

## Procedure 1610 PR.02

### Disposal of Obsolete Computers and Peripherals

Revision Date 4/30/08

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#### Overview

The University owns computers and peripherals that no longer have value to the University. It is appropriate to dispose of them by donation, sale or recycling, within the limits of this procedure.

The University recognizes the importance of preserving the privacy of users and data stored in IT systems. Users must honor this principle by neither seeking to obtain unauthorized access to IT Systems, nor permitting or assisting any others in doing the same. The University must also protect the Copyright and Licensing agreements with software providers.

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#### Rationale for procedure

The University must protect its investments in computers and peripherals and abide by regulations imposed by granting or contracting agencies with regard to equipment. The University must also comply with state sales tax laws and Internal Revenue Service rules for documenting and reporting all forms of compensation.

Under the CT General Status Section 22-a-449(c)-113 Standards for Universal Waste Management, used or broken electronics such as desktop, laptop computers and computer peripherals are now considered Universal Waste and are banned from normal trash dumpsters. These items are now required to be collected and sent to a licensed disposal facility. Please contact the Office of Environmental Health and Safety Office (OEHS) at 785-3551 for pertinent information. While this designation does not impose any restrictions while computers and peripherals are in use, it does prescribe special handling of recycled computers and peripherals.

University information must be destroyed or rendered unrecoverable prior to re-purposing any computer, electronic device or media.

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#### Definitions

##### Fair Market Value (FMV)

The price that would be agreed on between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.

##### Universal Waste

The State of CT has classified certain electronics as Universal Waste. These electronics are defined as electronic equipment that can store or transmit data and/or is used for entertainment purposes. This includes all computers and peripherals. This category, somewhere between normal municipal solid waste and hazardous waste, allows fairly normal handling of the material but requires special end-of-life disposal appropriate to the material. Please contact OEHS for further classifications.

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## Data Removal prior to disposal

Prior to redeployment, donation, selling, or recycling of any computer or peripheral, the data must be removed in accordance with [Policy 1609 Media Control](#) and related [Procedure 1609 PR.01 : Disposal of Media Containing Confidential or Protected Health Information](#). Desktop Support Providers can help clients navigate the data removal process. In addition, the Computing and Media Center offers a free hard drive data erasure service as well as a CD/DVD and floppy disk shredding. More information about this service is available here: <http://www.yale.edu/its/help/cmc.html>

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## Disposal options

**Re-deploy:** Computers that are not capable of performing complex tasks may still be capable of performing simpler tasks and thus may be used either within their own or another Yale department. Such computers must be re-deployed within the University.

**Donate:** Obsolete computers and peripherals that are still operational (but no longer of use to the University) may be donated to non-profit organizations, when donating the equipment furthers one or more of the University's exempt purposes (education, research and community service). The donee must be an exempt organization for federal income tax purposes under Internal Revenue Code Section 501(c)(3)

**Sell:** Obsolete computers and peripherals that are still operational (but no longer of use to the University) may be sold at fair market value to individuals, non-profit organizations or for-profit entities. This option is subject to strict rules governing the determination of fair market value, adherence to tax laws and regulations and documentation of the transaction. If computers are to be sold, they must be priced at fair market value only. If the computers were purchased with funds from a grant or a contract, they may not be sold from one department to the other within the University. Please refer to the Policy section [4209.2](#) on *Transfer, Release and Sale of Equipment*.

**Recycle:** Computers and peripherals may be of such age or condition that they cannot be used for their intended purposes. These computers and peripherals should be recycled. All electronic materials to be recycled should be referred to the Office of Environmental Health and Safety. Fill out the Universal Waste/Used Electronics Form available from the Office of Environmental Health & Safety [website](#). It can be faxed to 432-6148 or email to [waste.requests@yale.edu](mailto:waste.requests@yale.edu). Call the Yale Environmental Affairs Waste Request Line at 785-3551 for further information.

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## Warranty

All computers and peripherals are donated or sold "as is" and with no warranties expressed or implied. Any recipient of the equipment must sign an acknowledgement of this condition.

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## Sales tax

The sale of equipment is subject to the 6% Connecticut sales tax if it is:

- Shipped to a Connecticut address; or
- Picked up by the purchaser from a location in Connecticut, such as the University campus.

If the transaction is subject to Connecticut sales tax, the tax rate must be applied to the total sales price of the equipment including any shipping charges. (Note: The University is not required to collect sales tax if the purchaser is a tax-exempt organization and it provides the University with a properly completed Form CERT-119, *Certificate for Purchases of Tangible Personal Property and Services by Qualifying Exempt Organizations*.) Contact the Tax department for a CERT\_119 certificate.

Contact the University's General Accounting Office to obtain information on the University's procedures for recording taxable sales, reporting, and remitting sales tax to the state.

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## Income tax

If the chosen method is re-deploy, or sell at fair market value or recycle: No income tax consequences for the University or the recipient.

**Donate:** No income tax consequences to recipient. The University may be able to deduct the fair market value of the donated equipment on its income tax return.

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## **Specific procedures:**

### **1. Identification**

The Business Administrator of the unit that owns the computer or peripheral (henceforth to be called the "equipment") determines when it is not suitable for its originally intended purpose. Desktop Support Providers (DSP) may be requested to assist in this determination.

### **2. Authorization**

In all cases, the re-deployment, recycling, donation or sale of equipment must be approved in writing by the administrator of the department that owns the equipment.

### **3. Local redeployment**

If the equipment is identified as obsolete but is still operational, the preferred option is to redeploy it for another use within the unit. No further actions are needed with this option, and the remainder of this procedure may be ignored. This is the preferred method for the University.

### **4. Data removal**

**Note:** Correct removal of files from equipment is an absolutely irreversible process. Proceed with care. The Business Administrator is responsible for ensuring that all files have been removed from the equipment. For highly confidential equipment, more than one method may be employed. Desktop Support Providers can assist clients in navigating the data removal process.

The Computing and Media Center offers a free hard drive data erasure service as well as a CD/DVD and floppy disk shredding service. More information about this service is available here:

<http://www.yale.edu/its/help/cmc.html>

### **5. Removal from inventory**

The Business Administrator is responsible for removing the equipment from departmental inventory lists and the Moveable Equipment Inventory (MEI) list as appropriate. If the cost is under MEI Capitalization amount (currently \$5,000), the equipment will not be in MEI.

### **6. Redeployment to another unit**

Departments can redeploy equipment to other departments but must keep all appropriate documentation listed in the Record section of this document.

### **7. Donation**

Equipment may be donated only to non-profit organizations. The donee must be an exempt organization for federal income tax purposes under Internal Revenue Code Section 501(c)(3) and must acknowledge the gift in writing. No licensed software may be supplied with the equipment other than an Operating System as supplied at initial purchase.

### **8. Sale**

Equipment may be sold at fair market value to individuals, non-profit organizations or for-profit entities. This option is subject to strict rules governing the determination of fair market value, adherence to tax laws and regulations and documentation of the transaction. If computers are to be sold, they must be priced at Fair Market Value (FMV) only. The Business Administrator is responsible for determining the FMV of the equipment using the Desktop Support Provider who researches price(s) of comparable equipment.

### **9. Scrap & Salvage**

If the equipment is not operational or unsuitable for any use, it should be scrapped. Parts and peripherals may be salvaged. The remainder of the equipment should be, picked up by the Office of Environmental Health and Safety for recycling. Under no circumstances is it acceptable to dispose of scrap equipment by introducing it into regular trash streams such as tossing it into the trash or dumpster. This includes hard drives removed from towers and physically destroyed. The State of CT requires special end-of-life disposal appropriate to the material.

## Records:

The department that re-deploys, recycles, donates or sells computers or peripherals must maintain the following records:

- Written approval from the Department Administrator.
- If the computers or peripherals are re-deployed in another department, they must be removed from the inventory list of the department that donated it and transferred to the department that received it. The departments should retain a copy of this transaction on file.
- For equipment that is sold, a copy of the cash receipts, documentation supporting the determination of the fair market value of the equipment along with the equipment's disposal records.
- If the computers or peripherals that are listed in the inventory are recycled, they must be removed from the list, and the department should retain a copy of this transaction on file.

For donated equipment, a written acknowledgement from the 501(c)(3) organization.

Note: If a department donates equipment and the fair market value of all equipment donated by the department during the fiscal year is \$10,000 or greater, a copy of the gift acknowledgement(s), along with a copy of the documentation for determining the fair market value of the equipment, must be forwarded to the University Tax Department.

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## Related Information

[Policy 1609](#): Media Control

[Procedure 1609 PR.01](#): Disposal of Media Containing Confidential or Protected Health Information.

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## Roles and Responsibilities

### Department Administrator

Business Administrator chooses the most appropriate disposal option amongst the various options listed in this policy. The administrator must assess the Fair Market Value of the equipment and also bear responsibility for the removal of electronic data on equipment before disposal.

### Information Technology Services

Desktop Support Providers (DSP) can assist with the assessment of equipment obsolescence and identification of the Fair Market Value of the equipment. DSPs can also direct clients to data erasure services prior to recycling obsolete equipment.

### Office of Environmental Health and Safety

OEHS is available for disposing and recycling obsolete, broken or other unusable computers and equipment in compliance with the CT State Law. To request a pickup of obsolete equipment, fill out the Universal Waste/Used Electronics Form available from the Office of Environmental Health & Safety [website](#). It can be faxed to 432-6148 or email to [waste.requests@yale.edu](mailto:waste.requests@yale.edu). Call the Yale Environmental Affairs Waste Request Line at 785-3551 for further information.

## Contacts

Subject	Contact	Phone
Erasure of data services	Computing and Media Center	737-1244
Electronic Data removal consulting	ITS Help Desk	432-9000 785-3200
Recycling and disposal of obsolete or unused equipment	Office of Environmental Health and Safety (OEHS)	785-3551
Tax Issues	University Tax Department	432-5530

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## Revision History

This document was revised on 4/30/08. Previous revision was on 4/01/06.

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The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.

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