



# ALBUQUERQUE HOUSING AUTHORITY

Empowering people in our community through affordable housing and self-sufficiency opportunities

## AHA Policy

AHA Policies are in place to ensure accuracy, transparency, and accountability for all AHA programs and AHA employees. AHA staff strives to deliver services with honesty, integrity and goodwill. All policies are written under the guidelines of all Federal HUD polices, regulations, and training.

**Policy:** PERSONAL PROPERTY DISPOSITION POLICY  
**Description:** Disposal of AHA property, assets, and or inventory  
**Date:** July 1, 2014

## Purpose

The Board of Housing Commissioners of the Albuquerque Housing Authority (AHA), recognizing the importance of realizing the maximum possible net proceeds of assets or inventory disposed by AHA, approved the Disposition Policy, with the understanding that it is the responsibility of the Executive Director and the Director of Finance to ensure that such dispositions are carried out in a way that is most financially beneficial to AHA and in accordance with applicable State and Federal regulations and requirements.

## Responsibilities

It is the responsibility of the Executive Director and the Director of Finance to have written uniform procedures for the disposal of AHA property that comply with applicable State and Federal regulations and requirements, including: Title 24 of the Code of Federal Regulations (“CFR”), Part 85; Title 24 CFR, Part 970; and New Mexico Statutes Annotated, Chapter 13, Article 6. It is the responsibility of all managers to ensure that employees involved in the procurement process completely understand the policy and procedures, take the necessary steps for implementation of the procedures, and ensure these practices are followed in regards to all AHA property.

## Definitions

**Property:** Tangible personal property owned by AHA and either acquired through federal grants or sub-grants, or separate AHA funds.

**Disposable Property:** Tangible personal property that is determined by AHA to be of current resale value of five thousand dollars (\$5,000.00) or less and worn out, unusable or obsolete to the extent the item is no longer economical or safe for continued use by the AHA.

## Policy

Property belonging to AHA shall not be sold or exchanged except through compliance with applicable State and Federal regulations and requirements, and if sold, then only at the highest possible return. Periodically it is necessary for the AHA to dispose of excess, obsolete, or irreparable equipment or inventory. Sales of such Property shall be made in the following manner:



- A. Provided an official finding has been made that the item of property meets the definition of Disposable Property, the AHA may sell or otherwise dispose of the Disposable Property belonging to the AHA, upon completing the following:
  - i. A committee of at least three of the Board of Housing Commissioners approves the disposition.
  - ii. Notification is provided to the State Auditors Office at least thirty (30) days prior to the sell or disposition. This notification shall include the official finding and proposed disposition of the item, and evidence of the approval of the oversight committee.
  - iii. A copy of the official finding and proposed disposition is made part of the official minutes of the Board of Housing Commissioners.
- B. The AHA may sell or otherwise dispose of Property having a current resale value of more than five thousand dollars (\$5,000.00) if a written determination has been made and the sale or disposition has been approved by the AHA Board of Commissioners.
- C. The sale or disposition of Property with a resale value of more than five thousand dollars (\$5,000.00) must be approved by the local government division of the department of finance and administration. This approval is not required if the Property is used as trade-in or exchange on new equipment.
- D. Property may be disposed of by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico, to other state agencies, local public bodies, school districts, state educational institutions or municipalities; or by means of competitive sealed bid or public auction. If unable to dispose of the property pursuant to these means, the property may be sold, or if no value, donated to **other state agencies, local public bodies, school districts, state educational institutions, municipalities, or** any organization described in Section 501(c)(3) of the Internal Revenue Code.
- E. Property that cannot be disposed of using any of the methods described above may be destroyed or otherwise permanently disposed of in accordance with applicable laws.
- F. If the Board of Housing Commissioners determines that the Property is hazardous or contains hazardous materials and cannot be used safely, the property can be disposed of properly without going through the process described in section D above.
- G. Property will not be donated to any employee or relative of an employee; however, employees and their relatives can participate in a public auction.
- H. Any sale of equipment acquired by grant or sub-grant may be sold to offset the purchase price of new equipment subject to the approval of HUD.
- I. If AHA is required or authorized to sell Property, procedures must be established to ensure the highest possible return on the sale.
- J. The disposition of Property with fair market value of less than \$5,000.00 may be sold with no further obligation to HUD. For any disposition of Property with a fair market value greater than \$5,000.00, then, pursuant to applicable federal regulations, HUD has a right to the amount calculated by multiplying current market value or proceeds from the sale by HUD's share of equipment.

## Computers

- A. In the event that a computer is included in a planned disposition, AHA shall sanitize or effectively make "inaccessible" all licensed software and any electronic media pertaining to the agency. Sanitizing erases or overwrites totally and unequivocally, all information stored on the media. There are three basic approaches:
  - 1. Commercial degaussing product to erase magnetic disks;
  - 2. Overwriting stored data a minimum of five times;
  - 3. Reformatting the drives (F diskling).
- B. Prior to disposition of any digital equipment with storage capabilities AHA shall erase stored data.
- C. Any disposition of computers must include a certification in writing of the proper erasure or destruction of the hard drive and submit the certification along with the notification of the proposed

disposition of property to the State auditor at least thirty days prior to taking action to dispose of the asset.

- D. These requirements apply even if the original purchase price of the computer was less than \$5,000.00 and/or not included in the capital asset inventory.

### **Non-Capitalized Assets**

Other than Computers, the above policies apply to Property that met the capitalization threshold when acquired and are included on the agency's capital asset list. Property that is not on the capital asset list will be disposed of according to AHA procedures.

### **State Auditor Notifications**

- A. At least thirty (30) days prior to any such disposition of Property on AHA inventory list or Computers, written notification of the official finding and proposed disposition, and must be sent to the state auditor by the Board of Commissioners.
- B. Notification letters should include the following:
  - i. Signatures duly sworn and subscribed under oath by each member of the AHA oversight committee approving the disposition prior to the disposition action (or a copy of the board minutes showing that the governing board approved the disposition).
  - ii. The method by which the agency intends to dispose of the property.
  - iii. A written certification by the agency that the hard drives of all digital equipment with storage capabilities have been erased (or destroyed) or will be erased or destroyed (as applicable).
  - iv. A list of the items to be disposed of.
- C. Approval from the State Auditors Office is not required. If all items as required are provided a response will not be received from the State Auditors Office. If AHA fails to comply then the State Auditors Office will issue a deficiency letter. The State Auditors Office may notify AHA's external auditor if their review of the information indicates that AHA is in noncompliance.

### **Exclusions**

Disposition of real property is not covered under this policy. At current all real property owned by AHA was acquired with HUD funds and the disposition of that real property requires the approval of HUD and would follow HUD regulations. If at any time in the future AHA acquires real property with non-HUD funding, any disposition of that real property would be subject to NMSA 1978 Section 13-6-2.

### **References**

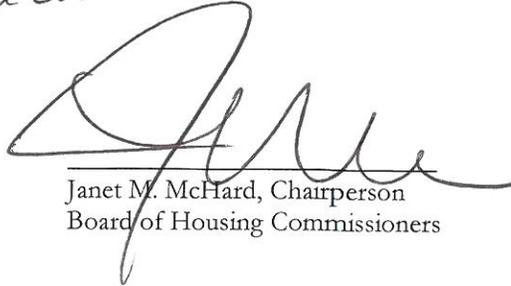
24 CFR Section 85.32 and 24 CFR Part 970.  
New Mexico Statutes Annotated, Chapter 13, Article 6, Sale of Public Property.  
NMAC 2.2.2.10V

### **Record Keeping**

All items sold will have a completed disposition form, bill of sale, corresponding receipt and deposit slip. A copy of all signed forms and certifications will be kept for record purposes in the Accounting Department.

AHA certifies that use and implementation this AHA Personal Property Disposition Policy was approved by adoption of a policy Resolution by the AHA Board of Housing Commissioners.  
PASSED and ADOPTED this 10<sup>th</sup> day of July, 2014  
BY A VOTE OF 4 FOR AND 0 AGAINST.

Members absent from meeting: 1 - Teodor Clark  
Members abstaining from voting: 0  
Members voting against: 0



Janet M. McHard, Chairperson  
Board of Housing Commissioners

ATTEST:



Linda Bridge, Secretary to the Board  
Executive Director