

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 2.12
Page 1 of 4

Effective: July 1, 2010

Supersedes: Procedure 2.12 dated November 1, 2006

Applies to: System Office and Colleges

Procedure Responsibility: System Office Facilities Management

Public Auction and Sealed Bids

Section 2.12.1 – General

Section 2.12.2 – Scope of Responsibilities for Public Auction

Section 2.12.3 – Changing or Removal of Lot Items

Section 2.12.4 – Tabulation of Winning Items

Section 2.12.5 – Scope of Responsibilities for Sealed Bids

Section 2.12.6 – Interpretation and Clarification

Section 2.12.1 – General

Public auctions or sealed bids are set forth in order to sell to the highest bidder any surplus goods of the Kentucky Community and Technical College System (KCTCS). This procedure establishes the process for the public auction or sealed bid. Only cash or certified checks are acceptable payment. Any exception to these payment methods (e.g., personal check) is the sole responsibility of the selling unit. Colleges selling surplus items shall assume full responsibility for collection if personal checks are accepted and returned for insufficient funds. Only bidders providing a copy of a tax exempt certificate at the time of the auction or sealed bid will be valid for tax exemption.

Section 2.12.2 – Scope of Responsibilities for Public Auction

- A. The Office of Facilities Management, Division of Property Management shall have the responsibility for managing and coordinating public auctions for KCTCS and granting permission for auctions to be held on KCTCS property.
- B. The unit (College or System Office) wishing to have a public auction to surplus property shall be responsible for identifying the items, the tag numbers, and reporting the tag numbers to the Division of Property Management prior to the auction. The Division of Property Management shall review the use and condition of the items. If it is determined the property is no longer useful, the Division of Property will declare the items surplus and available for sale.
- C. The Division of Property Management will contact the auctioneer (s) on contract to perform the auction and set the date, location, and time of the auction. The Division of Property Management shall notify the selling unit of said arrangements in a timely manner once known.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 2.12
Page 2 of 4

- D. The auctioneer will provide:
1. Quadruplet (4) tags containing a listing for the item description, dollar amount, and winning bidder number. (*Note:* the College business office will use a tag as a receipt, e.g., cashier to record amount received plus sales tax (if any), initial and date). See section 2.12.4 for additional detail.)
 2. A ticket sort box.
 3. Numbered bidder tickets.
- E. The Division of Property Management will provide staff to help with:
1. Assigning lot numbers
 2. Sorting surplus items
 3. Writers for processing winning bids
 4. Placing the newspaper and web advertising
 5. Registration and tabulation
 6. Title and vehicle transfer, if applicable
- F. The selling unit shall provide:
1. To the Division of Property Management a complete list of proposed surplus items, including tag numbers and item description.
 2. Staff to help with assigning lot numbers, sorting of items, and payment receipting. The selling unit shall supply no less than three (3) staff to be in charge of cash handling and will provide a lockable money box which includes sufficient change (\$200.00 broken down into 20's, 10's, 5's, 1's, quarters, dimes, nickels, and pennies) prior to the start of the auction. As necessary, college security personnel or maintenance and operations staff may assist in providing security for the cashier and cash receipts. The Division of Property Management shall not any handle cash.
 3. The selling unit will deposit the sale proceeds in a pre-determined PeopleSoft financials chartstring.

Section 2.12.3 – Changing or Removal of Lot Items

Once a list of items to be auctioned has been established and finalized, no changes to the list shall be granted by the Division of Property Management. The Division of Property Management is the final decision maker regarding surplus items.

Section 2.12.4 – Tabulation of Winning Items

The Office of Facilities Management, Division of Property Management has the responsibility to tabulate the auctioneer tags and to compile a spreadsheet of each sold item, applicable sales tax (if any), and total selling price. The selling unit (College or System Office) will receive two (2) receipt tags, the Division of Property Management will receive one (1) tag, and the auctioneer will receive one (1) tag. Of the selling unit's 2 tags – one (1) tag shall be for the cashier (College Business Office or System Office) and one (1) tag shall be given to the winning bidder (purchaser) as a receipt. The cashier shall record the amount received for the sale item, plus sales tax (if any), initial and date both tags as record of payment. **Note:** Personnel receiving the payments, depositing the payments, and recording the payments shall not be the same person for purposes of separation of duties and internal control.

The Division of Property Management will send the compiled spreadsheet of the auctioneer tags to the KCTCS Office of Business Services – Accounting and the selling unit (College or System Office). Any discrepancies between tabulated auctioneer tags (spreadsheet) and cash receipts recorded by the selling unit shall be reviewed with examination of the processes used in the auction for reconciliation purposes and for improvement in auction procedures going forward.

Section 2.12.5 – Scope of Responsibilities for Sealed Bid

- A. The Office of Facilities Management, Division of Property Management is assigned the responsibility for declaring items surplus. The Office also holds the responsibility to conduct sealed bids and for granting permission for seal bids for surplus property to be conducted within KCTCS.
- B. The selling unit (College or System Office) is responsible for identifying the proposed surplus property, the tag numbers, and reporting the tag numbers to the Division of Property Management for disposal.
- C. The Division of Property Management shall conduct the sealed bid process by providing the selling unit assigned numbers for each item, newspaper and web advertisements, sealed bid packages (which include all needed forms), opening the sealed bids, and informing the highest and best bidder of the bid award.
- D. The selling unit (College or System Office) is responsible for collecting the payment and utilizing a pre-numbered cash receipt system. Additionally, the selling unit will coordinate the disposition of items purchased with the successful bidder. The selling unit shall deposit the sale proceeds in a pre-determined PeopleSoft financials chartstring.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Procedure 2.12
Page 4 of 4

Section 2.12.6 – Interpretation and Clarification

Questions of interpretation and clarification as to this procedure shall be directed to the KCTCS Office of Business Services. The KCTCS Office of Business Services shall be the final arbitrator for questions of interpretation and clarification.

END OF PROCEDURE