

3505.2200 STANDARDS AND PROCEDURES GOVERNING OWNERSHIP.

This part lists standards and procedures governing ownership, use, and disposition of nonexpendable personal property purchased in whole or in part with state or federal funds. Title must not be taken by the commissioner of education but must be vested in the local education agency subject to the following restrictions on use and disposition of the property:

A. Nonexpendable personal property with an acquisition cost of less than \$500 and used four years or more: the local education agency may divert the property to any approved career and technical program, career and technical administration, or support service or sell the property and retain the proceeds for career and technical education programs.

B. All other nonexpendable personal property with an acquisition cost of \$1,000 or less: the local education agency may use the property for its intended career and technical purpose. If approved career and technical use of the property is discontinued or the property is sold or diverted in some other manner, the commissioner of education is to be credited with its proportionate share of the current fair market value of the property. The current fair market value shall be determined by the sale price in the case of a bona fide sale or by a third party appraisal in the case of some other diversion. The commissioner of education's proportionate share of the property shall be computed by applying the percentage of state funding participation in the property to the current fair market value of the property.

C. Nonexpendable personal property with an acquisition cost of over \$1,000: if the property is not needed for its intended career and technical purpose, the local education agency shall request disposition instructions from the commissioner of education. If instructions are not received within 120 days, the local education agency may dispose of the property at its discretion.

A physical inventory of nonexpendable personal property shall be taken by the local education agency and the results reconciled with the local education agency property records at least once every two years to verify the existence, current use, and continued need for the property. Property records shall be retained for three years after final disposition of the property. The commissioner of education or an authorized representative shall have access to any pertinent property records for the purpose of making examinations.

In addition, when personal property is purchased in whole or in part with federal funds furnished by the commissioner of education, the local education agency shall comply with the appropriate federal regulations regarding standards and procedures governing ownership, use, and disposition of personal property.

Statutory Authority: *MS s 121.11; 124.573; 124.574; L 2007 c 146 art 7 s 3*

History: *12 SR 2746; L 1995 1Sp3 art 16 s 13; L 1998 c 397 art 11 s 3; L 1998 c 398 art 5 s 55; L 2003 c 130 s 12; 33 SR 1857*

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