

REGULATION GUIDE

R7300.4 DISPOSITION OF FEDERAL PROPERTY

A. Definitions

1. “Federal property” means all property, real or personal or otherwise, purchased with federal grant funds, including instructional materials.
2. “Excess property” means personal property that is still usable but is no longer needed in a school building or instructional program or administrative office and is not required as a trade-in on a replacement purchase.
3. “Estimated fair value” means the market value of the property between a willing seller and a willing buyer less the cost to the Board to continue storage or maintenance of any excess property.

B. Review

1. The School Business Administrator/Board Secretary will compile a list of excess federal property in the district at the close of each school year.
2. The list of excess federal property will be periodically distributed to all school facilities.
3. Any school may request the School Business Administrator/Board Secretary to transfer excess federal property to a currently or previously funded federal project or arrange a shared-time use with other such projects. Requests will be granted in the order in which they are received.
4. Property transferred to another school or office will be removed from the district-wide list of excess property.
5. Property that has remained on the list of excess federal property for thirty working days or more will be considered to be unusable and will either be traded in or reported to the State Department of Education with a request for disposal.

C. Trade-in

Federal property no longer usable may be traded in or sold and the proceeds are to be used to offset the cost of replacement equipment with the approval of the New Jersey Department of Education. The additional cost to acquire a replacement shall be charged directly to the federal program, if the program budget permits, and provided the Board of Education has approved the transaction by resolution.

D. Disposal

1. Equipment no longer needed with a unit fair market value of \$5,000 or more may be retained for other uses provided compensation is made to the United States Department of Education. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. Payments shall be made to Treasurer, State of New Jersey-New Jersey Department of Education.
2. The School Business Administrator/Board Secretary will request disposition instructions from the Secretary of the United States Department of Education for equipment no longer wanted by the school district.

If so instructed or if the disposition instructions are not issued in one hundred twenty calendar days after the request is received by the Secretary, the equipment will be sold in accordance with No. 3 below.

3. Equipment no longer needed and/or wanted with a unit fair market value of less than \$5,000 and more than fifteen percent of the bid threshold, as per N.J.S.A. 18A:18A-45a, shall be disposed of with no further obligation of the school district and as follows:
 - a. Notice of the date, time, and place of public sale, together with a description of the items to be sold and the conditions of sale, shall be published once in a legal newspaper. (N.J.S.A. 18A:18A-45b)
 - b. A sale shall be held not less than seven nor more than fourteen days after publication of the newspaper notice. (N.J.S.A. 18A:18A-45b)
 - c. If no bids are received, the Board may readvertise the public sale or sell the property at private sale without public notice. Any such property sold at private sale cannot be sold for less than the estimated fair value of the property. (N.J.S.A. 18A:18A-45d)
 - d. The Board may reject all bids if it determines that such rejection is in the public interest. If all bids are rejected, the Board may readvertise the property for a second public sale. (N.J.S.A. 18A:18A-45e)

- e. If the Board rejects all bids at the second public sale, the Board may sell the property at private sale without public notice, provided the selling price at private sale is at least as high as the highest bid received at the two preceding public sales, and the terms and conditions announced at the public sales are unchanged. (N.J.S.A. 18A:18A-45e)
4. Federal property with a unit value of less than fifteen percent of the bid threshold, as per N.J.S.A. 18A:18A-45a, may be disposed of at private sale with no further obligation of the school district and as follows:
 - a. The School Business Administrator/Board Secretary shall establish the sale price and make reasonable efforts to find private buyers. The price charged shall be fair in value, but in no case can it be less than the costs incurred by the Board in arranging the sale and maintaining and delivering the property.
 - b. Property that remains unsold after thirty working days shall be given without cost to another school district or a charitable organization or institute within the school district.
 - c. Property that has not been claimed after thirty working days shall be offered for scrap or, if that is not feasible, discarded.
5. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the Federal project or program, the school district shall retain the supplies for use on non-Federal activities or sell them, but shall, in either case, compensate the Federal government for its share. The amount of compensation shall be computed in the same manner as for equipment.

The supplies acquired with Federal funds may not be used to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute.

34 CFR Subtitle A Section 74.34, 74.35 and 80.32

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