

DIVISION 4. - RETIREMENT AND DISPOSAL OF FIXED ASSETS

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Sec. 210-111. - Scope.

This procedure applies to all activities associated with the disposition of District fixed assets.

(Approved 7-10-2009)

Sec. 210-112. - Purpose.

Assets that can no longer be economically utilized shall be authorized for retirement and disposal by the Deputy Executive Director of Corporate Resources or delegate in coordination with the General Services Manager and the department/division custodian. In addition, the Governing Board indicates approval as recorded in the minutes per Chapter 274, Florida Statutes.

(Approved 7-10-2009)

Sec. 210-113. - Definitions.

For the purpose of this article, the following words and terms shall have the meanings respectively ascribed:

SAP means the financial management application used by the District.

Local Government means a government or administration of a locality within District boundaries, including schools, colleges and universities.

Fair Value means the price paid by a willing buyer in an arms length transaction.

Maximum Cap means a maximum dollar amount to be donated to any one organization within a given time frame. This is a method to ensure fair distribution of available donations.

Nonprofit Organization means an institution or organization no part of whose net earnings may inure to the benefit of any private shareholder or individual and which has been held to be tax-exempt under the provisions of Section 501 of the Internal Revenue Code of 1954.

Surplus Property means District property not otherwise lawfully disposed of that is obsolete or continued use of which is uneconomical or inefficient, or which serves no useful function.

(Approved 7-10-2009)

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Sec. 210-114. - Guiding Principles.

(a) All fixed assets sold, exchanged, traded-in, abandoned, recycled, stolen or in any way removed from service and disposed of during the current fiscal reporting period are removed from the property and accounting records in accordance with accepted accounting practices. Upon retirement/disposition, the appropriate asset account is reduced by the remaining net book value. Any difference in the amount of proceeds received and the remaining net book value will result in a gain or loss on the sale.

(b) Sale of Fixed Assets. The sale of fixed assets is coordinated and controlled by the General Services Manager in association with department custodians, as appropriate. In offering fixed assets for sale, the District will comply with Section 274.05 and 274.06, Florida Statutes. The sale of fixed and controllable assets is conducted in the following manner:

(1) *Vehicles and Rolling Stock.* All rolling stock is approved for surplus by the Fleet Manager via transfer to the General Services Division. This is done prior to receiving the Deputy Executive Director of Corporate Resources or delegate approval, which authorizes the sale of vehicles and rolling stock by the General Services Manager in the manner prescribed above. The General Services Manager is responsible for promptly providing the sales information of each asset, including the amount of any proceeds from the sale to the Accounting Manager.

(2) *Land and Buildings.* The District disposes of surplus real property when the following conditions are met:

- a. The property is not required for present or future works of the District;
- b. The property is not required for present or future recreational development;
- c. The property has no apparent present or future utility in the District's land management program; and
- d. The property has been declared surplus by the Governing Board.

All sales are conducted pursuant to Section 373.089, Florida Statutes.

(3) *Spoil Material.*

a. The District may sell or otherwise dispose of surplus spoil material or any District owned spoil which is not needed for the operation and maintenance of the works or lands of the District. At the time any District owned spoil material is declared surplus it is considered tangible personal property rather than real property.

b. The General Services Manager will coordinate the sale of the requested amount of surplus spoil material with the person responsible for land management or delegate and the person responsible for operations and maintenance or delegate. Refer to District Procurement Policy Chapter 155 Section 155-8 Transactions Requiring Governing Board Approval.

c. Surplus spoil material is accounted for through those funds which funded the project resulting in the surplus spoil materials. Applicants must complete the Surplus Spoil Material Purchase Request Form 0001 and return to General Services Division.

(4) *Computer Equipment.* All computer equipment is declared surplus by the Information Technology Department Bureau prior to receiving authorization to dispose from the Deputy

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~~Executive Director of Corporate Resources~~ Administrative Services Director or delegate. Personal computer equipment will ~~first be offered to educational institutions. If surplus computer equipment remains, it is~~ be disposed of ~~by the General Services Manager~~ in a manner that is in the best interest of the District.

(5) *Other Fixed Assets*. All other fixed assets are disposed of by the General Services Manager as outlined herein or through direct sale to buyers or alternatively redeployed via inter-departmental transfers as defined in Procedure Article V. Division 5, Transfer of Fixed Assets.

Guidelines for Employees Buying Surplus District Property

Generally, an employee of the District may participate in public auctions or other public sales such as a sealed bidding process. A procedure is used under which the employee's position gives no advantage to the employee over any member of the general public.

However, if the District employee falls into any of the categories below, a prohibited conflict of interest exists and the employee would be precluded from purchasing District surplus property. (Specific inquiries can be made to the Office of Counsel):

1. You are, or will be, involved (this could include many varieties of activities including transferring the asset) in the acquisition or disposition of the surplus property you are considering purchasing; or

You have a direct role in the policymaking decisions of the governing body; or

3. You have, by virtue of your position and rank, and proximity to the governing body, influence and advantages not enjoyed by other employees; or

4. You have the ability to, or do participate in the decision to declare something surplus.

Reference: SFWMD FYI Bulletin No. 90-01 August 31, 1990

(c) Donation of Surplus Property.

(1) Property may be donated by the District to any political subdivision, government entity or non-profit agency within the State of Florida in accordance with Section 274.05 and 274.06, Florida Statutes. The agency acquiring the property is responsible for the removal of the asset donated.

(2) Donation Principles:

a. The donation of any surplus property reflected in the fixed asset records requires prior approval by the Deputy Executive Director of Corporate Resources or their delegate.

b. The District may donate surplus property to other local governmental units and nonprofit organizations within District boundaries.

c. The availability of surplus property may be distributed based on requests received or may be advertised within District boundaries in newspapers, trade magazines and/or through direct mailings Rt. Fax.

d. Surplus personal computer equipment donations will not be part of the public auction

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process. They will first be targeted to schools and institutions with a mission of education within District boundaries. Computers not donated in this manner may subsequently be offered to other local governmental and nonprofit agencies or disposed of in the best interest of the District.

- e. All allocations will be made on a first-come-first-served request basis.
- f. The District may employ various methods for allocation of donations, including but not limited to equal distribution among counties, maximum caps, and exclusions of organizations previously awarded.
- g. Donations are made on an as-is, where-is basis, with the recipient bearing the expense for transfer and removal of the property.

(3) Responsibilities:

- a. The Director of General Services or delegate:
 - 1. Approves all surplus property items for donation prior to publishing availability lists.
 - 2. Authorizes consideration of any special requests for donation not initiated by District advertising or direct mailing.
 - 3. Makes periodic reviews of surplus property in the fixed asset records accumulated for donation.
 - 4. Obtains Governing Board approval for the donation of surplus property in the fixed asset records and the subsequent retirement of such property.
 - 5. Reviews and approves lists of governmental units and nonprofit agencies within District boundaries to ensure that notices are made in a fair and equitable manner.
- b. The Director of Accounting or delegate:
 - 1. Makes appropriate adjustments to the fixed asset records to reflect the authorized retirement of donated assets.
 - 2. Furnishes titles for any donated assets subject to title.
- c. The Asset Management Supervisor or delegate:
 - 1. Reviews all requests for donation.
Schedules public auctions.
 - 3. Determines the frequency of offerings of surplus property for donation.
 - 4. Maintains a list of governmental units and nonprofit agencies within District boundaries who receive any offerings for donation.
 - 5. Provides storage for the accumulated surplus property.
 - 6. Establishes and maintains procedures to administer retirement and disposal of fixed

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assets.

7. Reviews all receipts involving donations.

d. The Asset Management Staff:

1. Maintains a data base of surplus property for donation.

2. Receives transfers of surplus property in SAP using an account for assets waiting to be retired.

3. Documents the transfer of ownership for all surplus property donated.

4. Maintains information on all requests for donation.

5. Initiates authorization requests for the donation and retirement of property.

6. Maintains records of all donations, including the receiving organization's name and address and all information needed for retirement of the items donated.

7. Notifies the Director of Accounting or delegate of authorized donations and ensures removal from asset records.

(d) Abandonment of Fixed Assets. An asset is designated as abandoned by the District if it is useless to the District or too costly to maintain in working order. The abandoned asset is sold according to the Sale of Fixed Assets, as outlined above in "a" or considered surplus and salvage and transferred according to the Surplus and Salvage of Fixed Assets "f" below.

(e) Loss/Theft of Fixed Assets. When an asset is identified as lost or stolen, the department files a police report and conducts an investigation. A police report is completed and submitted to Security Management and the General Services Manager. If the item is not recovered after the investigation, then the Accounting division retires the asset by removing the item from the fixed asset records within one year of reporting the asset as stolen. Assets covered by an insurance policy are written off upon the claim settlement with the insurance company. The following process is completed for lost/stolen fixed assets.

(1) Property lost, stolen, or destroyed is reported in writing to the General Services Director by the Department/Division Director.

(2) The Property Clerk and Department/Division Director make a reasonable effort to locate property reported as lost or missing before reporting the occurrence and will follow procedure for reporting theft (Chapter 260, Article VII, Section 260-122, Property Loss Notification).

(3) The Department/Division Director composes a memorandum of explanation detailing the following information:

a. Detailed description of events leading to the loss of property.

b. Recommendations for controls or supervision that might prevent a reoccurrence of similar incidents.

c. The last known location of the property.

(4) A Security Management Incident Report Form must also be completed and sent to the Security

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Office. If the incident was reported to a law enforcement agency, the agency's report should be attached to this form.

If warranted, the Director of General Services, Security Manager, Risk Manager or the Office of the Inspector General may investigate the occurrence and make recommendations resulting from any findings.

The Corrective Action Policy may apply when property is lost, missing, stolen or destroyed.

The General Services Manager shall review the information forwarded, and may direct an independent research and review. If satisfied with the information provided, the Director of General Services or delegate will recommend approval of the authorization for removal of the property from the active file.

(5) Property not located during the Annual Physical Inventory is reported as part of the inventory records of the department in accordance with the physical inventory process outlined in Procedure Article V, Division 6, Physical Inventory.

(f) Damaged Fixed Assets. Departments shall exercise judgment with respect to repair/disposition decisions for assets that have been identified as damaged. If the asset is beyond repair, then it is considered a disposition candidate and handled in accordance with the retirement and disposal guidelines herein. If the asset is repairable, then the repairs are recorded and classified in accordance with maintenance and repair guidelines.

(g) Surplus and Salvage of Fixed Assets.

(1) All equipment type assets that are no longer needed in a department due to age, obsolescence or damage beyond repair are considered surplus and eligible for retirement and disposal. Surplus vehicles and computer equipment are first declared as such by the organization responsible for managing Fleet or the organization responsible for managing information technology and then transferred to the General Services Division.

(2) Surplus computer equipment is transferred to the organization responsible for managing information technology for appropriate redeployment or disposition. In order for the organization responsible for managing information technology to deem assets ready for disposition, data destruction must be completed prior to transfer to the General Services Division. This organization must provide a list of the type and quantity of central processors, speed, memory, etc. for non personal computer equipment that may be eligible for sale prior to transfer to the General Services Division.

(3) All other surplus property is coordinated in the following manner:

a. Property clerks should periodically survey property centers for any properties which may be declared surplus.

b. Surplus equipment is transferred to the General Services Division. When practical, the property declared surplus is physically transferred to the General Services Manager or delegate.

c. The General Services Manager or delegate will determine the best method of disposition of surplus property, which may include transfer to another property center, sale, auction, trade-in, scrap, recycling, cannibalization, destruction or donation.

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d. Should surplus items become available that could be repurposed, the General Services Manager or delegate may periodically provide a list of available surplus property to Departments/Divisions. Department/Division Directors may request available surplus property from the General Services Manager or delegate.

e. Departments/Divisions should survey available surplus property before requisitioning new or replacement property.

f. The General Services Manager or delegate will coordinate the disposition of any surplus equipment. Departments are responsible for notifying the General Services Manager and delivering these fixed assets to the custody of the General Services Manager for disposition.

(4) When requested from the General Services Manager or delegate, departments are responsible for providing a list of all assets being transferred to the General Services Manager or delegate as surplus. The department shall indicate on the listing which assets are identifiable by an asset number or other unique identifying number.

(5) Disposal of property that has been cannibalized is certified on the receipt for method of disposition by electronic acknowledgment or signature of the person disposing of the property.

(h) Accounting for Retirements and Disposals.

(1) The Accounting and Financial Services Division is responsible for updating the asset records to reflect the disposal of the asset and any proceeds of the sale of the asset, if any.

(2) After disposition, the Accounting and Financial Services Division is responsible for retiring the asset from the fixed asset records.

(3) Sale Proceeds.

a. The Accounting and Financial Services Division is responsible for appropriately accounting for all proceeds from the sale of assets.

b. Proceeds from the sale of grant funded assets are distributed in accordance with the guidelines of OMB Circular A-102 (revised). Refer to (Grant Funded Assets) for further detail on grant funded assets.

(4) Trade-In or Exchange of Fixed Assets.

a. When similar assets are exchanged without cash payment, the District shall record the exchange on a book value basis by retiring the original asset and recognizing the acquisition at the book value of the retired asset.

b. When a cash amount is transferred to the seller in conjunction with a trade-in, the cost of the acquired asset is recorded at the book value of the original asset, plus the cash differential, and a gain/loss on the sale of the original asset is reported. See acquisition through donation, condemnation or eminent domain, regarding assets acquired through exchange.

c. For fixed assets above the threshold, a Return to Vendor Receipt (Form 1279) providing the description of the property to be traded in or exchanged is approved before trade-ins or exchanges of property are made. The General Services Manager or delegate determines the reasonableness of the exchange of property before approving the exchange.

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