

Special Education Vehicle Disposal

An LEA may choose to dispose of a vehicle purchased with IDEA grant funds by selling the vehicle or by choosing to no longer use it solely for the purposes of special education.

Equipment purchased with IDEA funds must be used by the program as long as the program need exists. To “dispose” of a vehicle, the LEA must determine that the special education program no longer needs the vehicle. While factors such as age and size of the vehicle may be taken into consideration, the LEA may not re-purpose a vehicle for general education use and purchase a new vehicle with IDEA funds simply because the funds are available to do so.

If an LEA chooses to dispose of a vehicle that was purchased with IDEA grant funds, the following options are available:

1. If the vehicle has a current fair market value of less than \$5,000 it may be re-purposed for general education use, sold, or otherwise disposed of with no further obligation to DPI.
 - If the vehicle is re-purposed for general education use or otherwise disposed of, no additional financial transactions between general education (fund 10) and special education (fund 27) are required.
 - If the vehicle is sold and revenue received, the revenue should be coded as Compensation for Sale or Loss of Fixed Assets (source 860) in fund 27.
2. If the vehicle has a current fair market value of \$5,000 or greater, it may be re-purposed for general education use or sold, but the value of the vehicle must be reinvested into the special education program or returned to DPI (who in turn will send the funds to the US Department of Education). DPI will accept:
 - If the LEA chooses to sell the vehicle and reinvest the revenue into the special education program, the LEA must code the revenue received as Compensation for Sale or Loss of Fixed Assets (source 860) in fund 27.
 - If the LEA chooses to re-purpose the vehicle for general education use, the LEA must code the fair market value of the vehicle as equipment expense in fund 10 and Compensation for Sale or Loss of Fixed Assets (source 860) in fund 27.
 - If the LEA chooses to sell the vehicle and return the funds to the US Department of Education, please contact DPI Special Education staff Rachel (rachel.zellmer@dpi.wi.gov) or Nico (nicholas.mittnacht@dpi.wi.gov) who will provide further instructions on the return of funds.
3. Any proceeds recorded as source 860 is an offset to an LEA’s maintenance of effort expenditures, so the LEA must monitor its maintenance of effort levels to be certain that at least one of the four tests is met. In addition, the LEA should be aware that when completing the PI 1505 Annual Report for the School Financial Services team, the LEA will be asked to enter an explanation into the addendum for miscellaneous revenue received.
4. To determine the fair market value of the vehicle, the LEA should rely on the expertise of an auto dealership or self-identify the value through websites such as Kelley Blue Book (www.kbb.com). Ultimately the LEA should be able to justify the development of the fair market value.

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