

**ADMINISTRATIVE RULE 123:5-2-01**  
**DISPOSAL OF EXCESS AND SURPLUS SUPPLIES**

A. Upon receiving notice of a state agency's excess supplies, property with remaining useful life, or surplus supplies, property with no remaining useful life, the director of administrative services will take control of each excess or surplus supply item that is valued at \$100.00 or more.

(1) A state agency may dispose of its own excess or surplus supply that is valued at \$100.00 or more; if the agency will be trading-in the supply for new supplies or equipment and the trade-in value is estimated to exceed the value of the supply if sold at public auction.

(2) The director of administrative services may take control of excess or surplus supplies that estimated to have value of less than \$100.00, if the agency that owns the supplies is not able to dispose of them in a cost effective or efficient manner and the agency requests the department of administrative services to dispose of the supplies.

B. When a state agency, other than the department of administrative services, disposes of its excess or surplus supplies, it must dispose of the supplies in the most cost effective and efficient manner. State agencies must consider the following methods of disposal:

- (1) Selling or donating excess of surplus supplies to another state agency;
- (2) Selling or donating excess or surplus supplies to state supported or state assisted institution of higher education, tax supported agencies, municipal corporations, school districts or other political subdivisions of this state;
- (3) Trading-in excess or surplus supplies towards new supplies or equipment;
- (4) Selling excess of surplus supplies to the general public by a fair and impartial process, such as advertisement by newspaper or Internet;
- (5) Recycling excess or surplus supplies;
- (6) Selling or donating to a nonprofit organization that is both exempt from federal income taxation under 26 U.S.C. 501(a) and (c) (3) and that receives funds from the state or has a contract with the state;
- (7) Disposing surplus supplies as refuse.

C. A state agency that disposes of its own excess or surplus supplies should maintain a record of the disposition of the excess or surplus supplies in accordance with a proper record retention schedule.