**Sale of Timberlin – Research / Discovery**

The following is a Federal Regulation pertaining to the disposition of property acquired with Federal funds (Thank you Mr. Paradis). I consulted with Corporation Counsel to confirm if the language in this regulation was sufficient for us to make a definitive conclusion. He stated that the provision cited is from the US Code and pertains only to OMB and we need to find out which agency awarded the grant to the Town and the year in which it was awarded.

Based on the documents we have, it appears that the grant was awarded by HUD in 1967. Since we don’t have a copy of the award letter, we have reached out to HUD for their assistance. Once we hear back from HUD, we should be able to make a conclusion based on what is in the award letter and / or the regulation at that time.

### § 200.311 - Real property.

(a) *Title.* Subject to the requirements and conditions set forth in this section, title to real property acquired or improved under a Federal award will vest upon acquisition in the non-Federal entity.

(b) *Use.* Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests.

(c) *Disposition.* When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives:

(1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property.

AUTHORITY: [31 U.S.C. 503](https://www.govregs.com/uscode/title31_subtitleI_chapter5_subchapterI_section503)

SOURCE: 78 FR 78608, Dec. 26, 2013, unless otherwise noted.

CITE AS: 2 CFR 200.311