

BUS4.1 - Other Revenues: Sale, Lease, or Exchange of School-Owned Property

B - Business

Revenues from School-Owned Real Estate

Purpose:

To outline the proper management of revenues generated from the rental, lease, or sale of school-owned real estate in accordance with Arizona law.

Rental or Lease of School-Owned Real Estate:

1. **Revenue Collection:**

- All revenues collected from the **rental or lease** of school-owned real estate shall be deposited into the **Civic Center fund**.

2. **Usage of Funds:**

- Monies in the Civic Center fund shall be used for the purposes authorized under **state statutes** and school district policies.

Sale of School-Owned Real Estate:

1. **Revenue from Sales:**

- Revenues from the **sale of school-owned real estate** shall be deposited as per the **allowable uses under state law**.

2. **Compliance with Statutes:**

- The sale and management of proceeds shall comply with the guidelines established by the **Arizona Revised Statutes**, ensuring proper allocation and use of these funds to benefit the district's financial and educational goals.

Legal References:

This policy adheres to the following Arizona Revised Statutes (A.R.S.):

- **A.R.S. 15-342** - Powers and duties of school district governing boards.
- **A.R.S. 15-1102** - Civic center school fund.
- **A.R.S. 15-1105** - Leasing school property.
- **A.R.S. 15-1106** - Sale of school property.

School Properties Disposition

Purpose:

To establish procedures for the sale, lease, or disposal of school property, ensuring compliance with Arizona law and Board policy.

Sale or Lease of Property:

1. **Eligibility for Sale or Lease:**

- The Board may sell or lease school property to the **state, county, city, another school district,**

or a **tribal government agency** if it is required for public purposes, provided that:

- The sale or lease does not affect the normal operation of any school within the District.
- The District complies with **Policy FCB** (Retirement of Facilities) and **A.R.S. 15-189** (Charter Schools).

Disposition of Surplus Materials:

1. Determining Fair Market Value:

- The District shall assess the fair market value of any **excess or surplus property**.
- Disposal shall be through **competitive sealed bids, public auction, trade-in, or state surplus property** per **A.R.S. 15-342**.

2. Alternative Disposal Methods:

- If competitive methods are impractical, alternative methods such as **appraisal** or **barter** may be used, provided the District determines the process is **advantageous**.
- Payment for surplus property must be made via **certified checks, cashier's checks, Postal Money Orders, or cash** unless otherwise approved by the District.

Disposition of Learning Materials and Equipment:

1. Nonprofit Donation:

- The Board authorizes the **Superintendent** to establish procedures for donating surplus or outdated learning materials to **nonprofit community organizations** if the **cost of sale** equals or exceeds the **estimated market value** of the items.

2. Sale to Charter/Private Schools:

- The District may sell used equipment to **charter or private schools** before pursuing other means of disposal.

Competitive Sealed Bidding:

1. Public Notice:

- A **notice of sale** shall be available at least **ten (10) days** before the opening of bids.
- Prospective bidders shall receive notices per **A.A.C. R7-2-1023**.

2. Bid Opening and Award:

- Bids shall be opened publicly, and the award will go to the **highest responsive and responsible bidder** unless the District deems the bid disadvantageous, in which case it may **resolicit bids** or **negotiate** for a higher sale price.

3. Auctions:

- Auctions must be advertised twice in a county newspaper, with at least **seven (7) days** between publications. All sale terms must be available to the public **24 hours** prior to the auction.

Trade-In for Credit:

- Disposal via **trade-in** for vendor credit must be approved if the trade-in value exceeds the expected sale value of the property.

Restrictions on Employee/Board Member Purchases:

- **Employees** and **Board members** involved in the purchase, disposal, or maintenance of surplus material may not purchase or influence the purchase of such property.

State Surplus Property Manager:

- The District may enter an agreement with the **State Surplus Property Manager** for property disposal in accordance with **A.R.S. 41-2601** and the **Arizona Procurement Code**.

Donation of Surplus Items:

- The Board may donate **surplus learning materials, equipment, and furnishings** to **nonprofit organizations** if the **cost of sale** equals or exceeds the **market value**.

Offer to Sell:

- The Board may offer outdated learning materials or equipment for sale at **posted prices** to currently

enrolled **students** before offering them to the public.

Adopted: September 14, 2017

Legal References:

- **A.R.S. 15-189** - Charter schools.
- **A.R.S. 15-341** - General powers and duties of school district governing boards.
- **A.R.S. 15-342** - Disposition of surplus property.