

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.F.05

AREA: Asset Management

SUBJECT: Conveyance of Real Property

1. PURPOSE

- 1.1. This administrative memorandum establishes procedures for the conveyance of real property or any interest in real property.

2. POLICY

- 2.1. Real property or any interest in real property shall be sold when it is determined to be in excess of the needs of the University of Houston System or when it is determined to have no value for the purpose for which it was originally intended.
- 2.2. The System recognizes the fiduciary responsibility to conduct a market analysis and to sell real property at fair market value. Property may be sold for less than fair market value at the discretion of the Board of Regents.
- 2.3. Board Policy 01.04 states that Board approval in an open meeting is required for any contract for the purchase, sale, or conveyance of real property, which includes the conveyance of any rights in real property.

3. PROCEDURES

- 3.1. Two designated appraisals shall be obtained on the real property in order to ascertain a fair market value.
- 3.2. All sales of real property shall either be competitively bid, or listed with a local realtor.
- 3.3. Sales by competitive bidding shall provide for sufficient public notice of the sale, timely solicitation of sealed bids (when applicable), accurate legal description of the property or property interest, adequate and convenient time for public inspection prior to the sale, and a provision for rejection of any and all bids.
- 3.4. Sale by sealed bid shall be advertised at least one time in at least one newspaper of general circulation in the county where the property or property interest is located.
- 3.5. All sales shall be for cash or bankable equivalent.

- 3.6. Contracts for sale or conveyance of real property or any interest in real property shall be reviewed by the Vice Chancellor for Administration and Finance.
- 3.7. Recommendation for Board approval shall be submitted once the contract has been reviewed and approved as to the form by University Counsel.
- 3.8. The Chancellor shall execute Board approved contracts for the sale or conveyance of real property or any interest in real property.
- 3.9. Proceeds of the sale shall be allocated for the purposes authorized in the current operating budget or, if endowed, in accordance with donor specifications.

4. REVIEW AND RESPONSIBILITY

Responsible party: Vice Chancellor for Administration and Finance

Review: Annually on or before May 1

5. APPROVAL

Approved: Alexander Schilt
Chancellor

Date: October 26, 1993

6. INDEXING TERMS

Real Property