

**POLICY TITLE: USE AND DISPOSAL OF AGENCY PROPERTY**

Conveyance of Property

Within one year prior to conveyance of property, all real and personal property with an estimated value of \$1,000 or greater shall be appraised. The appraisal shall be entered in the records of the Board.

**\$1,000 or Greater:** For property with a value of \$1,000 or greater, the property may be sold at public auction or by sealed bids, (as the Board shall determine,) to the highest bidder. Such property may be sold for cash or according to terms and conditions determined by the Board. The period of the sale shall not be more than ten years, and the annual rate of interest on all deferred payments must be at least 7% per annum. The title to all property sold on contract shall be retained in the name of the Agency until the purchaser makes full payment. Title to all property sold under a note and mortgage or deed of trust shall be transferred to the purchaser at the point of sale under the terms and conditions of the mortgage or deed of trust as the Board shall determine. The Agency shall publish notice of the time and the conditions of the sale twice. The Board shall ensure proof of this publishing of notice is retained as described in IC 33-402(2) and (3). The Board may accept the highest bid, may reject any bid, or reject all bids. During the sealed bid or public auction process, no real property of the Agency can be sold for less than its appraised value. If, thereafter, no satisfactory bid is made and received, the Board may proceed under its own direction to sell and convey the property for the highest price the market will bear.

**\$500 to Less than \$1,000:** The Board may sell property with an estimated value of less than \$1,000 without appraisal, by sealed bid or at public auction, provided that there has been at least one published advertisement prior to the sale. The Board may accept the highest bid, may reject any bid, or reject all bids.

**Less than \$500:** For property that has an estimated value of less than \$500, the property may be disposed of in the most cost-effective and expedient manner by an employee of the Agency designated by the Board. The designer shall notify the Board prior to disposal of said property.

Donated Property

If real property was donated to the Agency the Board may, within a period of one year from the time of the appraisal, sell the property without additional advertising or bidding. Otherwise, the Board must have new appraisals made and again publish notice for bids, as with other property.

Exchange of Property

The Board may exchange real or personal property for other property provided that:

1. 1/2 plus one of the members of the full Board determines such conveyance or exchange is in the best interest of the Agency; and
2. A resolution is passed authorizing such exchange of real and/or personal property to any of the following:
  - A. U.S. government;
  - B. City;
  - C. County;
  - D. State of Idaho;
  - E. Hospital district;
  - F. School district;
  - G. Public charter school;
  - H. Idaho Housing and Finance Association;
  - I. Library district;
  - J. Cooperative service agency formed pursuant to IC 33-317;
  - K. Community college district;
  - L. Recreation district.

Before such exchange, the Board shall have the property appraised by an appraiser certified in the state of Idaho and shall enter the appraisal into the Board's records. This appraisal shall be used to establish the value of the real or personal property. If the Board finds it is in the Agency's best interests to trade personal property to a person or entity for like kind personal property, the Board may vote to elect to do so. The Board may choose not to have the property appraised if it's personal property with an estimated value of less than \$5,000.

**Equipment Acquired Under a Federal Award:** When it is determined that original or replacement equipment, as defined in Policy 7270, acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the Superintendent or Business Manager will contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If acquiring replacement equipment, the Agency may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

The Agency will use whatever means available to ensure the highest possible return on any items sold.

Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency or pass-through entity. Therefore, the Agency should request prior

approval from the State Department of Education for the purchase or the disposition of equipment purchased with federal funds that have a value of \$5,000 or more.

<b>Legal References</b>	<b>Description</b>
2 CFR § 200.313(e)	Equipment. Disposal
2 CFR § 200.439(b)(2)	Equipment and Other Capital Expenditures
IC § 33-402	Notice Requirements
IC § 33-601	School Property - Real and Personal Property — Acquisition, Use or Disposal of the Same
IC § 67-2801, et seq.	Purchasing by Political Subdivisions
IC § 74-107(3)	Records Exempt from Disclosure – Trade Secrets, Production Records, Appraisals, Bids, Proprietary Information, Tax Commission, Unclaimed Property, Petroleum Clean Water Trust Fund
IC 33-317	Cooperative Service Agency - Powers - Duties - Limitations