

AP 6550 DISPOSAL OF DISTRICT PERSONAL PROPERTY

References:

Education Code Sections 70902(b)(6), 81360 et seq., and 81450 et seq.;
OMB Circular A-110

The Chief Business Officer shall maintain an inventory of all District capital assets valued at more than \$5,000, which shall be depreciated in accordance with Generally Accepted Accounting Principles and the California Budget and Accounting Manual.

District Personal Property

The District may sell for cash any District personal property if the property is not required for District purposes or if it should be disposed of for the purpose of replacement, or if it is unsatisfactory or not suitable for use.

Property cannot be sold until notice has been given. Notice must be posted in at least three public places in the District for not less than two weeks; notice can also be by publication for at least once a week for a period of not less than two weeks in a newspaper published in the District and having a general circulation.

The Chief Business Officer shall sell the property to the highest responsible bidder, or shall reject all bids.

Personal property authorized for sale as surplus may also be disposed of by means of a public auction conducted by employees of the District, or by other public agencies, or by contract with a private auction firm. The personal property shall be sold or transferred to the highest responsible bidder upon completion of the auction and after payment has been received by the District.

The District can also exchange for value, sell for cash, or donate any personal property belonging to the District without complying with the preceding procedures if all of the following criteria are met:

- a) The District determines that the property is not required for District purposes, that it should be disposed of for the purpose of replacement, or that it is unsatisfactory or not suitable for school use.
- b) The property is exchanged with, or sold or donated to, a school district, community college district, or other public entity that has had an opportunity to examine the property proposed to be exchanged, sold, or donated.
- c) The receipt of the property by a school district or community college district will not be inconsistent with any applicable District wide or school site technology plan of the recipient district.

Any item or items of property having previously been offered for sale as provided above, but for which no qualified bid was received, may be sold by the Chief Business Officer at private sale without advertising.

The Chief Business Officer shall determine whether an article to be replaced should be traded in for the new item or be declared surplus property. District employees must have approval of the Chief Business Officer before discarding or selling any item they consider surplus. The Chief Business Officer shall determine when there is a sufficient volume of surplus property to require that a sales event be conducted to dispose of the property.

If the Board of Trustees, by a unanimous vote of those members present, finds that the property, whether one or more items, does not exceed in value the sum of five thousand dollars (\$5,000), the property may be sold by the Chief Business Officer at private sale without advertising.

Any of the duties in this section can be assigned to a designee by the Chief Business Officer.

The Chief Business Officer shall report all sales proceeds to the Board of Trustees at least once annually.

Real Property

The District can sell or lease real property belonging to the District if the provisions of the Education Code relating to such sale or lease are met. (See BP/AP 6500 Property Management)

Abandoned Property

The District may dispose, sell, or lease any abandoned property found within District if any of the following conditions are met:

- Notice to the apparent owner is reasonably attempted and no response was received.
- The property is reasonably deemed lost, neglected, or pose a safety concern.
- There is clearly no intention to recover the property by the apparent owner.

Property Purchased with Federal Funds

The federal definition of equipment is: tangible nonexpendable personal property, including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

All property acquired by the District from federal funds must be inventoried, maintained, and disposed of in accordance with federal provisions.

Procedures for managing equipment purchased with federal funds, until transfer or disposition takes place, shall meet the following requirements:

- The recipient's property management standards for equipment acquired with federal funds and for federally owned equipment should include all of the following:
 - A description of the equipment
 - Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number
 - Source of the equipment, including the award number
 - Whether title vests in the recipient of the federal government
 - The information needed to calculate the federal share of the equipment
 - Acquisition date and unit acquisition cost-
 - Location, use, and condition of the equipment and the date the information was recorded

- Ultimate disposition data, including date of disposal and sales price or the method used to determine the current fair market value where a recipient compensates the federal awarding agency for its share
- A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current use and continued need for the equipment. Any differences between physical inventory and accounting records shall be investigated to determine the cause of difference. A statistical sampling basis is acceptable.

A control system shall be in effect to insure adequate safeguards against loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

Disposal of Surplus Property

District Personal Property

Material accumulated which has no further value to the District shall from time to time be disposed of in such a manner as to provide maximum benefit to the District. If the sale value of the material is \$1,000.00 or less as determined by the unanimous vote of the Board of Trustees, it may be sold pursuant to provisions of Education Code Section 81452(a).

If the Board of Trustees, by unanimous vote of those members present, finds the material to be of insufficient value to defray the costs of sale, it may be disposed of pursuant to the provisions of Education Code Section 81452(b).

If the sale value is more than \$1,000.00 as determined by the Superintendent/President, the material to be disposed as surplus property shall be sold pursuant to the provisions of Education Code Section 81450.

District employees directly involved in recommending the disposal of specific pieces of personal property may not purchase such property.

Real Property

The sale, lease, or rental of real property shall be in accordance with the provisions of Education Code Section 81360-80. See AP 6500 Property Management.

Surplus Non-Fixed Equipment

The orderly disposal of District surplus non-fixed equipment is essential for the maintenance of an accurate District equipment inventory. Maintenance of inventory records and the purchasing and disposal of District equipment are functions of Administrative Services. For purposes of this procedure, equipment is defined as tangible property of more or less permanent nature other than building, improvements, or books. Such items as machinery, instruments, vehicles, and furniture are equipment.

Factors to be taken into consideration when contemplating disposal include the following:

- age of equipment
- cost of maintenance
- cost of repair
- remaining useful life

- condition
- availability of replacement funds
- cost of replacement
- cost of disposal
- other deciding factors

Once the department decides to recommend disposal, the department will submit a fully completed Disposal of Non-Fixed Equipment Request form to the designated position in Administrative Services.

If approved for disposal, equipment will be gathered to a central location. Method of disposal will depend upon the greatest net financial gain to the District and must comply with Board Policy.

Proceeds from the sale will go into the General Fund unless restricted by original funding source.

Office of Primary Responsibility: College Operations

Also see BP/AP 6500 Property Management

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(Replaces current College of Marin Policy 6.0008 and Procedure 6.0008 DP.1)

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