

Sale of land, equipment, animals, and agricultural commodities

*College of Agricultural Sciences
Oregon State University
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Situation

The College of Agricultural Sciences and its units not only acquire, manage, and dispose of equipment customarily associated with higher education and research but, because of the character of the College's mission, its units also acquire, manage, and dispose of agricultural commodities, animals, and, occasionally, real estate.¹ All applicable federal, state, and University policies govern such acquisition, management, and disposal; this policy statement supplements those and is intended to call your attention to certain important responsibilities in relation to these assets. It emphasizes that:

- **Employees are responsible for avoiding conflicts of interest** and the appearance of conflict of interest;
- **Employees are responsible for maximizing revenues from the sale of property;**
- **Units have authority to sell animals and agricultural commodities** that may be excess to their needs, but with this authority comes **considerable responsibility**; and
- **Individual operating units are responsible for maintaining accurate inventories** of property, including animals and commodities, and **for maintaining business records** of sales.

The intent of this policy is to ensure sales meet compliance requirements, maximize proceeds to Oregon State University, and ensure that, per 244.040 (1), employees do not use their position for personal gain:

(1) Except as provided in subsection (2) of this section, a public official may not use or attempt to use official position or office to obtain financial gain or avoidance of financial detriment for the public official, a relative or member of the household of the public official, or any business with which the public official or a relative or member of the household of the public official is associated, if the financial gain or avoidance of financial detriment would not otherwise be available but for the public official's holding of the official position or office.

¹ For purposes of this policy, land, equipment, animals, and agricultural commodities are jointly referred to as "property."

For the purpose of this document, there are certain key words:

- **Unit:** This refers to the customary organizational and operating units of the College, such as academic department, branch experiment station, research and extension center, and so forth.
- **Employee:** A person employed on a full-time or part-time basis by the College of Agricultural Sciences or one of its units.
- **Related party:** Family members of an employee (siblings, spouses, ancestors, and lineal descendants) and other entities (businesses, partnerships, estates, trusts) in which the employee or family member holds an interest of ten percent or more. *In these matters of property management, the term employee also includes related parties.*
- **Market value:** The most probable price (in terms of money) which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Avoiding conflict of interest

A conflict of interest may occur when an employee is in a position to make a decision in his or her capacity as a university employee that may result in personal or family gain, financial or otherwise. In any transaction involving the exchange of property, the University and the College expect their employees to avoid even the appearance of that employee's having a conflict of interest that derives from the exchange. Should you have any concern whatsoever about this in a matter for which you are responsible, always discuss it with the head of your unit or the College's Chief Operating Officer. It is important to adhere to OSU's [Financial Conflict of Interest in Research](#) guidance.

With respect to land, equipment, animals, and agricultural commodities, these are some specific College policies.

Land and equipment

For land or equipment that belongs to the University, the sale of such property is the responsibility of the Division of Finance and Administration. Therefore:

- A unit of the College may not independently arrange for the sale of land and equipment.
- Likewise, a College of Agricultural Sciences employee or related party may not purchase land or equipment directly from a unit.
- A College of Agricultural Sciences employee may not sell land or equipment (including furniture).

For federal property, disposal is the responsibility of the accountable property officer in the Federal Excess Property Program. You may determine who is the accountable property officer by contacting the College's Chief Operating Officer.

Animals and agricultural commodities

The University grants delegated authority to the College of Agricultural Sciences to dispose of surplus animals and agricultural commodities. For animals and agricultural commodities that belong to the University, but which are excess to the needs of the unit,

the administrative head of the unit has authority to sell such property at fair market value but must ensure there is no real or apparent conflict of interest.

When a unit advertises animals for sale, the unit must state something to the effect of “These animals are produced as a by-product of university activities (e.g., teaching and research) and represent a commodity intended for sale. The sale proceeds support the College of Agricultural Sciences.”

If the unit head has questions or needs assistance for such sales, she or he should contact the College’s Chief Operating Officer. At a minimum (and with certain exceptions noted below), these principles will apply:

- An employee of a particular unit in the College may not directly sell an animal or agricultural commodity to another employee (or related party) in that same unit. For example, an employee of “Department A” may not sell an animal to another employee of “Department A” or one of its sub-units. Thus, an employee of the College may not purchase an animal or agricultural commodity directly from the unit to which they are assigned.
- No employee of the College’s dean’s office may purchase an animal or agricultural commodity from any unit in the College and, thus, no employee of the College may sell an animal or agricultural commodity to an employee of the College dean’s office.

There are *two exceptions* that relate to the sale and purchase of animals and commodities:

- **Animals.** Any employee (except those employed by the OSU Horse Center or affiliated with the sale of horses by the Horse Center) may purchase an animal at a public auction.
- **Personal-use commodities.** Any employee may purchase—under the same terms and conditions as are available to the general public—small amounts of agricultural commodities sold to the general public (e.g., a bag of potatoes, Meat Center products).

Market Value

Land and equipment

When University land and equipment are sold, it must be at market value.

As noted above, for University property, the Division of Finance and Administration is responsible for all sales, and for ensuring sale at market value. For federal property, disposal is the responsibility of the accountable property officer in the Federal Excess Property Program.

Animals and agricultural commodities

Units of the College of Agricultural Sciences that have animals and agricultural commodities that are excess to their needs may offer them for sale, but the administrative head of the unit is responsible for ensuring that they are sold at market value. A unit may sell commodities at market value in an open marketplace or commodity broker such as Craigslist, Facebook Marketplace, an auction, to a feedlot, or other large commodity broker that purchases commodities. If sales are to private parties, the unit shall seek multiple offers and/or fully advertise the commodities to the general public.

Should you believe you can justify a variation from this policy, please discuss it with the College's Chief Operating Officer. It is the responsibility of the unit head to ensure full documentation to justify deviation from the policy and to keep the documentation and approval on file.

Inventory and sales records

A unit with responsibility for animals and agricultural commodities will maintain a full, accurate, and up-to-date inventory of them.

A unit that sells animals or agricultural commodities will maintain full, accurate, and up-to-date business records including the names of all purchasers, sale price, and any conditions of sale.

References and assistance

Applicable University policies governing property management may be found in the OSU Property Management (PRO) Manual.

To ensure proper cash handling and treatment of accounts receivables, please refer to the [Internal Control Self-Assessment Tool](#).

If you need assistance in matters relating to acquiring, managing, and disposing of property, feel free to contact the College's Chief Operating Officer.