

## AP 6550 Disposal of Property

### References:

Education Code Sections 70902(b)(6), 81360 et seq., and 81450 et seq.

The District may sell, auction, donate, or otherwise dispose of 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. The Board may delegate to the CEO or her/his designee the authority to dispose of surplus equipment and materials in accordance with Education Code provisions.

District property determined by the Board to be surplus property may be authorized for disposal by the CEO or designee in accordance with the following procedures:

#### A. Disposal Process:

1. First, the property shall be attempted to 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, either as individual pieces or in lots.
  - i. If the auction, is initially unsuccessful, it shall be extended for an additional period of time.
  - ii. If the auction is successful, the 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, or the District may reject all bids.
2. Second, if first option above is unsuccessful, the property may be donated to a charitable organization.
3. Third, if the first and second options above are unsuccessful, the property may be sold by the CEO or designee at private sale without advertising.

B. Advertising: If the current market value of surplus property exceeds \$5,000, the 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, or by publication for at least once a week for two weeks in a newspaper published in the District and having a general circulation.

C. Proceeds from Auction/Sale: Proceeds from the disposition of surplus property shall revert to the District's general fund except for the following circumstances:

1. When the equipment has been purchased from a categorical grant and the District is required by the terms of the grant to restrict the use of the proceeds from the sale to the program for which the grant was received.
  2. When the equipment has been donated to the District to be used only in a designated program and when the proceeds of the sale also are restricted.
- D. Trade-In/Exchange: Surplus property may be disposed of by way of exchange for value or for trade-in value on new equipment when the item(s) to be disposed of are intended to replace an existing piece of equipment.

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:

1. 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.
2. 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.
3. 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.

District employees may not buy property declared to be surplus (this is an element of conflict of interest).

### **Real Property**

The Board may sell or lease real property belonging to the District under the following conditions:

If the District has received only one sealed proposal from a responsible bidder that conforms with the standard rate or rates for the lease of its real property established by a majority vote of the Board, the Board may by majority vote delegate to an officer or employee the power to enter into leases, for and in behalf of the District, of any real property of the District.

Generally, the funds derived from the sale or from a lease with an option to purchase shall be used for capital outlay or deferred maintenance. However, the proceeds of property sold or leased that was first offered for park or recreational purposes where applicable and then offered for sale or lease with an option to purchase at fair market value may be deposited in

the general fund of the District if, prior to the sale or lease, the Board has determined that the District has no anticipated need for additional sites or building construction for the five-year period following the sale or lease.

Board Review Date: January 22, 2020

Next Review Date: Spring, 2026