

Records of Scrap and Salvage

Responsible Officer: Vice President for Business Affairs and Controller

Sponsoring Department: Property Management

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PROCEDURE OBJECTIVE

This procedure prescribes what to do when maintaining records of scrap and salvage derived from government contracts or grants. This procedure details what necessary information to include on the records and what proper actions to take when disposing of scrap or salvaged materials.

RATIONALE

The use of U.S. Government-owned equipment by UT Arlington employees and departments is governed by the policies and procedures of various government agencies as set forth in their respective publications and guidance letters. The instructions outlined in this procedure comply with the provisions of Federal Acquisition Regulation Part 45 (FAR Part 45). However, if the title for government property has been turned over to UT Arlington, then the university must dispose of the property in accordance with the provisions in effect for the disposition of state-owned property.

SCOPE

This procedure applies to all UT Arlington employees and departments that have scrap and salvage derived from government contracts or grants.

WEBSITE ADDRESS FOR THIS PROCEDURE

<http://www.uta.edu/policy/procedure/2-62>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies and Standards	Other Policies and Standards
Federal Acquisition Regulation Part 45 (FAR Part 45) Department of Defense-FAR Supplement Part 245 (DFAR Part 245)	

CONTACTS

If you have any questions about this procedure, contact the following departments:

Subject	Office Name	Telephone Number	Email/URL
All topics in Procedure	Property Management	817-272-2191	property_management@uta.edu https://www.uta.edu/business-affairs/property-management
Website access	Administrative Information Management	817-272-0222	aim@uta.edu http://www.uta.edu/aim

DEFINITIONS

Contracting Officer: Person at the federal agency whom approves the contract or grant.

Federal Acquisition Regulation (FAR): The FAR is the single regulation for use by most federal agencies in their acquisition of supplies and services with appropriated funds. It should be administered in conjunction with agency-specific supplemental regulations.

Project Director/Principal Investigator (PD/PI): A term generically herein to refer to the individual with primary responsibility for a contract or grant. The terms Project Director and principal investigator are synonymous in this publication and will be indicated by PD/PI.

Salvage: Property that, because of its worn, damaged, deteriorated, incomplete condition, or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs, but has some value in excess of its scrap value (FAR 45.501).

Scrap: Personal property that has no value except for its basic material content (FAR 45.501).

RESPONSIBILITIES

Project Director/Principal Investigator (PD/PI)

- Maintains accurate records of scrap and salvage derived from government contracts and grants

PROCEDURES

Section I. Records of Scrap

- A. The PD/PI shall maintain records to show, at a minimum, the following information:
1. Contract/grant number and account number from which the item was purchased.
 2. Material content
 3. Quantity on hand
 4. Unit of measure
 5. Posting reference and date of transaction
 6. Disposition
- B. In most contracts and grants there is no scrap involved; however, the PD/PI should make at least a quarterly check to ensure none has developed during the course of the project.

Section II. Records of Salvage

- A. The PD/PI shall maintain records to show, at a minimum, the following information:
1. Contract/grant number and account number from which the item was purchased.
 2. Description of item to include, where available, the serial number, model number, government tag number, name of manufacturer, and year of manufacture.
 - a. Quantity on hand.
 - b. Posting references and date of transaction.
 - c. Disposition
 - d. The PD/PI shall make at least a quarterly check to determine if there are property items, which should be reported as being in a salvage condition.

Section III. Disposition of Scrap and Salvage

- A. If a determination is made that scrap material is to be disposed of or that a property item is to be turned in as salvage, there are two methods of disposition available. Title or ownership of the property will dictate the method to be used. If Government-owned, the sponsoring agency will be advised. The Contracting Officer or property administrator may direct turn-in to a designated government property disposal facility, or sold in accordance with the provisions of the FAR. If title has passed to UT Arlington, disposition will be made in accordance with the provisions in effect for the disposition of state-owned property. If title resides with UT Arlington, the U.S. Government property tag will be removed.
- B. Because the U.S. property disposal facilities are not located in Arlington, and because there are administrative and scheduling constraints involved in turning property over to the disposal facility, the Office of Grant and Contract Services will request transfer of title to UT Arlington when feasible.
- C. Under no circumstances will government property be disposed of without proper authorization. Information on how to initiate a request for authorized disposition can be obtained from the Property Management Office.

FORMS AND TOOLS/ONLINE PROCESSES

- *Inventory Transaction Form* ([Form 2-45](#))
- *Removal of Equipment from University Campus* ([Form 2-47](#))

APPENDICES

None