

# PENN MANOR SCHOOL DISTRICT

ADMINISTRATIVE REGULATION

APPROVED: March 8, 2013

REVISED:

## 706-AR-4. DISPOSAL OF CAPITAL ASSETS

District capital assets that are no longer useful or needed will be disposed of by designated staff, upon proper approval.

The Superintendent or designee must approve all plans for the disposal of district assets. The Superintendent will report the disposal of capital assets to the Board and will seek Board approval when required.

All state and local laws and regulations must be followed, including formal bidding when applicable.

If an asset was purchased with federal funds, it may be necessary to receive federal permission for disposal. The coordinator or supervisor of the federal program from which the asset was purchased will obtain the relevant written authorization.

The Business Manager will be responsible for processing all requests for disposal of an asset, and will provide to the Superintendent or designee the following relevant information:

1. Estimated current market value and how market value was determined.
2. Reason for disposal.
3. Removal method.
4. Related costs.

### Reasons For Disposal

Assets may be available for disposal if they are:

1. No longer required due to changed procedures, functions or usage patterns.
2. Occupying storage space and not needed in the foreseeable future.
3. Noncompliant with health or safety standards.
4. Found to contain hazardous materials.

5. Beyond repair.

### Options For Disposal

Land and buildings must be sold in accordance with applicable laws.

Moveable assets identified for disposal may be disposed of using one of the following means, only after authorization by the Superintendent or Board:

1. Public Bid - A written request giving full details and specifications for the goods offered for sale must be sent to the Superintendent. The sale must be advertised in the local newspaper and posted in the district office. Bids will be received in the Business Office until opening at a public Board meeting. After review by the solicitor, bids will be awarded.
2. Public or Online Auction - A public auction may be conducted by a licensed auctioneer if the anticipated revenues exceed the cost of the auctioneer.
3. Donations - When the district has determined that goods have no residual value, and where their disposal is unlikely to produce offsetting revenue, it may be authorized that the goods be donated to another organization.
4. Trade-In - Items may be traded in when doing so maximizes the net return to the district. The asset number of the item traded and the value of the trade-in must be shown on the purchase order of the number asset.
5. Destroyed/Junked - Items with no market value and no use may be destroyed in an appropriate and safe manner.

The district offers no warranty on the condition of the goods it sells. The advertisement for sale should provide as full a description as possible, specify that the goods are sold “as is, where is” and invite prospective buyers to inspect the goods before the sale.

### Disposals

When disposing of a capital asset, after authorization from the Superintendent or Board, the Business Manager should ensure that the following actions occur:

1. All district tags are removed.
2. Assets are checked for items that are not included in the disposal, such as district stationary, software, records, files, papers, hazardous materials, etc.
3. Arrangements are made for removal.
4. Capital Assets Disposal Form is completed and filed in the Business Office.
5. Inventory records are updated accordingly.

6. Proceeds from the sale are credited to the General Fund budget.