

PERSONAL PROPERTY DISPOSITION POLICY

PROCEDURE PURPOSE:

To provide a standard procedure for declaring personal property as surplus and disposing of surplus personal property in such a manner as to secure the highest dollar value to the Town of Biscoe.

POLICY:

The purpose of this policy is to dispose of personal property in accordance with North Carolina General Statutes Chapter 160A, Article 12. To prevent conflicts of interest, the Town of Biscoe prohibits the disposition of any surplus property to Council members, as well as any other officials or employees actively involved in the decision-making process for the disposition of the asset. The prohibition also extends to the immediate families of the Council members as well as the family members of the affected officials and employees.

OVERVIEW:

To establish the procedures to notify the Town of Biscoe Manager when personal property is no longer of use in the daily operations of the Town of Biscoe and to establish the steps that are involved in the processing of the disposition of any such personal property.

PROCEDURES:

Issuance of Request to Surplus Personal Property

For any furniture, fixture, equipment or vehicle that is no longer of use in the daily operations of the Town of Biscoe, the department head or designee that has budget responsibility for the property should request that the Town of Biscoe Manager approve that the personal property be disposed of by completing a Request To Surplus Personal Property form. The requisition should describe the surplus item (including the year, make and model), the VIN or Serial number, the mileage if the surplus property is a vehicle, and the class code. If there is additional information that would be beneficial to obtaining the highest value for the Town of Biscoe, then that information should be noted in the comments/special considerations section of the form. This includes optional equipment on vehicles such as air conditioning, power windows and door locks, tilt wheel, etc.

SURPLUS PERSONAL PROPERTY INFORMATION

A Surplus Personal Property Information Sheet will be used to:

- describe the property available for sale or exchange,
- indicate whether or not a bid was accepted,
- to whom it was sold, or with whom exchanged,
- and the amount of money or other consideration received for each sale or exchange.

The information sheet should include:

- the property description and the VIN or Serial number (both matching the requisition),
- the placed in-service date,
- the net book value and the estimated fair market value.

(Surplus Personal Property Information Sheet is attached)

Because it is generally unconstitutional for a local government to dispose of property for less than its fair market value, for items not sold at public auction, the Town Clerk should determine the estimated fair market value by using the most independent and verifiable means available. Support for determining the fair market value should be attached to the surplus personal property information sheet. For items sold at public auction, the final sale price is considered the market value of the item sold.

Special consideration must be given to property that was acquired with Grant proceeds. First, the Town Clerk should determine whether or not the property was purchased with Grant proceeds. If it was, then the Town Clerk should determine whether or not the Grant specifies that any funds recouped from its disposition must be returned to the Grantor Agency. If both of these conditions exist, the Town Clerk should mark the "Yes" box on the Surplus Personal Property Information Sheet or otherwise mark "No".

At least annually, the Town of Biscoe will offer the surplus personal property for sale according to the guidelines and limitations for the sale and disposition of personal property as described in G.S. Chapter 160A, Article 12.

Ten (10) days prior to the offer to sale date, the Town Clerk will notify all Department Heads of the details of the surplus property that is available for sale so that if necessary, they can claim the property for use in their department. All surplus property remaining unclaimed after the ten days will be included in the offer to sale.

METHODS OF SALE

The Town of Biscoe adheres to the guidelines and limitations for the sale and disposition of personal property as described in G.S. Chapter 160A, Article 12. Subject to certain limitations the Town of Biscoe may dispose of personal property by:

- (1) Private negotiation and sale;
- (2) Advertisement for sealed bids;
- (3) Negotiated offer, advertisement, and upset bid;
- (4) Public auction (including electronic auction); or
- (5) Exchange

Private negotiation and sale may be used only with respect to personal property valued at less than thirty thousand dollars (\$30,000) for any one item or group of similar items. Personal Property valued at thirty thousand dollars (\$30,000) or more for any one item or group of similar items may be exchanged by private negotiation if the Town of Biscoe receives a full and fair consideration in exchange for its property, or may be sold by any method documented above other than private negotiation and sale, except as permitted in G.S. 160A-277 and G. S. 160A-279.

This policy authorizes the Town of Biscoe Manager to declare surplus any property valued at less than ten thousand dollars (\$10,000) for any one item or group of items, to set its fair market value, and to convey title to the property for the Town of Biscoe in accord with the regulations. The completion of the request to surplus personal property and the surplus personal property information sheet is intended to assure compliance with this policy.

For disposing of personal property valued at ten thousand dollars (\$10,000) or more for any one item or group of items, the Town of Biscoe Council shall at a regular council meeting adopt a

resolution authorizing the Town of Biscoe Manager to dispose of the property by one of the methods of sale noted above which is permitted in G.S. 160A-266(a). A notice summarizing the contents of the resolution shall be published once after its adoption, and no sale shall be consummated thereunder until 10 days after its publication.

NOTICE OF SALE

At least annually the Town Clerk will identify the personal property items that are available for sale and initiate the process to dispose of any such surplus personal property by any means which he or she judges reasonably calculated to yield the highest attainable sale price in money or other consideration, including but not limited to the methods of sale provided in Article 12 of N.C. General Statutes Chapter 160A. For items offered by public notice, the notice should describe the property, include an "as is" clause, and provide the location for inspection. The notice should also provide instructions for the bid submission including the deadline, method of bidding (i.e. in person, by mail, fax or phone), and the name and contact information for bid submission. Bids may be accepted at any time after the notice of sale is published. However, the personal property may not be sold sooner than 10 days after the notice has been published. In computing the 10 days, the Town Clerk should not count the day of publication but should compute the last day of the required waiting period. If the last day is a Saturday, Sunday or holiday, it is not counted, and the time period ends at the end of the next day that is not a Saturday, Sunday or holiday.

PROCESSING PUBLISHED BIDS

For surplus property valued at less than ten thousand dollars (\$10,000) for any one item or group of items. All bids will be reviewed by the Town Clerk. If accepted, the Town Clerk will note the successful bidder's name on the information sheet, notify them that they are the successful bidder and arrange for pickup of the personal property. The procedures as outlined in the terms and conditions of sale should be followed by the Town Clerk to complete the sale process. The Town of Biscoe Manager or his designee's signature should be obtained on any applicable title documents at the time of payment in full.

After obtaining the signed title documents, the Town Clerk should attach a copy of the signed title document to the surplus personal property information sheet and enter the sale of the personal property in the fixed asset system, stamp the surplus personal property information sheet posted and file. All records should be retained for a minimum of three (3) years from the date of the sale, as evidenced by the date on the cash receipt voucher or check.

Once posted, if the sold personal property was originally purchased with Grant proceeds and the Grant specified that any proceeds received upon disposition of the property must be returned to the Grantor Agency. The Town Clerk should prepare a disbursement payable to the Grantor for the amount of the sale.

If the highest bid is less than the estimated fair market value, the Town Clerk may reject the offer. If the highest offer is rejected by the Town Clerk or no offers are received for the property, the surplus property may be retained for future sale, disposed of to obtain any reasonably available salvage value, or disposed of as waste material. No surplus property may be donated to any individual or organization except as allowed by the G.S. and approved by resolution of the Town of Biscoe Council.

For surplus property valued at ten thousand dollars (\$10,000) or more for any one item or group of items, bids will be processed in compliance with General Statute Chapter 160A, Article 12 applicable to the method of sale.

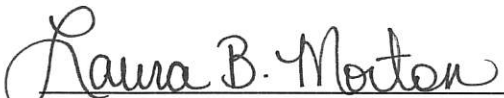
This document replaces all previous versions of this policy in their entirety.

Approved this 9th, of September 2019.




James E. Blake, Mayor

Attest:


Laura B. Morton, Town Clerk

Town of Biscoe

Surplus Personal Property Information Sheet

As provided in the Town of Biscoe's Personal Property Disposition Policy the following are specifics on individual items to be sold at Surplus.

Approved by the Town Manager and/or Town Council on

Description of Property Available	
Property Description (VIN or SN): _____	
Placed In Service: _____	Placed Out of Service _____
Net Book Value or Estimated Fair Market Value: _____	
Was Property Purchased Thru Grant Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, which granting agency: _____	
<i>Note: If it was purchased through grant funding it must be returned to the Grantor Agency.</i>	

Surplus Bids Received & Bid Amount	
Name Of Bidder	Amount Of Bid

Was is Sold Or Exchanged? <input type="checkbox"/> Sold? <input type="checkbox"/> Exchanged?
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Bid Award Information	
Winner of Bid & Contact Information	Amount Of Bid