



Butte-Glenn Community College District  
**ADMINISTRATIVE PROCEDURE**

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## **AP 6551 Disposal of Agricultural By-Products**

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**References:** Education Code Sections 70902(b)(6); 81450 et seq.; 81460

### **1. Purpose**

This Administrative Procedure provides the procedures for disposing of agricultural by-products and outlines procedures for approval and documentation of sales.

### **2. Definitions**

- 2.1. Agricultural by-product: for the purpose of this section means district personal property including any saleable commodity resulting from teaching, research, or other District activities. Generally, this includes agronomic grain and forage crops, surplus animals and animal products.
- 2.2. Net income: sales revenue remaining following payment of expenses associated with making a by-product available for disposition. Such expenses are beyond the needs of teaching and research and typically include advertising, handling, freight, and harvest.

### **3. Policy**

Board Policy 6550.

### **4. Procedures**

#### **4.1. DECLARATION & DISPOSAL OF EXCESS AND SURPLUS**

- 4.1.1. Departments producing agricultural by-products are responsible for determining surplus status of agricultural by-products and what method of disposal provides the best return or benefit to the District.
- 4.1.2. The department prepares a Surplus Agricultural By-Product Disposal Form (SABD form). The department Dean/Director and Vice President must approve the SABD form.
- 4.1.3. The department disposes of surplus agricultural by-products by the appropriate method as described in Section 4.2 of this Administrative Procedure.
- 4.1.4. If department sells surplus by-products, department completes SABD form, prepares a Butte College Deposit Statement, attaches proceeds and any required supporting documentation for sale and forwards to Business Services – Cash Receipts.
- 4.1.5. The department ensures the buyer removes the agricultural by-product from District property promptly following sale, and accepts the product as is and releases the District from any liability after completion of the sale.

#### **4.2. METHODS FOR DISPOSAL OF SURPLUS AGRICULTURAL BY-PRODUCTS**

When it has been determined that agricultural by-products are surplus to teaching, research, or other activities, the by-products may be disposed of in one of the following ways:

- 4.2.1. The District may sell for cash any District personal property if the property is not required for District purposes, or if it should be disposed of for the purpose of replacement, or if it is unsatisfactory or not suitable for use. District personal property declared as surplus cannot be sold

until notice has been given. Notice must be posted in at least three public places in the District for not less than two weeks; notice may also be by publication for at least once a week for a period of not less than two weeks in a newspaper published in the District and having a general circulation. If there is no such newspaper, then notice can be published in a newspaper having a general circulation in the county in which the District or any part thereof is situated. The Vice President for Administration shall sell the property to the highest bidder, or reject all bids. (Education Code § 81450a)

- 4.2.2. District personal property authorized for sale as surplus may be disposed of by means of a public auction conducted by employees of the District or by other public agencies, or by contract with a private auction firm. The Vice President for Administration shall transfer the personal property to the highest responsible bidder upon completion of the auction and after payment has been received by the District. (Education Code § 81450b)
- 4.2.3. The District may exchange for value, sell for cash, or donate any personal property belonging to the District if all of the following criteria are met:
  - 4.2.3.1. The District determines that the personal property is not required for District purposes, that it should be disposed of for the purpose of replacement, or that it is unsatisfactory or not suitable for school use.
  - 4.2.3.2. The District personal property is exchanged with, or sold or donated to a school district, community college district, or other public entity that has had an opportunity to examine the property proposed to be exchanged, sold, or donated.
  - 4.2.3.3. The receipt of the District personal property by a school district or community college district will not be inconsistent with any applicable district wide or school site technology plan of the recipient district. (Education Code § 81450.5)
- 4.2.4. The District may utilize the services of a county purchasing agent for the sale of personal property. (Education Code § 81451)
- 4.2.5. If the Board, by a unanimous vote of those members present finds that the District personal property, whether one or more items, does not exceed in value the sum of five thousand dollars (\$5,000), the property may be sold by the department at private sale without advertising. (Education Code § 81452)
- 4.2.6. Any item or items of property having previously been offered for sale as provided in Section 4.2.1 of this Administrative Procedure, but for which no qualified bid was received, may be sold by the department at private sale without advertising. (Education Code § 81452)
- 4.2.7. If the Board, by a unanimous vote of those members present, finds that the property is of insufficient value to defray the cost of arranging a sale, the property may be donated to a charitable organization deemed appropriate by the Board, or it may be disposed of in the local public dump on order of the Vice President for Administration. (Education Code § 81452)
- 4.2.8. Sale under contract to an agricultural cooperative or association based on fair market value. (Education Code § 81460)

## 5. General Rules

- 5.1. The money received from the sale of District personal property shall be placed to the credit of the fund from which the original expenditure for the purchase of the property was made. (Education Code 81453) The producer-department may retain in the District's Farm Fund, with prior approval of the Vice President for Administration and the Vice President for Student Learning and Economic Development, net income from the sales of agricultural by-products to support activities that produced the crops, animals, or animal products.
- 5.2. The producer-department shall maintain internal inventory and accounting controls for all disposed agricultural by-products.

- 5.3. The producer-department shall document the basis for the fair market value established for surplus agricultural by-products, based on published sources such as the Wall Street Journal, recent auction results, local newspapers, or USDA AMS Market News Report.
- 5.4. Any exceptions to this procedure require the prior approval of the Superintendent/President or Vice President for Administration.
- 5.5. Sales of agricultural by-products to District employees, or to their near relatives, of the department producing or selling the by-product are prohibited except under the following circumstances:
  - 5.5.1. During a public auction or sale.
  - 5.5.2. When purchased through a vendor under contract with the District who simultaneously offers the same commodities to the general public.
  - 5.5.3. Upon exception by the Superintendent/President or Vice President for Administration.
- 5.6. In accordance with state law and District Administrative Procedures 2710 and 2715, no member of the Board of Trustees shall be a purchaser at any sale of surplus property by the District.

Approved: 10/13



## SURPLUS AGRICULTURAL BY-PRODUCTS DISPOSAL FORM

### INSTRUCTIONS

See Administrative Procedure 6551 Disposal of Agricultural By-Products for complete instructions.

1. Use this form to report agricultural by-products that are surplus to the district's needs for sale or disposal.
2. Complete a separate form for each by-product. Multiple quantities of like items may be listed on one form.

DEPARTMENT NAME	CONTACT NAME	DATE

### BY-PRODUCT DETAILS

DESCRIPTION	QUANTITY	FAIR MARKET VALUE	LOCATION

### RECOMMENDED DISPOSAL METHOD

<input type="checkbox"/> Transfer/Sell to Other District Dept.	<input type="checkbox"/> Donate
<input type="checkbox"/> Sale under Contract to Agricultural Cooperative or Association	<input type="checkbox"/> Salvage
<input type="checkbox"/> Sell to Public	<input type="checkbox"/> Other (specify)

### DELIVERY & SALES INFORMATION

<b>Item Delivery:</b>	<input type="checkbox"/> Delivered by Department	<input type="checkbox"/> Picked up by Buyer	<input type="checkbox"/> On View at Location
<b>Potential Buyers:</b> <small>Note: All price negotiation is to be handled by authorized person in producer-department.</small>	Name: _____	Address: _____	Phone: _____
	Name: _____	Address: _____	Phone: _____
	Name: _____	Address: _____	Phone: _____
<b>Additional Information:</b> (Attach separate page if necessary)			

### DEPARTMENT APPROVAL

Authorized Department Signature	Dean/Director	Vice President
Date: _____	Date: _____	Date: _____

### DISTRIBUTION

Originating Department, If Sold - Business Services

#### For Business Services Use Only

<b>RECEIPT BY:</b>	NAME: _____	DATE: _____
<b>CREDIT FUND:</b>	BUDGET CODE: _____	AMOUNT: _____
		DATE: _____