
HORIZON SCHOOL DIVISION**POLICY HANDBOOK**

Policy Code: FD
Policy Title: Disposal of Division Property
Cross Reference: FL School Closure,
Legal Reference: *Education Act S.192, Municipal Governance Act, S.666-673, Real Property Governance Act, Disposition of Property Regulation*
Adoption Date: December 18, 1996
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POLICY

THE BOARD OF TRUSTEES OF HORIZON SCHOOL DIVISION SHALL FOLLOW THE PROCEDURES OF THIS POLICY WHEN DISPOSING OF SURPLUS, UNSERVICEABLE, AND/OR OBSOLETE REAL OR PERSONAL PROPERTY BELONGING TO THE SCHOOL DIVISION.

DEFINITIONS

Personal Property means property other than Real Property that is movable, including furniture and equipment that is not affixed to a building, vehicles, etc.; whose ownership belongs to the Division.

Real Property means any land, buildings or structures owned or leased, in whole or in part, by the Board, and includes any interest in land, buildings or structures held by the Board including school reserve.

School Reserve is as defined in Division 8 of the Municipal Government Act.

GUIDELINES

1. The sale of all real and personal property will comply with:
 - 1.1. the Real Property Governance Act, the Disposition of Property Regulation, the Municipal Government Act, and board policy in the case of real property; and
 - 1.2. Board policy in the case of personal property.
2. Where the board no longer uses any real property for any specific program, or determines any real property to be surplus, the Board, prior to any sale, disposition or transfer of the real property to any other person,
 - 2.1. shall notify the Minister about the real property, and
 - 2.2. must offer to transfer the real property to the Department of Infrastructure at net book value according to the terms, conditions and manner specified by the Minister.
3. If an offer to transfer is made under 2.2 the Department of Infrastructure shall assess whether the real property should be repurposed or disposed of by the Minister.

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4. After an assessment is made under 3, the Minister shall review the assessment and, if the Minister considers it proper,
 - 4.1. the Minister may take necessary steps for transferring the real property from the Board to the Department of Infrastructure, and
 - 4.2. the Board shall transfer the real property to the Department of Infrastructure in accordance with the terms, conditions and manner specified by the Minister.
5. If, after reviewing the assessment under 4, the Minister decides not to accept the offer to transfer made under 2.2, the Minister shall notify the Board that the Department of Infrastructure will not acquire the real property.
6. The Board shall not offer for sale, sell, dispose of or otherwise transfer to any other person any real property referred to in this section, unless and until,
 - 6.1. the Minister is notified under 2.1, and
 - 6.2. the Board is notified under 5.
7. Some of the guidelines above may not apply to the following real property as per legislation:
 - 7.1. land used for grazing leases or access to grazing leases under the Public Lands Act;
 - 7.2. land provided for affordable accommodation under the Alberta Housing Act with respect to single family accommodation with a caveated interest within the meaning of the Land Titles Act;
 - 7.3. land designated as a contaminated site under the Environmental Protection and Enhancement Act; and
 - 7.4. any other land identified by the Minister in the regulations.
8. The Board shall consider negotiating a right of first refusal option in the sale of any real property. Such right shall provide that the Board will have first option to purchase back the property if it is ever offered for sale by the owner.
9. To classify personal property as surplus, unserviceable, or obsolete individuals must seek approval of the Superintendent of Finance and Operations or designate, prior to sale, disposition, or transfer.
 - 9.1. When personal property is surplus to the needs of one school/facility, the division will endeavor to extend its usefulness through internal transfer of the item(s) prior to sale, disposition, or transfer to any other person.
10. No Horizon owned personal property may be sold, disposed of, or transferred to another person by any employee, school, or the maintenance department because:
 - 10.1. all goods that are purchased or received by a school/jurisdiction are the legal property or responsibility of the Horizon Board of Trustees, and
 - 10.2. the authority to dispose of these items is vested in the Superintendent of Finance and Operations or designate.

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11. Every attempt shall be made to dispose of personal property at “fair market value”.

11.1. Where personal property has no “fair market value” it shall be disposed of in the most efficient and cost-effective manner.

REGULATIONS

1. If the Board cannot identify a use for surplus real property in the foreseeable future, and having considered deferred maintenance, real property condition, and other costs of ownership, determines that it is in the Division’s best interest to dispose of the real property, the Board may declare the real property to be permanently surplus.
 - 1.1. Permanently surplus real property may be leased, provided the Board is relieved of any of its obligations under the lease agreement upon sale or disposition of the surplus real property, and provided the Board retains a termination clause in the event of sale, demolition, or other disposal of the real property.
 - 1.2. Permanently surplus real property may be sold or otherwise disposed of subject to Board approval, provincial legislation, and applicable Joint Use Agreement.
2. The disposition/sale of real property over \$50,000 and personal property that has a value of more than \$10,000 shall be undertaken by the Associate Superintendent – Finance and Operations.
3. The following steps will be followed in disposing of real property that has a value of less than \$50,000:
 - 3.1. sale will be conducted by the Associate Superintendent – Finance and Operations;
 - 3.2. at least two or more current independent appraisals of the market value of the property is required;
 - 3.3. property must be sold via public tenders, a public auction, real estate broker, or any other method with Minister approval;
 - 3.4. the disposal of the real property must be advertised for a minimum of 10 business days in any manner that is commercially reasonable and likely to be seen by the community members and potential buyers; and
 - 3.5. the board may only sell property if the bid, tender, or offer is reasonable, in the opinion of the board with regard to the appraisals it received.
 - 3.5.1. In regard to real property, the Minister approves the sale after the bid, tender, or offer is received.
4. Personal property that has a value of less than \$10,000.00 may be disposed of in consultation with the Associate Superintendent – Finance and Operations and with final approval of the Associate Superintendent – Finance and Operations. The following steps will be taken by the school administrator, department manager/supervisor/coordinator to dispose of personal property.
 - 4.1. If under \$1,000.00 estimated value:

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- 4.1.1. a process for sale or disposition of the personal property, and the finalization of transactions, shall be determined in consultation with the Associate Superintendent – Finance and Operations.
 - 4.1.1.1. Books classified as obsolete/unserviceable may be donated to charitable organizations or disposed of through recyclers to the maximum extent possible.
 - 4.1.1.2. Equipment and furniture classified as obsolete/unserviceable shall be disposed of in as efficient, practical and environmentally friendly manner as possible.
- 4.2. If estimated value is between \$1,000.00 and \$10,000:
 - 4.2.1. seek and obtain approval of the Associate Superintendent – Finance and Operations to dispose;
 - 4.2.2. advertise within the Division the item(s) for transfer, disposal stating the estimated value;
 - 4.2.3. if not transferred, disposed of within the Division, advertise publicly requests for sealed tenders or arrange for a public auction;
 - 4.2.4. highest bid need not necessarily be accepted or if auctioned, reserve bid may be established;
 - 4.2.5. credit of the funds obtained through the transfer, disposition will be determined in conjunction with the Associate Superintendent – Finance and Operations; and
 - 4.2.6. seek permission of the Associate Superintendent – Finance and Operations to finalize disposition.
5. Revenues generated from the disposition of real property and personal property over \$10,000 shall be returned to the Capital Reserve Account.
 - 5.1. Revenues generated from the sale or disposal of personal property with a value less than \$10,000 shall be credited to the school/facility via their decentralized account.