

# **POLICY FOR THE DISPOSAL OR SALE OF THE CLEARLAKE KEYS PROPERTY OWNERS ASSOCIATION (POA) ASSETS**

adopted September 16, 2014

The Board of Directors has adopted the following policy for the disposal or sale of assets of the Clearlake Keys Property Owners Association (POA). This policy is intended to provide a procedure to be followed to determine if it is in the best interests of the POA to dispose of or sell any asset of the POA and the best method to accomplish the task. If it is determined the asset should be sold, it sets forth the proper procedure to ensure it is properly advertised to procure the best possible return on the sale of the asset, and to ensure it is properly accounted for in the financial records of the POA.

## **A. Determination to dispose of a POA asset.**

Any member of the organization who believes an asset of the POA should be disposed of or sold must first bring their idea, with justification, to a Board member to have the discussion placed on the agenda of the next Regular Board Meeting.

- The Board member will request the Treasurer to determine the current value of the asset in the POA books to be available during discussion at the meeting.
- The Board member will then present the justification to the Board at the meeting.
- All Board members will then entertain discussion for or against the disposal or sale of the asset from the members in attendance or correspondence received.
- All Board members will review and discuss the information provided from all sources.
- The Board may then make the decision, or defer to a future meeting if more information is needed, to dispose of or offer for sale the item brought forward.

## **B. Determination made – Dispose of asset.**

The Board will discuss options that could be used to fully dispose of the asset and make the decision on the method of disposal at the meeting where the determination was made, or defer to a future meeting if more research must be done to determine the proper method of disposal.

## **C. Determination made – Sell asset.**

The Board will determine the minimum bid that will be accepted for the sale of the asset, taking into account current market conditions and the value of the asset on the books of the POA. This minimum bid may be set at the meeting where the determination to sell was made, or defer to a future meeting if more research must be made to determine the minimum bid.

The Secretary will prepare a Notice of Intent to Sell an Asset and post same as required by all meeting notices. The Notice must contain the following:

- Description of the Asset
- Minimum bid that will be accepted by the POA
- How to submit a bid for the asset
- The deadline to submit a bid

The Notice of Intent to Sell must be posted for a minimum of 3 weeks and the President will instruct the webmaster to send a copy of the Notice by email blast to all members who have signed up for such service at least once during the 1<sup>st</sup> week of the 3 weeks the notice is to be posted.

If the deadline to submit bids is more than 2 weeks before the next Regular Board meeting, the Board may meet in Executive session to consider the bids received. If the consideration is in Executive session and the highest bid is not accepted, all bids must be presented at the next Regular

meeting and justification for not accepting the highest bid must be discussed before the final decision can be made.

If the highest bid is accepted at an Executive session, the bids presented and the decision will be reported at the next Regular Board meeting. The Board President will do what is necessary upon conclusion of the Executive session to complete the sale of the item.

Once a bid is accepted at a Regular Board meeting, whether highest bid or justified lower bid, the Board President will do what is necessary to complete the sale of the item.

**D. Conflict of Interest.**

Any Board member who has expectations of submitting a bid for any item determined to be sold by the POA, may not participate in the decision to sell the item, the determination of the minimum bid that will be accepted for the item, opening of the bids, or determination of the successful bidder.

**D. Treasurer's Records.**

Any income derived over and above the depreciated value of the asset in the Treasurer's records will be recorded as Other Income with a memo naming the asset. The depreciation expense in the Treasurer's records will be reduced by the depreciation attributable to the asset that was sold.