

MEMPHIS-SHELBY COUNTY SCHOOLS

GUIDELINES AND PROCEDURES FOR DISPOSING SCRAP, VALUABLE WASTE, & STORING SCRAP/ VALUABLE WASTE

PURPOSE:

To provide management control and accountability over safeguarding of capital and other valuable assets that have been declared surplus / non- repairable/ and disposed.

Tennessee Code Annotated (T.C.A. Section 49-2-110), requires the Memphis-Shelby County Board of Education (SBCE) to provide and maintain records for all capital assets purchased, acquired, sold or transferred to which the title is vested in the board of education.

Guidelines and Procedures for Disposing of Scrap, Valuable Waste, and Storing Scrap/ Valuable Waste should be properly documented to include the implementation of standard operating procedures, which represents a more comprehensive system of internal control procedures which will aid the Division of Business Operations reasonable assurance that:

- Guidelines and Procedures for Disposing of Scrap, Valuable Waste, and Storing Scrap/ Valuable Waste are properly communicated to management and district personnel.
- All scrap, valuable waste, and salvageable materials associated with, remodeling, renovation, maintenance, and new construction accomplished or managed by the Division of Business Operations shall be properly disposed of, prepared for storage or reuse, and sold in accordance with standard operating procedures and complies with all applicable State and Local Regulations.
- The possibility of misappropriation of valuable scrap and recycle material, or the perception that such material is being misappropriated during the course of normal Business Operations/ Warehouse work functions is reduced.
- The short or long term storage of salvageable and recyclable material, scrap, and equipment is properly controlled to reduce storage of non- valuable or obsolete material and equipment in the Warehouse.

DEFINITIONS:

- Recyclable material –
- Scrap - Material no longer serviceable or usable having value as a recycled material. Examples include the following:

Central Nutrition Center (CNC)

- a. Kitchen Equipment
- b. Cafeteria Tables
- c. Serving line apparatus & other
- d. Other recyclable items

Farmville/Maintenance/ Mallory/ Warehouse

- a. Metal from desks & other
 - b. File cabinets & other office equipment
 - c. Furniture
 - d. Vocational equipment from discontinued programs
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- Trash (other than regular waste) – Material no longer serviceable that has little or no value as a recycled material. A material is defined as having little or no value when the cost to recycle is substantially greater than the cash value of the recycled material. This would include broken furniture beyond repair.

GUIDELINES:

Memphis-Shelby County Schools Office of Asset Management is responsible for directing the effective disposal of surplus and obsolete property. Surplus and obsolete property may be auctioned, transferred, destroyed or sold for recycling. Surplus property is defined as property no longer having an intended use by the District and is no longer capable of being used because of its condition as defined in the Tennessee **Code Annotated (T.C.A. Section 49-2-110)**.

The proper disposition of scrap, valuable waste, and salvageable material will be planned for all affected Division of Business Operations work functions, whether for a specific single event, or for continuous operations. Transport of all scrap, trash and recycle material shall be properly recorded when disposed of, or inventoried when stored for disposal, sale, or later use.

No Memphis-Shelby County School's employee may acquire for their own personal use or gain any item of scrap, valuable or non-valuable waste, or salvageable material. This shall include packaging materials and used construction materials destined for disposal, even if disposal is to be in the districts waste stream.

The manifest for disposition of scrap and salvageable material will be in the form of a service request to relocate material by a designated division within the warehouse that includes description of material, its initial location, and final disposition or storage location. **(Memphis-Shelby County Schools, Control numbered Asset Disposition Form #14671).**

Before districts assets are removed from its location, **The Office of Asset Management** should be contacted, and the **Memphis-Shelby County Schools, Control Numbered Asset Disposition Form #14671** should be properly completed and approved by management personnel, i.e. department heads and/or designees.

If there is no record of the equipment on the districts inventory listing, or the equipment inventory barcodes differ from the districts listing, and the equipment is not properly tagged a disposal log should be used to account for its disposition.

The **Office of Asset Management** should be contacted to determine if asset should be surplus and sold in public auction, and if salvageable material, or waste. **The outcome should be fully documented on the Memphis-Shelby County Schools, Control Numbered Asset Disposition Form #14671.**

Equipment that has been deemed surplus and identified as salvageable material, a vendor or salvage company should be identified for the sale of scrap material and valuable waste.

Warehouse personnel and the **Office of Asset Management** should transport salvageable material (scrap) to be sold. Dual signatures will be required on the vendors invoice. A check should be forward to the **Office of Asset Management**. Payment will be mailed in the form of a check made payable to Memphis-Shelby County Schools. **THE ACCEPTANCE OF CASH IS STRICTLY PROHIBITED.**

The **Office of Asset Management** will receipt the issued check from the vendor into the district issued receipt book. Dual signatures will be required on the receipt. The issued check will be hand delivered to the District's cashier office within the Finance Department. The check will be

received, and a copy of the receipt will be maintained by the **Office of Asset Management**. The receipt should be checked for mathematical accuracy, and proper coding to the account.

The **Office of Asset Management** will retain all documentation of all surplus property that has been deemed salvageable material (scraps). All monetary records for income derived from surplus property and scraps shall be retained indefinite within the **Office of Asset Management**.

A separation of duties dictates that a separate division from those directly involved in generating scrap, valuable waste, or salvageable material will move the material to its point of final disposal or storage. As a policy, when the same Warehouse division will generate and move material noted in this directive, different personnel within that division will generate or set up the material for relocation than those who will relocate the material to the final destination for disposal or storage. (This policy still requires that a recorded service request be completed as a manifest for the relocation and disposition of the material by personnel within the same division.)

MAINTENANCE ACTIVITIES:

Maintenance shops that generate scrap or valuable waste are being supplied with recycling bins for disposal of small and medium sized material. Maintenance shops shall involve proper moving personnel, Safety and Health Officer (Risk Management), and the **Office of Asset Management** as applicable for disposing of materials and/or equipment.

SALVAGED MATERIALS AND EQUIPMENT TO BE STORED AT WAREHOUSE/ CENTRALIZED LOCATION FOR FUTURE USE:

Material intended for reuse and storage at the MSCS warehouses should be supported with the proper documentation noting its disposition by the **Office of Asset Management**.

The Warehouse Manager should create and maintain a record of these items deemed “Special Inventory” which shall list the following minimum information: Description of the item, quantity, original location obtained, location stored, date stored, and description of how item would be reused.

No less than once every 12 months the Warehouse Manager shall require that all responsible managers authorized storage to reaffirm that material/ equipment shall they have entered into this special inventory shall remain in storage.

EVERY EFFORT SHOULD BE MADE BY WAREHOUSE AND FULLFILLMENT (INVENTORY CONTROL) TO LIMIT STORAGE OF ITEMS DESIGNATED FOR REUSE, AS WELL AS TO PROVIDE FOR THE EXEPEDITIOUS TURNOVER OF ITEMS STORED FOR REUSE.

WAREHOUSE MANAGER SHALL PREPARE A WRITTEN REPORT OF ITEMS COVERED BY THIS DIRECTIVE WHICH ARE CURRENTLY STORED/ PROPOSED TO BE STORED. EXAMPLE WOULD INCLUDE FURNITURE FROM CLOSED SCHOOLS TO BE TRANSFEERD TO OTHER LOCATIONS IN THE DISTRICT.

WAREHOUSE MANAGER WILL BE HELD ACCOUNTABLE FOR SECURITY, PROPER CONTROLS, AND SAFETY OF DISTRICT ASSETS STORED AT CENTRAL WAREHOUSE FACILITY.

PROCEDURES FOR DISPOSAL/ SCRAP MATERIALS / VALUABLE WASTE

1. Department Heads and/or designee will determine that equipment/furniture is to be pick up by the **Warehouse & Fulfillment (Inventory Control)** due to equipment/furniture is no longer serviceable, having little or no value, and furniture is beyond repair.
2. Department Heads and/or their designee will contact the **Office of Asset Management** to obtain blank copies of the **Memphis-Shelby County Schools, Control Numbered Asset Disposition Form #14671**. The control number will identify each location by the **Office of Asset Management**.
3. Once the **Memphis-Shelby County Schools, Control Numbered Asset Disposition Form #14671** has been assigned, then the department head and/or designee will properly complete the form along with authorization for pick up. A designated area should be clearly identified for pickup.
4. The **Office of Asset Management** along with Inventory Control will determine the disposition of the District's excess personal property noting if asset should be surplus and/or sold in public auction and determine if salvageable material or waste. The outcome should be fully documented on the **Memphis-Shelby County Schools, Control Numbered Asset Disposition Form #14671**. Before assets are removed from locations, this form must be completed.
5. If the asset for removal is not on the districts inventory listing, the Memphis-Shelby County Schools, Asset Disposition Form should be utilized to account for its disposition. The necessary steps should be taken to ensure that the asset is on the districts inventory.

6. Assets that have been removed from district locations and stored in a centralized location that has been deemed trash other than regular waste/ no longer serviceable that has little or no value as a recycled material, which include broken furniture beyond repair, should be properly supported with **Memphis-Shelby County Schools Control Numbered Asset Disposition Form #14671** properly documented. Records should be maintained for district assets purchased, sold, acquired, disposed, and other as stated in the **Tennessee Code Annotated (T.C.A. Section 49-2-110)**. Records should be maintained in **Office of Asset Management**.
7. A periodic review/ audit of records maintained should be performed by the **Office of Asset Management and results discussed with Business Operations Management**. The review should determine that proper documentation is identified for district assets that have been declared surplus, obsolete, transferred, or destroyed. **This also includes a list from the Office of Asset Management declaring that assets have been declared surplus by the Superintendent.**
8. Equipment/furniture that has been deemed surplus and identified as salvageable material, a vendor or salvage company should be identified for the sale of scrap material and valuable waste.
9. Warehouse personnel should transport salvageable material (scrap) to be sold. Dual signatures are required on the vendors invoice when accepting salvageable materials (scrap). Payment will be mailed from the vendor in the form of a check payable to Memphis-Shelby County Schools. **THE ACCEPTANCE OF CASH IS STRICTLY PROHIBITED.**
10. Payment will be received and receipted in the **Office of Asset Management**. Dual signatures will be required on the receipt. The issued check from the vendor will be delivered by personnel from the **Office of Asset Management** to the districts cashier office within the Fiscal Services Department. The check will be receipt and a copy of the receipt will be issued and maintained in the **Office of Asset Management**.
11. Receipts should be periodically reviewed for mathematical accuracy, and proper account coding to correct department/ division.

12. The **Office of Asset Management** will retain all records and documentation related to surplus property deemed salvageable materials (scrap). All monetary records for income derived from surplus property shall be retained indefinite within the **Office of Asset Management**.

13. A data base will be created utilizing the assigned control number documented on the **Control Numbered Asset Disposition Form #14671** that will assist the **Office of Asset Management** with identifying district assets that have been removed from locations throughout the district and ensuring that district assets are properly supported with a document noting it's disposition as stated in the **Tennessee Code Annotated (T.C.A. Section 49-2- 110)**.