

Subject: Disposal Of Cooperative Assets Policy			Policy No.: 129
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PURPOSE

To provide a uniform procedure that assumes conformance with approved mortgage and budgetary guidelines.

ACCOUNTABILITY

The Board of Trustees and the General Manager are accountable for the implementation of and adherence to this policy.

SCOPE

This policy addresses the sale or trade of surplus materials, equipment, and real estate by Jemez Mountains Electric Cooperative, Inc. (JMEC).

POLICY

1. Authorization

The sale or trade of any JMEC materials, equipment, and real property must be included in one of the following formats authorized by the Board of Trustees:

- a. Operations and Maintenance Budget
- b. Capital Budget
- c. Special Authorization for the sale or trade of non-budgeted materials, equipment, and real property.
- d. Material, supplies, inventory or equipment with a book value over \$20,000 that has become surplus/obsolete with Board approval..

2. Specific Authorization

The General Manager may approve and execute contracts and other documents for the sale or trade of materials and equipment, with a value of up to \$20,000 without additional action by the Board of Trustees. The General Manager may delegate this authorization in writing. In emergencies, the President of the Board of Trustees and the General Manager will contact the available members of the Executive Committee, and, if authorized to do so by at least two (2) of such members, the above limit may be exceeded.

3. Surplus/Obsolete Designation

The General Manager will determine whether there is a need for the asset before disposition of any asset. If there is not a need, it may be declared surplus/obsolete.

4. Disposition of Assets

Any sale or trade of assets will be accomplished by those designated by the General Manager in accordance with this policy and Rural Utilities Service (RUS) policies and guidelines. The selling price or trading value will not be less than present fair market value with the goal of achieving the highest price or greatest value to JMEC for the asset sold or traded.



Sales or trades will comply with all relevant RUS requirements as contained in Bulletin 1717M-2, "Sales of Capital Assets by Electric Borrowers." All appropriate approvals required by law, RUS, mortgages, and the Articles of Incorporation and Bylaws of JMEC will be obtained prior to the sale or trade of the asset.

Documents required to transfer ownership will be delivered only after the receipt of certified cashier's check or cash to JMEC.

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5. **Use of Proceeds**

The proceeds from the sale or trade of mortgaged assets will be used to repay debt or reinvested as directed and approved by the Board of Trustees and, if applicable, by RUS.

	Chairman of the Board	Date: 
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