list and the values assigned will be made part of the minutes of that Board meeting. When the property has been declared surplus by the Board of Directors, Management may dispose of the property by advertising for bids for sale of the property in the local newspaper.

The ad should be specific as to the method of bidding; the date, time and place of auction; date the bid must be received by AUB; method of payment required; location and inspection period; brief description of property; and other appropriate information deemed necessary. Upon completion of the surplus property sale, the General Manager will report to the Board in writing regarding the method of disposal. The report should include the following:

- 1.0** The method of disposal;
- 2.0** Payment received;
- 3.0** Who or what entity received the property;
- 4.0** Receipt from the person or entity receiving the property, including an itemized list of property with the dollar amount paid, and a signature of the person receiving the property.
- 5.0** Any other information deemed appropriate.

**4.0 Responsibility**

The Purchasing Manager will dispose of all surplus property under direction of the General Manager.

**5.0 Record Retention**

All records regarding disposition of surplus property will be kept ten years after disposition.