

REVISED POLICY - VOL. 34, NO. 2

DISPOSITION OF REAL PROPERTY/PERSONAL PROPERTY

The Board of Education believes that the efficient administration of the District may require the disposition of real property and/or personal property that is no longer necessary to meet the educational or operational needs of the School District.

"Real Property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

"Personal Property" means tangible property other than real property. It may be tangible, having physical existence, or intangible and may include automotive vehicles, equipment, and materials.

[] All property considered for disposition **(sale) (shall) (may)** be subjected to a current, outside, professional appraisal prior to the solicitation of offers.

Disposition of Personal Property under \$10,000

Personal property, the value of which does not exceed \$10,000, shall be disposed of by the Superintendent in such a manner as will be in the public interest and benefit the School District (see Policy 7300 - Disposition of Real Property/Personal Property and Policy 7310 - Disposition of Surplus Property~~and Donation of Real or Personal Property~~). If the Board decides to trade an item of personal property as a part or an entire consideration on the purchase price of an item of similar personal property, the Board may trade the personal property upon such terms as are agreed upon by the parties.

Disposition of Real Property under \$10,000

Real property, the value of which does not exceed \$10,000, shall be disposed of by the Board in such manner as will be in the public interest and benefit to the School District and may be accomplished by private sale. If the Board identifies a parcel of real property that it determines is needed for school purposes, the Board may, upon majority vote of the members of the Board, acquire such parcel by exchanging its real property for the parcel or using the real property as part or an entire consideration for the purchase price of the identified real property. Any exchange or acquisition shall be made by conveyance executed by the President and the Treasurer of the Board.

Disposition of Personal and Real Property over \$10,000

Property, (personal and real), the value of which exceeds \$10,000, shall be sold at public auction to the highest bidder in accordance with law. The Board may offer real property for sale as an entire tract or in parcels.

A. Unless the property is being:

1. sold to an exempt entity, as defined in R.C. 3313.41(C);
2. sold to a community school or the board of trustees of a college preparatory boarding school, as set forth in R.C. 3313.41(G); or
3. exchanged for an identified parcel of real property that the Board determines it needs for school purposes or the property is being used as part or an entire consideration for the purchase price of the identified real property, pursuant to R.C. 3313.41(F);¹⁵ or
4. traded as a part or an entire consideration on the purchase price for a similar item of personal property upon such terms as agreed to by the parties to the trade pursuant to R.C. 3313.41(E).¹²

The District shall attempt to sell the property by public auction after giving at least thirty (30) days notice of the auction by:

- (X) publication in a newspaper of general circulation; or
- (X) posting notices in five (5) of the most public places in the District in which the property, if it is real property, is situated, or if it is personal property, in the District of the Board that owns the property.

B. If, after the property has been offered once by public auction, no acceptable bids have been received, the District may sell the property at private sale. The following procedures shall apply:

- ☒ Regardless of how the property was offered at public auction, at a private sale, the Board shall, as it considers best, sell real property as an entire tract or in parcels. Personal property shall be sold in either a single lot or several lots.
- ☐ All written offers on real property under consideration for disposition shall be presented as an item on the agenda of a public Board meeting. A preliminary review of offers to purchase or lease shall include: source of offer, date of offer, expiration date of offer, and intended use of property.
- ☐ Written offers shall be referred to the Board Finance Committee for review and recommendations. Offers, when received, will be distributed to the members of the Board.
- ☒ All property considered for lease or sale shall be reviewed by the Board prior to solicitation of offers. The solicitation of offers by the Board shall include an expiration date.
- ☐ The authorized agents of the Board are to review all purchase or lease offers pertaining to sale or lease of property shall be selected by legal counsel and the _____. The Board shall give final approval of all contracts.
- ☒ In consideration of the best interest of the District and of the residents and taxpayers, the Board reserves the right to reject any and all offers at its sole discretion, regardless of price and terms.
- ☒ Potential purchasers or lessees shall demonstrate financial capability to meet the terms and conditions of their purchase or lease offer.
- ☒ Potential purchasers shall demonstrate reasonable likelihood of obtaining necessary city/township approvals and/or compliance with city/township zoning ordinances.

- C. If the Board decides to dispose of real property ~~that is suitable for use as classroom space~~, prior to disposing of the property in the manner set forth above, the Board shall first offer the property to the governing authorities of high-performing community schools and any newly established community schools that are implementing a community school model that has a track record of high quality academic performance, as determined by the Department of Education. If no governing authority from either type of community school expresses an interest in the property within sixty (60) days after the offer is made, the Board must offer the property for sale to the governing authorities of the start-up community schools and the board of trustees of any college preparatory boarding school located within the territory of the District.
1. The Board shall offer the property to ~~the any~~ community school governing authority and college preparatory boarding school board of trustees at a price that is not higher than the appraised fair market value of the property as determined in an appraisal of the property that is not more than one (1) year old.
 2. In the event that more than one (1) community school governing authority or college preparatory boarding school board of trustees accepts the offer made by the Board, the property shall be sold to the community school governing authority or board of trustees that accepted the offer first in time.
 3. ~~The~~ [The Board may dispose of the property by public auction only if no start-up community school governing authority or college preparatory boarding school board of trustees accepts the Board's offer within sixty (60) days after ~~such the~~ subsequent offer.]

D. Disposition of Unused School Facilities

1. "Unused School Facilities" means any real property that has been used by the District for school operations, including but not limited to academic instruction or administration, since July 1, 1998, but has not been used in that capacity for two (2) years.
2. The Board shall ~~offer~~ first offer any Unused School Facilities it owns for lease or sale to the governing authority of any high-performing community school as defined by State law. If no governing authority accepts the offer of lease or sale within sixty (60) days, then the Board must next offer Unused School Facilities to the governing authority of any community school or the board of trustees of any college preparatory boarding school that is located within the territory of the District.

At the same time the Board makes the offer to lease or sale, the Board may, but is not required to, offer the property for lease or sale to the governing authority of any community school with plans, as stated in applicable contracts, either to relocate to or add facilities in the District.

3. If more than one (1) qualified governing board accepts the Board's offer within sixty (60) days, the Board shall conduct a public auction utilizing the process described above. Only the parties that notify the Board within sixty (60) days may offer a bid at the auction. The Board is not required to accept a bid that is lower than the appraised fair market value of the property as determined by an appraisal that is no more than one (1) year old.

- 3.4. Any subsequent lease or sale of the property shall proceed in accordance with law.

4.5. If no governing authority or board of trustees accepts the offer to lease or buy the property within sixty (60) days after the subsequent offer is made, the Board may offer the property for sale or lease to any other permissible entity.

- E. Further, the Board may dispose of property upon the majority vote of the members of the Board and a concurring vote of the legislative authority of a municipal corporation, declaring that an exchange of real property held by the District for school purposes for real estate held by the municipal corporation for municipal purposes will be mutually beneficial to both the District and the municipal corporation. The exchange may be made by conveyances that are executed by the President and Treasurer of the Board and the Mayor and Clerk of the municipal corporation, respectively.
- F. The Board President and Treasurer shall execute and deliver deeds or other necessary instruments of conveyance to complete any sale or trade under this policy.

Donation of Real or Personal Property

- A. If the School District has property that the Board, by resolution, determines is not needed for school purposes, is obsolete, or is not fit for the use for which it was acquired, the Board may donate the property if the estimated fair market value of such property is \$2,500 or less in the opinion of the Board. The property may only be donated to an eligible 501(c)(3) nonprofit organization located in the State of Ohio and exempt from Federal income taxation under 26 U.S.C. 501(a) and 501(c)(3).

- B. Prior to donating the property, the Board shall adopt a resolution that contains the following:
1. a statement expressing the Board's intent to make unneeded, obsolete or unfit-for-use, District property available to nonprofit organizations;
 2. guidelines and procedures the Board considers to be necessary to implement the donation program;
 3. an indication of whether the District will conduct such program or by a representative under contract with the Board;
 4. contact information for such representative, if the person is known when the resolution is adopted;
 5. a requirement that any nonprofit organization desiring to obtain donated property submit a written notice to the board or its representative that includes:
 - a. evidence that the organization is a nonprofit organization that is located in the State of Ohio and exempt from Federal income taxation;
 - b. a description of its primary purposes;
 - c. a description of the type or types of property the organization needs; and
 - d. the name, address, and telephone number of a person designated by the organization to receive donated property as its agent.

- C. Upon the adoption of the resolution, the Board shall publish at least twice in a newspaper of general circulation, notice of its intent to donate unneeded, obsolete, or unfit-for-use property to eligible nonprofit organizations. The notice must also include a summary of the information provided in the resolution. A similar notice must also be continually posted in the Board's office and on the District's Internet website, if one exists. The second and subsequent notices shall be posted not less than ten (10) and not more than twenty (20) days after the previous notice.
- D. The Board or its representative must maintain a list of:
1. all eligible 501(c)(3) nonprofit organizations that submit a written notice described above; and
 2. a list of all real or personal property that qualifies for the program.

The list of qualifying property must be continually posted at the same locations at which the resolution creating the program must be posted.

1. An item of property on the list must be donated to the 501(c)(3) organization that first declares to the Board or its representative its desire to obtain the item unless the Board previously established in a separate and distinct resolution, a list of eligible 501(c)(3) organizations that are to be given priority for an item's donation.
2. The resolution giving priority to certain nonprofit organizations must specify the reasons for giving the organizations this priority. Such priority may be given based on a direct relationship between the purposes of the organization and specific purposes of the programs provided or administered by the Board.

- E. Members of the Board must consult with the Ohio Ethics Commission and comply with R.C. Chapters 102 and 2921 when donating property to a 501(c)(3) organization of which a Board member, his/her family member(s) or a business associate(s) of a Board member is a trustee, officer, Board member, or employee.

Proceeds from the Sale of Real Property

When the Board disposes of real property pursuant to R.C. 3313.41, the proceeds received from the sale shall be used to retire any debt that was incurred by the District with respect to that real property. Any proceeds in excess of the funds necessary to retire that debt may be paid into the District's capital and maintenance fund and used only to pay for the costs of non-operating capital expenses related to technology infrastructure and equipment to be used for instruction and assessment.

R.C. 3313.17, 3313.40, 3313.41, 3313.413
2 C.F.R. 200.78, 200.85

REVISED POLICY - VOL. 34, NO. 2

DISPOSITION OF SURPLUS PROPERTY

The Board of Education requires the Superintendent to review the property of the District periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of this policy (see Policy 7300).

A. **Instructional Material**

The District shall review instructional materials (i.e. textbooks, library books, manuals, support materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

1. concepts or content that do not support the current goals of the curriculum
2. information that may not be current, or
3. worn beyond salvage

B. **Equipment**

The District shall inspect the equipment used in the educational program periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

1. repair parts for the equipment no longer readily available
2. repair records indicate equipment has no usable life remaining
3. obsolete and/or no longer contributing to the educational program

4. some potential for sale at a school auction, or
5. creates a safety or environmental hazard

C. Disposition

The Superintendent is authorized to dispose of obsolete instructional and other property by selling it to the highest bidder, by donation to appropriate parties, or by proper waste removal. ~~Disposal of surplus property purchased with Federal funds shall be disposed of in accordance with Federal guidelines. If the decision is made to trade an item of personal property as a part or an entire consideration on the purchase price of an item of similar personal property, the personal property may be traded upon such terms as are agreed upon by the parties.~~

Disposal of surplus property purchased with Federal funds shall be disposed of in accordance with Federal guidelines.

When original or replacement equipment 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 District shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with disposition instructions of the Federal awarding agency.

Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent (10%) of the proceeds, whichever is less, for its selling and handling expenses.

The District may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the District shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

R.C. 3313.40, 3313.41
2 C.F.R. 200.312, 200.313

BOARD OF EDUCATION
_____ **SCHOOL DISTRICT**

PROPERTY
7450/page 1 of 3

REVISED POLICY - VOL. 34, NO. 2

PROPERTY INVENTORY

As steward of this District's property, the Board of Education recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall

- ☐ conduct a complete inventory
- | ☒ maintain a continuous inventory

of all Board-owned equipment and supplies

- ☐ annually.
- ☐ every _____ years. **[specify number]**
- ☐ at such intervals as will coincide with property insurance renewal.
- ☐ and G.A.A.P. reporting requirements.

For purposes of this policy "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, costs at least \$5,000_____

- ☐ to replace
- | ☒ as a single unit

and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$5,000_____.

BOARD OF EDUCATION
_____ **SCHOOL DISTRICT**

PROPERTY
7450/page 2 of 3

It shall be the duty of the

- ☐ Superintendent
- ☐ Business Manager
- ☒ Superintendent's Designee _____

to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

- ☐ Major items of equipment shall be subject to annual spot check inventory to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.
- ☐ Property records of consumable supplies shall be maintained on a continuous inventory basis.
- ☐ The _____ shall maintain a system of property records which shall show, as appropriate to the item recorded, the:
 - ☐ description and identification;
 - ☐ manufacturer;
 - ☐ year of purchase;
 - ☐ initial cost;
 - ☐ location;
 - ☐ condition and depreciation;
 - ☐ evaluation in conformity with insurance requirements.

Equipment acquired under a Federal award will vest upon acquisition to the District, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.
- B. The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The equipment may only be used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7300 and Policy 7310, AG 7300 and AG 7310.
- D. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the FAIN), title entity, acquisition date, cost of the equipment, percentage of Federal participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the equipment, and ultimate disposition data, including date of disposal and sale price of the equipment.
- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years.
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.
- G. Adequate maintenance procedures shall be implemented to keep the property in good condition.

