

Operating Policy and Procedure

OP 80.04: Disposal of Motor Vehicles as Surplus Property or Trade-In Credit

- **DATE:** August 23, 2022
- **PURPOSE:** The purpose of this Operating Policy/Procedure (OP) is to implement the State of Texas Vehicle Fleet Management Plan as developed in accordance with <u>Texas</u> <u>Government Code § 2171.104</u> and to establish procedures for the sale of university motor vehicles.
- **REVIEW:** This OP will be reviewed in May of even-numbered years by the Managing Director of Planning & Administration, the Associate Vice President for Operations, the Chief Accounting Officer, and the Chief Procurement Officer with substantive revisions forwarded through administrative channels to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

- 1. The sale of university vehicles as surplus property will be coordinated with the Surplus Property Manager in accordance with <u>OP 63.07</u>, <u>Disposal of Surplus</u>, <u>Obsolete</u>, <u>or Uneconomically</u> <u>Repairable Inventory</u>, and <u>OP 63.08</u>, <u>Property Management</u>.
- 2. The department is responsible for notifying both Vehicle Fleet Management and Property Surplus through written correspondence (preferably email).
- **3.** After the appropriate paperwork has been processed, the vehicle will be turned in to the Physical Plant garage where the exempt license plates will be removed and forwarded to Vehicle Fleet Management for proper disposal. The Texas Tech University insignia and TTU inventory number will also be removed from the vehicle and/or TTU-owned equipment. The department will submit an asset transfer to Surplus in the Property Inventory System at this time.
- 4. If the vehicle for sale has been severely damaged, the Vehicle Fleet Management Office will process the paperwork to convert the title to salvage status.
- 5. Once a customer for the vehicle has been established and payment has been received by TTU, the customer must visit the Vehicle Fleet Management Office to collect the title. The new owner should allow for up to five (5) business days to process the title change.
- 6. Upon title transfer, the vehicle will be released to the customer with proof of identification. TTU will not collect or pay the retail sales tax on the sale of the vehicle. It is the responsibility of the party taking possession of the vehicle to pay the applicable taxes in accordance with Tax Code Section <u>152.021</u> and <u>152.041</u>.

- 7. The Property Surplus Manager will contact the Accounting Services Property Manager to remove the vehicle from the inventory system. Fleet Management will notify the Office of Risk Management to remove the vehicle from insurance coverage.
- 8. Vehicles may be used for trade-in on new property in accordance with <u>Texas Government Code</u> <u>2175.903</u>. In addition to all other steps for the disposal of motor vehicles, requests to use vehicles for trade-in credit must also have prior approval from Procurement Services and are subject to requirements set forth in <u>OP 72.15</u>, <u>Purchasing/Leasing Motor Vehicles</u>.