HOW TO DISPOSE OF YOUR OBSOLETE EQUIPMENT

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Disposal of Obsolete Equipment

• Unless otherwise noted, all the following have advertising requirements (typically in accordance with IC 5-3-1)

  • IC 36-1-11 & IC 5-22-22
    • Doesn’t apply to the lease of school buildings under IC 20-47
    • Disposal of Curricular Materials [IC 20-26-12]

• IC 5-22-22-3
  • “A purchasing agent may sell property that:...(2) belongs to the governmental body but is no longer needed...”
Disposal of Obsolete Equipment (continued)

• IC 5-22-22-4
  • Engage Auctioneer
    • 1 item > $1,000
    • More than 1 item > $5,000

• IC 5-22-22-4.5
  • Internet sales
    • If the site is approved by IC 4-13.1-2-1 and
    • The site is linked to the electronic gateway administered under IC 4-13.1-2-2(a)(5)

• IC 5-22-22-5
  • Public Sale or Sealed Bids
  • Highest responsive bidder
Disposal of Obsolete Equipment (continued)

- IC 5-22-22-6
  - Private sale or transfer w/o advertising if:
    - 1 item < $1,000
    - More than 1 item < $5,000

- IC 5-22-22-8
  - Worthless Property
    - Costs to dispose exceeds expected income
    - Board has to deem it worthless
  - Demolish/Junk

- IC 5-22-22-10
  - Exchange with another governmental unit
  - Both boards adopt substantially the same resolution
Disposal of Obsolete Equipment

• IC 36-1-11-5.5
  • Sell/Transfer to not-for-profit created for educational or recreational
  • No compensation or a nominal fee

• IC 36-1-11-9
  • Trade-ins
Disposal of Curricular Materials

• IC 5-22-22 and IC 36-1-11 defer to IC 20-26-12

• However, IC 20-26-12-3 was repealed effective July 1, 2015

• Our suggestion:
  • Get a legal opinion for your corporation attorney on how to handle this.