

BOARD OF EDUCATION
POLICY 4080
DISPOSITION OF PROPERTY

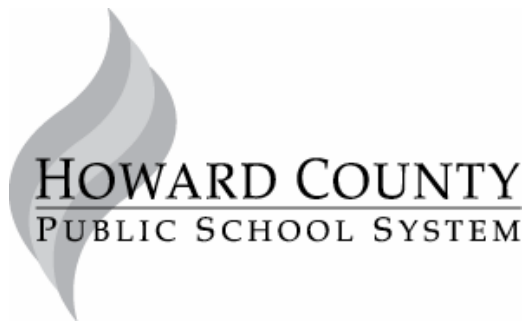
Effective: November 26, 2002

POLICY STATEMENT

The Board of Education of Howard County recognizes that goods and materials may, over time, become obsolete or outdated. The goal of this policy is to provide for the efficient disposal of Board of Education property that has been deemed surplus, obsolete, or of no further significant use to the school system. This policy does not apply to real property.

The Superintendent is directed to develop regulations and procedures for the implementation of this policy.

Original Approval: November 26, 2002



POLICY 4080-R
REGULATIONS
DISPOSITION OF PROPERTY

Effective: November 26, 2002

I. Definitions

- A. Disposition – The sale, trade, scrapping, or other disposal of any item that is deemed to no longer have a significant use to the instructional or support programs of the school system.
- B. Economic Repair – Condition in which the scrap value of an item exceeds the cost of its repair.
- C. Public Sale – The sale of Board of Education property by sealed bid, fixed price, auction, or other generally accepted process.
- D. Real Property - Real estate, buildings, or other property.
- E. Fixed Assets – A financial resource that:
 - 1. Is a computer; or
 - 2. Meets **all** of the following criteria:
 - a. Is tangible in nature.
 - b. Has an extended useful life, at least one year.
 - c. Is not a repair part or supply item.
 - d. Has a value of \$5000 or more.
- F. Salvage – Retention of some component(s) of one item for use in the repair of another like item.
- G. Scrap – Sale of an item that is no longer useable, or its remnants.
- H. Trade-in – A credit or deduction received for property that is being replaced.

II. Regulations

- A. Property of the Howard County Board of Education deemed surplus must meet at least one of the following criteria:
 - 1. It has been condemned for use by the health department or for other safety reasons as determined by the Safety, Environment, and Risk Management Office.

2. It is damaged or worn beyond economic repair.
 3. It will be or has been replaced.
 4. It is considered outdated or obsolete.
- B. The Purchasing Office is responsible for the disposal **or re-utilization** of surplus Board of Education property and in fulfilling this responsibility may:
1. Make the property available for use by another division or office of the school system.
 2. Trade the property in toward the purchase of an appropriate replacement.
 3. Sell the property directly through competitive bidding/auction or for scrap.
 4. Donate the property with authorization from the Superintendent/designee.
 5. Discard the property as refuse and in compliance with any local, state, or federal requirements (e.g., hazardous materials).
- C. The Warehouse is responsible for maintaining records documenting the disposition of all surplus property, including fixed assets (see Policy 4040, Fixed Assets).
- D. Property obtained as the result of federal, state, local, or private grant will be disposed of in accordance with the grantor's conditions. If no conditions exist, then disposal will be in accordance with these procedures.
- E. Real property shall be disposed of pursuant to the provisions of the Annotated Code of Maryland and Board of Education policy.
- F. The Purchasing Office has the authority to terminate disposal proceedings or deviate from these regulations to serve the primary policy and purpose of disposing of property in a manner that best serves the school system's interests.
- G. Proceeds realized from any means of disposal are to be deposited to the Board of Education revenue account.

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I. Determination of Surplus

- A. A principal/program manager/designee must submit a completed Surplus Property Declaration Form to the Purchasing Office to declare an item surplus property.
- B. The completed Surplus Property Declaration Form must be signed by the individual responsible for the item(s) included on the form.

II. Reutilization of Surplus

- A. If a surplus item can be utilized elsewhere in the school system, the Purchasing Office will place it on a Surplus Property List. In the event that an item can be repaired in a cost effective manner, the repairs will be conducted under the direction of the Department of Building Services.
- B. The Warehouse will post the Surplus Property List on the Purchasing Website.
- C. When a school/department requisitions property, the Warehouse will check the Surplus Property List to determine if the request can be filled from that list.
- D. Repairs to furniture or equipment that can be carried out in a cost effective manner will be conducted under the direction of Building Services.

III. Disposal of Surplus

- A. If a surplus item is no longer useable, the Purchasing Office will dispose of the items in one of the following ways:
 - 1. Trade-In
 - a. If the item is being replaced, the Purchasing Office will determine whether trade-in is a feasible means for disposal.
 - b. If the Purchasing Office determines that the item should be traded in, relevant provisions will be noted in the Bidding Document/Purchase Order.

2. Sale
 - a. An item that is not suitable for reuse or trade-in may be sold via informal bidding, sealed bids, public auction, electronic means, or another sales transaction, whichever is deemed to be in the best interest of the Board of Education.
 - b. Upon receipt of payment by the buyer, the Purchasing Officer will transfer the title of item (when appropriate) by issuing and signing a letter of sale.

3. Donations
 - a. The Purchasing Officer may request authorization to donate a surplus item to a charitable or nonprofit organization that has tax-exempt status.
 - b. Donations will be handled on a case-by-case basis and approved by the Chief Business Officer.
 - c. The Chief Business Officer will submit an annual report to the Board regarding the disposal of assets.

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